



## Legislation Text

File #: 20-1493, Version: 1

**Dept/ Agency:** Economic and Housing Development

**Action:** ( ) Ratifying (X) Authorizing ( ) Amending

**Type of Service:** Assignment of Contract Agreement

**Purpose:** To consent to the Assignment of a Financial Agreement from Center City Apartments Urban Renewal, LLC to New Center City Apartments Urban Renewal, LLC for an affordable housing project located at 40-44 W. Kinney Street and 76-80 Court Street, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 100, Lot 14, and Block 116, Lots 18 and 20. (Central Ward)

**Entity Name:** New Center City Apartments Urban Renewal, LLC

**Entity Address:** c/o The NHP Foundation, 122 E. 42<sup>nd</sup> Street, Suite 4900, New York, New York 10168

**Contract Amount:** \$0.00

**Funding Source:** \$0.00

**Contract Period:** Not Applicable

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS  
( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ  
( ) Private Sale ( ) Grant ( ) Sub-recipient (X) n/a

**List of Property:**

(Address/ Block/Lot/Ward)

40-44 W. Kinney Street/Block 100/Lot 14/Central Ward

76-80 Court Street/Block 116/Lots 18 and 20 (add'l lot)/Central Ward)

**Additional Information:**

**WHEREAS**, on March 20, 2019, the Municipal Council adopted Ordinance 6PSF-c, granting a thirty (30) year long term tax abatement to Center City Apartments Urban Renewal, LLC (“Assignor”) pursuant to the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the “Long Term Tax Exemption Law”), for a project to rehabilitate two (2) buildings containing forty-nine (49) affordable housing units, including, without limitation, installation of new kitchens, baths, radiators, boilers, hot water heaters, and elevators located at 40-44 W. Kinney Street and 76-80 Court Street, Newark, New Jersey 07102 and identified on the Official Tax Map of the city of Newark, as Block 100, Lot 14, and Block 116, Lots 18 and 20 (the “Project”); and

**WHEREAS**, on April 9, 2019, the City of Newark (the “City”) entered into a Financial Agreement with Center City Apartments Urban Renewal, LLC, governing the tax abatement for the Project (the “Financial Agreement”); and

**WHEREAS**, as set forth in Section 3.01 of the Financial Agreement, the Project shall be exempt from taxation for thirty (30) years from the date of the Financial Agreement; and

**WHEREAS**, the Assignor has entered into a contract with New Center City Apartments Urban Renewal, LLC (the “Assignee”), to transfer its interest in the Project; and

**WHEREAS**, as set forth in Article IX of the Financial Agreement, the City must consent to the transfer of the Project and the assignment of the Financial Agreement; and

**WHEREAS**, the Assignee has filed an application with the City (the “Application”) seeking City consent to the transfer of the Project and the Financial Agreement from the Assignor to the Assignee; and

**WHEREAS**, the City has reviewed Application and has determined that the Assignee has the capacity and experience to own and operate the Project and to assume all of the rights and obligations of the Assignor under the Financial Agreement; and

**WHEREAS**, the Municipal Council wishes to adopt this resolution in order to reflect the City’s consent to the transfer of the Project and the Financial Agreement to the Assignee and to authorize the Mayor of the City of Newark to enter into and execute, on behalf of the City, an Assignment and Assumption Agreement between the City, Assignor and Assignee.

**NOW, THEREFORE BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The City hereby consents to: (i) the conveyance of the Project by Assignor to Assignee; and (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee.

2. The Municipal Council hereby authorizes the Mayor of the City of Newark to enter into and execute, on behalf of the City, the Assignment and Assumption Agreement of Financial Agreement amongst the City, the Assignor and the Assignee in the form attached hereto.

3. The long term tax abatement for the Project will expire in accordance with the terms of the Financial Agreement and will remain in effect until such time provided that the Assignee complies with all applicable State statutes, City Ordinances and Resolutions and terms of the Assignment Agreement and Financial Agreement. This resolution will not extend the period of the tax abatement beyond the date of expiration.

4. The Assignee shall pay all outstanding amounts due to the City, including without limitation, all water and sewer charges and all other amounts due under the Financial Agreement, within thirty (30) days of the adoption of this resolution.

5. The Assignment Agreement, once fully executed, shall be filed by the Deputy Mayor/Director of the Department of Economic and Housing Development with the Office of the City Clerk.

6. This resolution shall take effect immediately.

### **STATEMENT**

This resolution memorializes the City’s consent to: (i) the transfer a project containing forty-nine (49) affordable housing units located at 40-44 W. Kinney Street and 76-80 Court Street, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 100, Lot 14, and Block 116, Lots 18 and 20 by Center City Apartments Urban Renewal, LLC to New Center City Apartments Urban Renewal, LLC; and to (ii) the assignment of the Financial Agreement governing

the Project from the Assignor to the Assignee. This resolution also authorizes the Mayor of the City of Newark to enter into and execute, on behalf of the City, an Assignment and Assumption Agreement with the Assignor and the Assignee in the form attached to the resolution.