



Legislation Details (With Text)

File #: 20-0642 **Version:** 1 **Name:** Resolution: Ascension Capital Partners I, LLC - S. 14th Street, Cutler Street and Summer Avenue Project

Type: Resolution **Status:** Adopted

File created: 5/27/2020 **In control:** Economic and Housing Development

On agenda: 9/2/2020 **Final action:** 9/2/2020

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To provide financial assistance for the construction of two (2) two (2) family homes and one (1) mixed use building consisting of sixteen (16) residential units and one (1) retail unit to be built as part of a development initiative known as "Live Newark" and in accordance with the Newark Neighborhood Revitalization Strategy Plan.
Entity Name: Ascension Capital Partners I, LLC
Entity Address: 59 Lincoln Park, Suite 200, Newark, New Jersey 07102
Grant Amount: \$200,000.00
Funding Source: Community and Economic Development Dedicated Trust Fund
Total Project Cost: \$783,204.00
City Contribution: \$0.00
Other Funding Source/Amount: \$0.00
Grant Period: Commencing upon full execution of the Grant Agreement and expiring within twenty-four (24) months following construction commencement
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)
94 Cutler Street/Block 489/Lot 18/Central Ward
145 1/2 Summer Avenue/Block 516/Lot 88/Central Ward
864 South 14th Street/Block 3009/Lot 19/South Ward
Additional Information:

Sponsors: LaMonica R. McIver, John Sharpe James

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/2/2020	1	Municipal Council	Adopt	Pass

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Additional Information:

WHEREAS, Ascension Capital Partners I, LLC, 59 Lincoln Park, Suite 200, Newark, New Jersey 07102 (“the Entity”), owns the properties located at 94 Cutler Street (Block 489, Lot 18) and 864 South 14th Street (Block 3009, Lot 19), collectively known as (“Ascension Property”); and

WHEREAS, Ascension Capital Partners I, LLC, is the sole managing member of ACP SPV I, LLC (“ACP”), and ACP owns the property located 145 ½ Summer Avenue (Block 516, Lot 88) (“ACP Property”); and

WHEREAS, the Entity desires to construct two (2) two (2) family homes and one (1) mixed use building containing sixteen (16) residential units and one (1) retail unit on Ascension Property and ACP Property, collectively the Properties (the “Project”); and

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

WHEREAS, the Municipal Council previously adopted Resolution 7Rdo(AS) on June 15, 2005, designating the entire City as an “area in need of rehabilitation” under the Local Redevelopment and Housing Law, N.J.S.A. 40A: 12A-1, et seq. (“LRHL”); and

WHEREAS, the Municipal Council thereafter adopted Ordinance 6S&Fe(S) on August 17, 2005, adopting the First Amendment to the Central Ward Redevelopment Plan, governing the redevelopment of City-owned properties located within the Central Ward, which includes one (1) of the above referenced Properties; and

WHEREAS, on August 17, 2005, the Municipal Council adopted Ordinance 6S&Fd(S), the Third Amendment to the South Ward Redevelopment Plan, governing the redevelopment of City-owned properties located within the South Ward, which includes two (2) of the above-referenced Properties; and

WHEREAS, the Project is located within an area in need of redevelopment, as defined under the LRHL and is governed by the Central Ward Redevelopment Plan and South Ward Redevelopment Plan; 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 approved Redevelopment Plans; and

WHEREAS, pursuant to 7Rg (the “Fund Resolution”), adopted on November 6, 1985, the Municipal Council established the Community and Economic Development Dedicated Trust Fund (the “Fund”) for the purpose of financing the development costs associated with redevelopment projects, urban revitalization projects, economic stabilization and stimulation projects 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 City, through the Department of Economic and Housing Development, determined that financial assistance should be provided to the Entity through the Fund instead of HOME funds since the Project is better aligned with the purpose for which the Fund was created; and

WHEREAS, the Municipal Council recognizes the need to complete the above Project and desires to finance the issuance of a capital grant to the Entity in the amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) (the “Grant”) to be used as a subsidy to develop the Project; and

WHEREAS, in connection therewith, the City further desires to enter into and execute a Grant Agreement with the Entity to provide it with such capital grant, in the amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00), for the sole purpose of financing the development costs associated with the Project, with funds for this grant to be provided from the Fund and to memorialize the terms and conditions of the grant; and

WHEREAS, since the entire City is designated as an area in need of rehabilitation, pursuant to Resolution 7Rdo(AS) adopted on June 15, 2005, the activities of the Project are consistent with the purpose set forth in the Fund Resolution, and the activities eligible for assistance under Title I, the Project is eligible for the grant with the use of funds from the City’s Community and Economic Dedicated Trust Fund.

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

1. The Municipal Council hereby authorizes the use of up to Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) of funds from the City’s Community and Economic Development Dedicated Trust Fund for the purpose of funding a grant to Ascension Capital Partners I, LLC, 59 Lincoln Park, Suite 200, Newark, New Jersey 07102, for use in connection with the rehabilitation of the Properties, more specifically to construct two (2) two (2) family homes and one (1) mixed use building consisting of sixteen (16) residential units and one (1) retail unit.
2. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are each hereby authorized to enter into and execute a Grant

Agreement with the Entity, in the form attached hereto, which will also be executed by ACP SPV I, LLC (the Entity is the sole managing member of ACP SPV I, LLC) since it owns one (1) of the Properties, in the amount of Two Hundred Dollars and Zero Cents (\$200,000.00) from the Fund, to be used as financing assistance to develop and subsidize the costs of the Project, which shall facilitate redevelopment of the City and implementation of related activities.

3. The Deputy Mayor/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 ACP SPV I, LLC (and counter-executed by the City) by requiring the Entity and ACP SPV I, LLC to execute and deliver a separate Mortgage and Mortgage Note, in a form subject to the approval of the City's Corporation Counsel, 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, ACP SPV I, LLC, 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.
4. The term of the Grant Agreement shall commence on the date of full and final execution and delivery of the Grant Agreement by the Entity and ACP SPV I, LLC and the City and expire upon the City's issuance of a Certificate of Completion for the Project as provided in the Grant Agreement.
5. 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.
6. The Deputy Mayor/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, as may be applicable, and other relevant documents related to these fund allocations in forms subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to grant, upon a showing of good cause, a maximum of two (2) 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 (2) 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 Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel. Any material modification of the Grant Agreement and/or any extension given that goes beyond the allotted two (2) permitted six (6) month extensions must be approved by the Municipal Council.
7. 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.

8. 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 adopted on April 5, 1995) and its Affirmative Action Plan, (7Rbp adopted on March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 11375 and 12086) with respect to the award of goods and services, as may be amended from time to time. The Entity has agreed that it will utilize its best efforts 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.
9. Attached hereto is the Certification of Funds, which shall be filed in the Office of the City Clerk, from the Director of the Department of Finance, which states that: 1) there are sufficient funds in the amount of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00); and 2) that the line appropriation of the Official Budget, which shall be charged is as follows:

Bus Unit	Dept. ID	Div/Proj	Activity	Account #	Bud Ref.
NW026	BS			32100	B2019

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

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Grant Agreement, in the form attached hereto, with Ascension Capital Partners I, LLC, 59 Lincoln Park, Suite 200, Newark, New Jersey 07102, for Grant Funds in the amount of \$200,000.00 from the City of Newark's Community and Economic Development Dedicated Trust Fund in order to subsidize the costs necessary to construct two (2) two (2) family homes and one (1) mixed use building consisting of one (1) retail unit and sixteen (16) residential units.(Central and South Ward)