



Legislation Details (With Text)

File #: 13-0537 **Version:** 1 **Name:** Fairmount and Eleven/Eleven Senior Residences

Type: Resolution **Status:** Filed

File created: 3/15/2013 **In control:** Economic and Housing Development

On agenda: 5/1/2013 **Final action:** 5/1/2013

Title: Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Affordable Housing Agreement
Purpose: To provide HOME Program funds to subsidize the construction and pre-development costs of eleven (11) of the sixty-one (61) units within the multi-family rental project. The HOME assisted units will be affordable to low and very low income individuals
Entity Name: Fairmount Senior Genesis Housing Urban Renewal Partnership, LLC
Entity Address: 594 Broadway, Suite 1107, New York, New York 10012
Grant Amount: \$1,875,000.00
Funding Source: HUD, HOME Funding
Contract Period HOME funds provided under the Agreement shall be for a period of two (2) years, and not to exceed four years, from the date of adoption by the Newark Municipal Council
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale (X) Grant () Sub-recipient () n/a
List of Property:
(Address/Block/Lot/Ward)
124-130 Fairmount Avenue/ /Block 259/ Lot 21/ West Ward
111-117 Eleventh Avenue/ Block 1826/ Lot 35/ West Ward
Additional Information:
Proposed funding:
1st Mortgage \$1,500,000.00
FHLB AHP \$600,000.00
Deferred Developer Fee \$870,000.00
LIHTC Equity \$11,429,318.00
Unsecured Source \$3,104,091.00
Resolution 7R3-f(S) 090111, Approved Thirty (30) year Tax Abatement
Resolution 7R3-g (AS) 080311, Supported application for NJHMFA Low Income Tax Credit funding

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
5/1/2013	1	Municipal Council	Adopt	Pass

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Resolution 7R3-g (AS) 080311, Supported application for NJHMFA Low Income Tax Credit funding

WHEREAS, the City of Newark desires to enter into an Affordable Housing Agreement (the "Agreement") with Fairmount Senior Genesis Housing Urban Renewal Partnership, LLC ("the Entity") having its principal place of business at 594 Broadway, Suite 1107, New York, New York 10012; and

WHEREAS, the City of Newark desires to provide the entity with Federal HOME program funds in the form of a deferred loan for a period of thirty (30) years, pursuant to the HOME program (24 CFR part 92) and any amendments, thereto; and

WHEREAS, the Agreement is for the amount of One Million Eight Hundred Seventy Five Thousand Dollars (\$1,875,000.00) in federal HOME program funds for the construction and pre-development costs of a scattered site development project with a total of sixty-one (61) rental units. The Fairmount site will be located on 124-130 Fairmount Avenue Newark, New Jersey 07103 (Block 259, Lot 21) (West Ward) and will consist of multi-family structure with a community room and twenty two (22) rental units. The Eleven/Eleven site will be located at 111-117 Eleventh Avenue Newark, New Jersey 07107 (Block 1826, Lot 35) (West Ward) and will consist of a community room and thirty nine (39) rental units (both sites shall be collectively referred to as the "Project"). The units will be occupied by individuals 55 and over, frail elderly, and homeless individuals with a preference for homeless and/or disabled military veterans; and

WHEREAS, it is in the best interest of the City of Newark and the Department of Economic and Housing Development to establish contractual guarantees and procedures by which the City of Newark will ensure the Entity's compliance with the requirements of the federal HOME program for the time and in the manner set forth in the Agreement for the receipt of said HOME program funds.

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

1. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a Affordable

Housing Agreement (The “Agreement”) with Fairmount Senior Genesis Housing Urban Renewal Partnership, LLC (“the Entity”), having its principal place of business at 594 Broadway, Suite 1107 New York, New York 10012 for Federal HOME program funds in the amount of One Million Eight Hundred Seventy Five Thousand Dollars (\$1,875,000.00) to subsidize the construction and pre-development costs of a scattered site development project with a total of sixty-one (61) rental units. The Fairmount site will be located on 124-130 Fairmount Avenue Newark, New Jersey 07103 (Block 259, Lot 21) (West Ward) and will consist of multi-family structure with a community room and twenty two (22) rental units. The Eleven/Eleven site will be located at 111-117 Eleventh Avenue Newark, New Jersey 07107 (Block 1826, Lot 35) (West Ward) and will consist of a community room and thirty nine (39) rental units (both sites shall be collectively referred to as the “Project”). Eleven (11) of the sixty-one (61) units within the Project shall be assisted with HOME funds.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to establish a declaration of covenants, conditions and restrictions to ensure that the Project remains affordable for a period of thirty (30) years. Said covenants, conditions and restrictions shall run with the land and bind the Entity and any subsequent purchasers and owners, their heirs, executors, administrators and assigns and all persons claiming by, through or under their heirs, executors, administrators and assigns with this Agreement for a period of thirty (30) years.
3. The Entity shall be responsible for the recordation of the final fully executed Agreement, Mortgage and the Mortgage Note and any amendments thereto in the Office of the Essex County Register’s Office.
4. The mortgage and mortgage note given by the Entity shall ensure compliance with the requirements of the HOME program, pursuant to the HOME program statute and regulations (24 CFR Part 92).
5. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two six month extensions of the term of the contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.
6. Disbursement of the federal HOME program funds for the project in the amount of One Million Eight Hundred Seventy Five Thousand Dollars (\$1,875,000.00) shall be subject to the terms and conditions set forth in the Agreement, which is attached hereto.
7. The Entity must adhere to all milestones and timelines in the Project Schedule approved by the Department of Economic and Housing Development. The project completion is further defined in the Agreement in Exhibit D. The property must conform to the City of Newark Design and Construction Standards Guidelines for New Home Construction, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should the Entity fail to complete the project within the specified time frame, then the City, in its sole discretion, in addition to any other remedy available by the Agreement or as allowed by law, may direct the Entity to repay

all HOME program funds expended on the project back to the City.

8. The use of HOME funds provided under the Agreement shall be for a period of two (2) years, and not to exceed four years, from the date of adoption by the Newark Municipal Council.
9. The Entity must remain in compliance with municipal, State and Federal laws including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&FD 040595) and its Affirmative Action Plan (7RBP 030195) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services. The Entity has agreed to ensure that a minimum of 40% of the workers employed during the construction of the project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.
10. Units assisted with HOME program funds must be designated upon execution of the Agreement and must remain fixed units for the duration of the affordability period. Households seeking to occupy a HOME assisted unit must be certified prior to occupancy and recertified annually.
11. Attached hereto is a certification from the Municipal Comptroller of the City of Newark which states:
 - a) there are sufficient funds in the amount of One Million Eight Hundred Seventy Thousand Dollars (\$1,875,000.00) for the purpose set forth herein and above; and
 - b) that the line appropriation of official budget which shall be charged as follows:

Business Unit	Department	Division/Proj.	Activity	Account	Budget Ref.
NW051	G05	D15M0	A	72090	B2005
NW051	G08	D18M0	A	72090	B2008

STATEMENT

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