



Legislation Details (With Text)

File #:	18-1153	Version:	1	Name:	Ascension- Avon Avenue Project
Type:	Resolution	Status:	Adopted		
File created:	7/11/2018	In control:	Economic and Housing Development		
On agenda:	5/1/2019	Final action:	5/1/2019		
Title:	<p>Dept/ Agency: Economic and Housing Development Action: () Ratifying (X) Authorizing () Amending Type of Service: Grant Agreement Purpose: To provide grant financial assistance for a Redevelopment Project to be built as part of the "Build Newark" Initiative Redevelopment Plan Entity Name: Ascension Capital Partners I, LLC Entity Address: 59 Lincoln Park, Suite 200, Newark, New Jersey 07102 Grant Amount: \$160,000.00 Total Project Cost: \$840,229.00 City Contribution: \$160,000.00 Other Funding Source/Amount: Private Capital/\$680,229.00 Grant Period: Term of eighteen (18) months commencing December 1, 2019 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: (if applicable) (Address/Block/Lot/Ward) 400-402 Avon Avenue/Block 2648/Lot 51/South Ward 404 Avon Avenue/Block 2648/Lot 49/South Ward Additional Information: The Redevelopment Project shall consist of the construction of two (2) new three (3) family houses for a total of six (6) units to be built as part of the Redevelopment Plan known as the "Build Newark Initiative Project".</p>				
Sponsors:	Council of the Whole				
Indexes:					
Code sections:					

Date	Ver.	Action By	Action	Result
5/1/2019	1	Municipal Council	Adopt	Pass

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Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To provide grant financial assistance for a Redevelopment Project to be built as part of the "Build Newark" Initiative Redevelopment Plan
Entity Name: Ascension Capital Partners I, LLC
Entity Address: 59 Lincoln Park, Suite 200, Newark, New Jersey 07102
Grant Amount: \$160,000.00
Total Project Cost: \$840,229.00
City Contribution: \$160,000.00
Other Funding Source/Amount: Private Capital/\$680,229.00
Grant Period: Term of eighteen (18) months commencing December 1, 2019
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: (if applicable)

(Address/Block/Lot/Ward)

400-402 Avon Avenue/Block 2648/Lot 51/South Ward

404 Avon Avenue/Block 2648/Lot 49/South Ward

Additional Information:

The Redevelopment Project shall consist of the construction of two (2) new three (3) family houses for a total of six (6) units to be built as part of the Redevelopment Plan known as the "Build Newark Initiative Project".

WHEREAS, Ascension Capital Partners I LLC, a New Jersey limited liability company having its place of business located at 59 Lincoln Park, Suite 200, Newark, New Jersey 07102, desires to construct the Project on the Property as part of the Redevelopment Plan; and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"), and is governed by the Plan; and

WHEREAS, the Project currently has a significant funding gap that must be bridged in order to make the Project financially feasible; and

WHEREAS, N.J.S.A. 40A:12A-8(f) of the LRHL authorizes municipalities to provide grants to redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with redevelopment plans; and

WHEREAS, the Project qualifies for financial assistance since it is located within a redevelopment area and is being performed in order to implement an approved Redevelopment Plan; and

WHEREAS, the Newark Municipal Council recognizes the need to complete the above Project and desires to finance the making of a capital grant in the amount of up to One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00), to the Entity to be used as a subsidy to develop the Project; and

WHEREAS, the City further desires to enter into a Grant Agreement with the Entity to provide them with such capital grant in the amount of One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00), with funds for this grant to be provided from the City's Community and Economic Development Dedicated Trust Fund established by Resolution 7Rg , adopted by the City Municipal Council on November 6, 1985 for the purpose of financing the development costs associated with redevelopment projects, urban revitalization projects, economic stabilization and stimulation projects, restoration and preservation of properties of special value for historic, architectural and esthetic reasons, and such other projects within the City, which are consistent with the activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, as amended ("Title I"); and

WHEREAS, the Project is consistent with the purposes set forth in the Resolution and the activities eligible for assistance under Title I and the City further wishes to fund a capital grant to the Redeveloper in an amount up to One Hundred Sixty Thousand Dollars and Zero Cents

(\$160,000.00), (the “**Grant**”) from the amounts deposited in the Fund in accordance with the Resolution.

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 Acting Director of the Department of Economic and Housing Development, are each hereby authorized to enter into and execute a grant agreement with Ascension Capital Partners I LLC, 59 Lincoln Park, Suite 200, Newark, New Jersey 07102 (“Entity”), in the form attached hereto (“Grant Agreement”), in the amount of One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00), from the City’s Community and Economic Development Dedicated Trust Fund (the “Grant Funds”), to be used as financing assistance to develop and subsidize the costs of the Project, which shall facilitate redevelopment of the City and implementing related activities.
2. The Acting Director of the Department of Economic and Housing Development is hereby authorized to execute, establish and record a declaration of covenants, conditions and restrictions to ensure that the City shall be repaid the full amount of the Grant Funds disbursed to the Entity upon the occurrence of an event of default under the Grant Agreement, which declaration shall be made by the Entity (and counter-executed by the City) by requiring it to execute and deliver a separate Mortgage and Security Agreement and Note for the full amount of funding provided to the Entity in the Grant Agreement. 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 during the term of the Grant Agreement and the City shall discharge such Mortgage and lien in connection therewith upon its issuance of a Certificate of Completion for the Project.
3. The term of the Grant Agreement shall commence on the date of execution and delivery of the Grant Agreement by the Entity and the City and expire upon the City’s issuance of a Certificate of Completion for the Project as provided in the Grant Agreement.
4. The Entity shall be responsible for the recordation of the final fully executed Grant Agreement and the related Mortgage and any amendments thereto in the Office of the Essex County Register’s Office.
5. The Acting Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Grant Agreement as permitted by New Jersey Law and may enter into access and right of entry agreements and other relevant documents related to these fund allocations in forms 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 (6) month extensions of the term set forth in the Grant Agreement and any contract timelines and milestones contained therein, provided that any contract timelines and milestones are not extended beyond the two permitted six (6) 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/Interim Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.

6. The Entity must adhere to all milestones and timelines in the Project Schedule as further set forth in the Grant Agreement. The Project 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 set forth in the Grant Agreement, then the City, in its sole discretion, in addition to any other remedy available by the Grant Agreement or as allowed by law, may direct the Entity to repay all funding authorized in the Grant Agreement.
7. The Entity must remain in compliance with all municipal, State and Federal laws including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&Fd April 5, 1995) and its Affirmative Action Plan (7Rbp March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services, as may be amended from time to time. 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.
8. Attached hereto is a Certification from the Municipal Comptroller of the City of Newark which states that (1) there are sufficient funds in the amount of One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00) and (2) that the line appropriation of official budgets which shall be charged is as follows:

Business Unit	Department	Division/Proj.	Account	Budget Ref.	Amount
NW026	BS		32100	B2018	\$160,000.00

9. A copy of the fully executed Grant Agreement, the Mortgage Note and the recorded Mortgage and Security Agreement must be placed on file in the Office of the City Clerk by the Deputy Mayor/Interim Director of the Department of Economic and Housing Development.

STATEMENT

This Resolution authorizes the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development to enter into and execute a Grant Agreement, in the form attached hereto, in the amount of up to One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00), from the City's Community and Economic Development Dedicated Trust Fund in order to subsidize the costs necessary to complete the Project.