



Legislation Details (With Text)

File #: 26-0267 **Version:** 1 **Name:** 229 S 11th Street LLC Grant Agreement Homeownership
Type: Resolution **Status:** Adopted
File created: 2/27/2026 **In control:** Economic and Housing Development
On agenda: 4/1/2026 **Final action:** 4/1/2026

Title: Dept./Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To provide gap financing for the construction of a three-family residential dwelling consisting of three (3) deed-restricted affordable housing units pursuant to the City of Newark Affordable Housing Trust Fund
Entity Name: 229 South 11th LLC
Entity Address: 59 Lincoln Park, Suite 375, Newark, New Jersey 07107
Grant Amount: \$300,000.00
Funding Source: City of Newark Affordable Housing Trust Fund
Total Project Cost: \$1,012,828.43
City Contribution: \$300,000.00
Other Funding Source/Amount: Personal Equity; New Jersey Community Capital
Grant Period: Commencing upon the Effective Date, as defined in the Grant Agreement, and expiring upon the sale and transfer of the Project and Home to the Purchaser and the funding of the Grant Funds
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)
229 South 11th Street, Block 1815, Lot 11 (West Ward)
Additional Information:

Sponsors: Dupré L. Kelly, Amina Bey

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
4/1/2026	1	Municipal Council	Adopt	Pass

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Additional Information:

WHEREAS, pursuant to Resolution 7RM May 4, 2005 adopted June 15, 2005, the Municipal Council designated the entire City of Newark as an “Area in Need of Rehabilitation” under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, the Property is located in the West Ward Redevelopment Plan area; and

WHEREAS, 229 SOUTH 11TH LLC (the “Redeveloper”) has developed and substantially completed construction of one (1) new three-family residential dwelling located at 229 South 11th Street, Block 1815, Lot 11 (West Ward)(the “Project”); and

WHEREAS, the Project consists of three (3) three-bedroom residential housing units, all of which shall be deed-restricted for occupancy by low-income households earning no more than eighty percent (80%) of the Area Median Income as determined by the U.S. Department of Housing and Urban Development; and

WHEREAS, one (1) of the three (3) units shall be sold and occupied by a qualified low-income homebuyer as his or her principal residence and shall be subject to recapture, principal residency, and enforcement provisions secured by a recorded Promissory Note, Mortgage and Security Agreement, and Deed-Restrictive Beneficiary Agreement; and

WHEREAS, the remaining two (2) units shall remain subject to affordability and occupancy restrictions for a period of twenty (20) years in accordance with Affordable Housing Trust Fund Program requirements; and

WHEREAS, the Project has a documented financing gap necessary to complete construction and ensure long-term affordability; and

WHEREAS, the Affordable Housing Trust Fund was established pursuant to municipal ordinance for the purpose of financing the construction and preservation of low- and moderate-income housing consistent with the Fair Housing Act, N.J.S.A. 52:27D-301 et seq.; and

WHEREAS, the Department of Economic and Housing Development has determined that a capital grant in an amount not to exceed Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) from the Affordable Housing Trust Fund is necessary and appropriate to bridge the Project financing gap and ensure compliance with affordability requirements; and

WHEREAS, the City desires to enter into a Grant Agreement with the Redeveloper to provide such funds, secured by a Promissory Note and Mortgage and Security Agreement encumbering the Property and related affordability documents.

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 Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) of funds from the City's Affordable Housing Trust Fund for the purpose of funding a grant to 229 SOUTH 11TH LLC, 59 Lincoln Park, Suite 375, Newark, New Jersey 07107, 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 and bridge the financial gap in construction costs related to the Project.
2. The Mayor and/or his designee, the 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, in the amount not to exceed Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) from the City of Newark's Affordable Housing Trust Fund, 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 and bridge the financial gap in construction costs related to the Project.
3. The Mayor and/or his designee, the Director of the Department of Economic and Housing Development, are each hereby authorized to enter into and execute a Beneficiary Agreement with the qualified low-income Purchaser, in substantially the form attached hereto, which shall require the Restricted Housing Unit to be occupied as the Purchaser's principal residence and remain subject to affordability, recapture, and enforcement provisions for a period of twenty (20) years, all as set forth therein.
4. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to establish and record the Beneficiary Agreement, which is 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 Beneficiary Agreement by the Purchaser by requiring the Purchaser to execute a separate Mortgage and Security Agreement which shall be recorded and a Mortgage Note for the full amount of financial assistance provided to the Entity and the Purchaser in the Grant Agreement and the Beneficiary Agreement. Said covenants, conditions and restrictions shall run with the land and bind the Purchaser 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 Beneficiary Agreement and the City shall discharge such Mortgage and lien in connection therewith at the end of the period of affordability upon the determination of the City that the Purchaser has complied with all terms and conditions of the Beneficiary Agreement.
5. The term of the Grant Agreement shall commence upon full execution of the Grant Agreement and expire upon the sale and transfer of the Project and Home to the Purchaser and the funding of the Grant Funds as provided herein.
6. The term of the Beneficiary Agreement shall commence on the date of execution and delivery of the Beneficiary Agreement by the Purchaser and the City and shall expire at the end of the twenty (20) year period of affordability upon the determination of the City that the Purchaser has complied with all terms and conditions of the Beneficiary Agreement.

7. The Entity shall be responsible for the recordation of the final fully executed Beneficiary Agreement and the related Mortgage and any amendments thereto in the Office of the Essex County Register of Deeds and Mortgages.
8. 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 and Beneficiary Agreement as permitted by New Jersey Law and may enter into subordination agreements, 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 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 set forth in the Grant Agreement or Beneficiary Agreement and any contract timelines and milestones contained therein, 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.
9. 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.
10. 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.
11. 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 Three Hundred Thousand Dollars (\$300,000.00) and (2) that the line appropriation of official budgets which shall be charged is as follows:

Department	Division/Proj.	Activity	Account	Budget Ref.	Amount
NW026			30350	B2026	300,000.00

12. A copy of the fully executed Grant Agreement, Beneficiary 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

Resolution authorizing and directing the Mayor and/or his designee, and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute and deliver a Grant Agreement with 229 South 11th LLC, in the aggregate grant amount of \$300,000.00 to bridge the gap in financing required to complete construction of the Project.