



Legislation Details (With Text)

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On agenda: 8/7/2013 **Final action:** 2/19/2014
Title: Dept/ Agency: Economic & Housing Development

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

Type of Service: Contract with Sub-recipient

Purpose: Rehabilitation of 7 Affordable Housing units

Entity Name: Ballantine Manor Urban Renewal Associates, L.P.

Entity Address: 77 Park St, Montclair, New Jersey 07042

Grant Amount: \$580,000.00

Funding Source: Neighborhood Stabilization Program 3

Contract Period: Twenty-four (24) months commencing upon the complete execution of this agreement by all of the parties.

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale (x) Grant (X) Sub-recipient () n/a

List of Property: ()

(Address/Block/Lot/Ward)

527-533 Mt Prospect Ave/Block 682/Lot 25/North Ward

Additional Information:

Funds accepted by Resolution 7R3N(AS) 021611

Sponsors:

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Date	Ver.	Action By	Action	Result
2/19/2014	4	Municipal Council	Adopt	Pass

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WHEREAS, the U.S. Department of Housing and Urban Development (HUD) under Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd Frank Act) made Neighborhood Stabilization Program 3 (NSP3) funds available through a direct allocation to states and entitlement communities for eligible housing activities to be made affordable to individuals or families whose incomes do not exceed 120% of Area Medium Income (AMI); and

WHEREAS, in its Notice of Allocations, Regulatory Waivers Granted to and Alternative Requirements and Statutory Program Requirements for the Dodd Frank Act (the "Notice"), HUD published detailed requirements relating to the implementation of the Dodd Frank Act; and

WHEREAS, the use of NSP3 funds are governed by the rules related to the Community Development Block Grant ("CDBG") Program established pursuant to Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and as modified by the Dodd Frank Act and the Notice; and

WHEREAS, through Resolution 7R3N (AS) adopted on February 16, 2011, the City of Newark submitted a Substantial Amendment of its 2010 Annual Action Plan to HUD for the direct allocation of NSP3 funding in the amount of Two Million Eighteen Thousand Six Hundred and Thirty Seven Dollars and Zero Cents (\$2,018,637.00); and

WHEREAS, the Department of Economic and Housing Development, Division of Housing and Real Estate published a Request For Proposal (RFP) on or about June 27, 2013 through the Fair and Open Process in accordance with The New Jersey "Local Unit Pay-to-Play" Law N.J.S.A. 19:44A-20.4 *et seq.*; and

WHEREAS, DHRE has determined that it is in the best interest of the City to accept the Proposal received from the Ballantine Manor Urban Renewal Associates, L.P (hereinafter referred to as the "Sub-recipient"), located at 77 Park St, Montclair, New Jersey 07042, and enter into a NSP3 agreement (the "Agreement") with the Sub-recipient for an amount not to exceed Five Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00), to subsidize the Project known as Ballantine Mansion (the "Project") which consists of the rehabilitation of Seven (7) affordable units, to be made affordable to individuals or families whose incomes do not exceed 120% of AMI; and

WHEREAS, the property rehabilitated with NSP3 funds under the Project must comply with the HOME Program affordability requirements as set forth in 24 CFR Part 92.254, which ensures, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties under this section remain affordable to individuals or families whose incomes do not exceed 120 % of AMI; and

WHEREAS, the Agreement shall be a period of twenty-four (24) months, commencing upon the complete execution of this agreement by all of the parties.

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

1. The Mayor and/or his designees, the Acting Director of the Department of Economic and Housing Development, are hereby authorized to enter into a NSP3 agreement (the "Agreement") with the Ballantine Manor Urban Renewal Associates, L.P, 77 Park St, Montclair, New Jersey 07042, for an amount not to exceed Five Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00) to subsidize the Project known as the Ballantine Mansion (the "Project"), 527-533 Mt. Prospect Avenue, Newark, New Jersey 07104, which consists of the rehabilitation of Seven (7) affordable units, to be made affordable to individuals or families whose incomes do not exceed 120% of AMI.
2. The Acting Director of the Department of Economic and Housing Development hereby certifies that the procurement, obligation, expenditure and use of the U.S. Department of Housing and Urban Development's NSP3 grant funds hereby complies with all Federal, State and Local laws, regulations and restrictions including, but not limited to, the Neighborhood Stabilization Program, Home Investment Partnership Programs and the Community Development Block Grant Programs.
3. The Acting Director of the Department of Economic and Housing Development is hereby authorized to establish a declaration of covenants, conditions and restrictions, as permitted under the law. Said covenants, conditions and restrictions shall run with the land and bind the Sub-recipient 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, mortgage and mortgage note for the period indicated below, to ensure compliance with the requirements of the NSP program, pursuant to the HOME program statute and regulations (24 CFR Part 92):

NSP Funds	Periods of Affordability
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years
New construction or Acquisition of new housing	20 Years

4. The Agreement shall be for a period of twenty-four (24) months, commencing upon complete execution of this agreement by all of the parties.
5. The Sub-recipient must adhere to all milestones and timelines in the Project Schedule. The

property must conform to the City of Newark Design Guidelines for rehabilitation, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should the Sub-recipient fail to complete the Project pursuant to the approved milestones and timelines, 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 Sub-recipient to repay all NSP3 program funds expended on the project back to the City.

6. The Sub-Recipient shall have 9 months from the commencement date within which to expend the funds or become contractually obligated to expend the funds for the performance of rehabilitation and/or redevelopment of the Project.
7. Disbursement of the NSP3 program funds for the project in the amount not to exceed Five Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00) shall be subject to all Federal, State and Local laws, regulations and restrictions related to NSP3 funds as well as the terms and conditions set forth in the Agreement, attached hereto and made a part of this resolution.
8. Attached hereto is a certification from the Acting Director of Finance of the City of Newark which states (1) that there are sufficient funds for the purpose set forth hereinabove and (2) that the line appropriation of the official budget which shall be charged is as follows: Business Unit NW051; Dept. ID G13; Div./Proj. D13A0; Activity A; Account 72090; Budget Ref. B2013
9. The Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, is hereby authorized to effectuate certain business terms and conditions related to the Agreement annexed hereto and may enter into subordination agreements, access and right of entry agreements, and other relevant documents, as permitted under the law, in a form subject to the approval of the Corporation Counsel. In addition, the Acting 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 timeliness and milestones, as permitted under the law, subject to full written disclosure in form of a signed memorandum to be submitted prior to adoption to the Newark Municipal Council by the Acting Director of Economic and Housing Development and the approval of the Corporation Counsel.
10. The Sub-recipient shall be responsible for the recordation of a final Agreement and any amendments thereto, in the Office of the Essex County Register's Office and shall also be solely responsible for forwarding a copy of such book and page to the Department of Economic and Housing Development.
11. A copy of this Resolution and the fully executed Agreement shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development.
12. The Sub-recipient 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 No. 11246 (as amended by Executive Order Nos. 11375 and 12086) with respect to the award of goods and services. The Sub-recipient 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.
13. This agreement is in compliance with executive Order Number MEO-07-0001 Pay-to-Play, which

requires reporting of political contributions to Newark Municipal Candidates and prohibits certain political contributions during the duration of the contract.

STATEMENT

Resolution authorizing the Mayor and or his designee, the Acting Director of the Department of Economic and Housing Development to enter into a NSP3 agreement (the "Agreement") with Ballantine Manor Urban Renewal Associates, L.P, located at 77 Park St, Montclair, New Jersey 07042, for an amount not to exceed Five Hundred Eighty Thousand Dollars and Zero Cents (\$580,000.00) to subsidize the Project known as the Ballantine Mansion (the "Project") which consists of the rehabilitation of Seven (7) affordable units, to be made affordable to individuals or families whose incomes do not exceed 120% of AMI. The Agreement shall be for a period of twenty-four (24) months, commencing upon complete execution of this agreement by all the parties.