



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 13-1935, Version: 1

Dept/ Agency: Economic & Housing Development

Action: () Ratifying () Authorizing (x) Amending

Type of Service: Amendment of a Long-Term Tax Abatement

Purpose: Amend Resolution 7R3-F (AS) 052213 the approved tax abatement for SH Residences, LP by deleting reference to the Special Needs Set Aside Provision of fifteen (15) units for residents with HIV/AIDS

Entity Name: SH Residences, LP

Entity Address: 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002

Abatement Period: 30 years

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

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

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

List of Property:

(Address/Block/Lot/Ward)

10-20 Crawford Street, 16-24 West Kinney Place, 395-399 Halsey Street, and 401-407 Halsey Street, Newark, New Jersey, Block 116, Lots 3, 5, 7, 9, 30, 31, 32, 34, 46, 47, 48, and 49, Central Ward

Additional Information:

Original tax abatement granted by Resolution 7R3-F (AS) 052213

(include reference to deferred resolutions, if any)

Deferred 7R3-j (as) 102913

WHEREAS, on May 22, 2013, the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7R3-F (A.S.) granting a long term tax abatement to SH Residences, LP, having its principal office at 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002, under the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended and supplemented, N.J.S.A. 55:14K-1 et seq. (the "HMFA Law"), for a residential rental housing project on property located at 10-20 Crawford Street, 16-24 West Kinney Place, 395-399 Halsey Street, and 401-407 Halsey Street, Newark, New Jersey and identified on the Official Tax Map of the City of Newark as Block 116, Lots 3, 5, 7, 9, 30, 31, 32, 34, 46, 47, 48, and 49 (collectively, the "Property"); and

WHEREAS, SH Residences, LP obtained this tax abatement for the purpose of applying for a 9% low income housing tax credit award from the HMFA for the construction of a four-story, sixty (60) unit apartment building, fifteen (15) of which will be set aside for residents with HIV/AIDS (the "Special Needs Set Aside"), and the remainder of which will be marketed to residents earning no more than sixty percent (60%) of County median, and all sixty (60) units of which shall be marketed to the performing arts community (with first preference given to the performing arts community, but if qualified artists cannot be found, then the apartments will be leased to qualified non-artist families), along with associated improvements including common areas, a leasing/management office, off-street parking and a play area (hereinafter the "Project"); and

WHEREAS, SH Residences, LP applied for, but did not receive, a 9% low income housing tax credit award for the Project; and

WHEREAS, SH Residences, LP has decided to restructure the Project in order to seek a 4% low income housing tax credit award; and

WHEREAS, as part of that restructuring, SH Residences, LP has decided to delete the Special Needs Set Aside from the Project; and

WHEREAS, SH Residences, LP filed a letter with the City advising the City of this change to the Project and requesting the City's approval of this amendment to the tax abatement for this Project; and

WHEREAS, the parties never signed the Financial Agreement authorized under Resolution 7R3-F (A.S.), May 22, 2013 ; and

WHEREAS, the parties have agreed to enter into an Amended and Restated Financial Agreement deleting the Special Needs Set Aside Provision which shall supersede and replace the original Financial Agreement authorized under Resolution 7R3-F (A.S.) ,May 22, 2013; and

WHEREAS, the Municipal Council has determined that it in the public interest to authorize the amendment to this tax abatement to delete the Special Needs Set Aside Provision and to authorize the execution of the Amended and Restated Financial Agreement in the form attached hereto.

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

1. The letter filed and submitted by the attorney for SH Residences, LP, 725 Cuthbert Boulevard, Cherry Hill, New Jersey 08002, requesting to amend the scope of the Project approved under Resolution 7R3-F (A.S.) 052213 in order to delete the Special Needs Set Aside Provision of fifteen (15) units for residents with HIV/AIDS is hereby approved.
2. The Mayor is hereby authorized to execute the Amended and Restated Financial Agreement with SH Residences, LP in the form attached hereto.
3. A fully-executed copy of the Amended and Restated Financial Agreement between the City and SH Residences, LP shall be filed in the Office of the City Clerk by the Deputy Mayor/Director of Economic and Housing Development.
4. All of the other terms and conditions of the City's approval of the tax abatement for this Project as set forth within Resolution 7R3-F (A.S.) 052213 shall remain in full force and effect..

STATEMENT

This resolution amends the approval granted by the City to SH Residences, LP under Resolution 7R3-F (A.S.) 052213 for a long term tax abatement for this project by deleting reference to the Special Needs Set Aside Provision of fifteen (15) units for residents with HIV/AIDS and authorizes the Mayor

to sign an Amended and Restated Financial Agreement with SH Residences, LP reflecting that change. Central Ward.