



Legislation Details (With Text)

File #: 22-0988 **Version:** 1 **Name:** Resolution: Settlement - NHA and City of Newark Unpaid Water and Sewer Charges
Type: Resolution **Status:** Adopted
File created: 7/12/2022 **In control:** Law
On agenda: 9/8/2022 **Final action:** 9/8/2022

Title: Dept/ Agency: Law
Action: () Ratifying (X) Authorizing () Amending
Purpose: Newark Housing Authority Settlement for unpaid Water and Sewer charges.
Entity Name: Newark Housing Authority (NHA)
Entity Address: 500 Broad Street, Newark, New Jersey 07102
Settlement Amount: Assessment value of \$12,650,000.00
Additional Comments: NHA will be deeding land to the City of Newark in lieu of its past due balance as of September 30, 2021.
List of Property:
(Address/Block/Lot/Ward)
39-83 Ludlow Street/Block 3764/Lot 1.02
203-221 Central Avenue/Block 2835/Lot 11
24-38 Lock Street/Block 2835/Lot 14
11-21 Hoyt Street/ Block 2835/Lot 17-20
64-68 Sussex Avenue/ Block 2835/Lot 23
39-83 Ludlow Street/ Block 3764/Lot 1.02

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/8/2022	1	Municipal Council	Adopt	Pass

Dept/ Agency: Law
Action: () Ratifying (X) Authorizing () Amending
Purpose: Newark Housing Authority Settlement for unpaid Water and Sewer charges.
Entity Name: Newark Housing Authority (NHA)
Entity Address: 500 Broad Street, Newark, New Jersey 07102
Settlement Amount: Assessment value of \$12,650,000.00
Additional Comments: NHA will be deeding land to the City of Newark in lieu of its past due balance as of September 30, 2021.
List of Property:
(Address/Block/Lot/Ward)
39-83 Ludlow Street/Block 3764/Lot 1.02
203-221 Central Avenue/Block 2835/Lot 11
24-38 Lock Street/Block 2835/Lot 14
11-21 Hoyt Street/ Block 2835/Lot 17-20
64-68 Sussex Avenue/ Block 2835/Lot 23
39-83 Ludlow Street/ Block 3764/Lot 1.02

WHEREAS, Newark Housing Authority (NHA) was created by an ordinance of the City

of Newark (the "City"), duly adopted by the Municipal Council on March 23, 1938, as a public body corporate and politic of the State of New Jersey, in order to develop and operate public housing projects of the City; and

WHEREAS, a dispute arose between NHA and the City regarding amounts due from NHA to the City for water and sewer service to over (200) properties within the City of Newark owned by the NHA, and after significant analysis and discussion the Parties have stipulated that NHA is indebted to the City in the amount of \$11,327,140.08, representing the actual water and sewer balances, exclusive of all interest, fees and estimated amounts, accrued as of September 30, 2021 (the "NHA Debt"); and

WHEREAS, NHA Debt is the indebted amount NHA owes to the City in the amount of \$11,327,140.08, representing the actual water and sewer balances, exclusive of all interest, fees and estimated amounts, accrued as of September 30, 2021; and

WHEREAS, the Newark Housing Authority Board of Commissioners adopted that certain Resolution of the Housing Authority of the City of Newark, Resolution #H-21-18-11 06, as of November 18, 2021 (the "NHA Resolution"), which authorizes the settlement of the NHA Debt as provided by this Agreement; and

WHEREAS, the NHA Resolution authorized NHA to deed the following land to the City of Newark in lieu of payment of NHA Debt:

<u>ADDRESS</u>	<u>Block</u>	<u>Lot</u>
39-83 Ludlow Street	Block 3764	Lot 1.02
203-221 Central Avenue	Block 2835	Lot 11
24-38 Lock Street	Block 2835	Lot 14
11-21 Hoyt Street	Block 2835	Lot 17-20
64-68 Sussex Avenue	Block 2835	Lot 23
39-83 Ludlow Street	Block 3764	Lot 1.02; and

WHEREAS, pursuant to the NHA Resolution, the terms of this Agreement remain subject to the written approval and removal of any and all deed restrictions from the U.S. Department of Housing and Urban Development, and such approval shall therefore be required prior to consummation of any of the transactions contemplated hereby; and

WHEREAS, the Parties have determined that it is in their respective best interests to resolve all claims relating to the NHA Debt through the transfer of real property by NHA to the City as contemplated herein, without incurring further legal costs associated with protracted legal action or other dispute; and

WHEREAS, the Corporation Counsel based upon all facts and circumstances deems it in the best interest of the City of Newark and the Department of Water and Sewer Utilities to resolve said matter by the transfer of land proposed Settlement.

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

1. The Corporation Counsel is hereby authorized, on behalf of the City of Newark, to enter into, execute and accept the terms of the Settlement Agreement and Release, attached hereto.

2. Upon receipt by the Corporation Counsel of all documents deemed necessary, Newark Housing Authority (NHA) and the Director of the Department of Water and Sewer Utilities is hereby authorized and directed to enter into and execute a Bargain for Sale Deed with NHA, in lieu of the NHA Debt owed to the Department of Water and Sewer Utilities for the stipulated amount of \$11,327,140.08, representing the actual water and sewer balances, exclusive of all interest, fees and estimated amounts, accrued as of September 30, 2021.

3. Annexed hereto is Newark Housing Authority Board of Commissioners adopted Resolution of the Housing Authority of the City of Newark, Resolution #H-21-18-11 06, as of November 18, 2021 (the "NHA Resolution"), which authorizes the settlement of the NHA Debt as provided by this Agreement.

4. The final execution of this Agreement, transfer of property, and all other terms of this Agreement remain subject to the written approval and removal of any and all deed restrictions from the U.S. Department of Housing and Urban Development.

5. A fully executed copy of the Settlement Agreement, Bargain and Sale Deed, and other related documents shall be filed in the Office of the City Clerk by the Corporation Counsel.

STATEMENT

This Resolution authorizes the Corporation Counsel, on behalf of the City of Newark, to enter into and execute a Settlement Agreement and Release with Newark Housing Authority for the indebted amount of \$11,327,140.08 owed to the Department of Water and Sewer Utilities, representing the actual Water and Sewer balances, exclusive of all interest, fees and estimated amounts, accrued as of September 30, 2021, for the transfer and Deed of land in lieu of payment, and the City will dismiss any and all claims related solely to this NHA Debt:

<u>ADDRESS</u>	<u>Block</u>	<u>Lot</u>
39-83 Ludlow Street	Block 3764	Lot 1.02
203-221 Central Avenue	Block 2835	Lot 11
24-38 Lock Street	Block 2835	Lot 14
11-21 Hoyt Street	Block 2835	Lot 17-20
64-68 Sussex Avenue	Block 2835	Lot 23
39-83 Ludlow Street	Block 3764	Lot 1.02.