



Legislation Text

File #: 18-0913, Version: 1

Dept/ Agency: Economic and Housing Development

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Grant Agreement

Purpose: To grant financial assistance for the building of a Community Center with three (3) offices, storage space, a kitchen, two (2) bathrooms on each floor with an adjacent thirty-two (32) car parking lot within the South Ward and also within the South Bergen Street Redevelopment Area on property located at 807-837 Hunterdon Street, Newark, New Jersey 07112, identified on the Official Tax Map of the City as Block 3589, Lot 40.

Entity Name: United Muslim, Inc.

Entity Address: 115 South Kingman Road, P.O. Box 553, South Orange, New Jersey 07079

Grant Amount: \$350,000.00

Funding Source: 2018 Budget/Community and Redevelopment Dedicated Trust Account

Total Project Cost: \$1,157,037.00

Entity Contribution: \$190,037.00

City Contribution: \$350,000.00

Other Funding Source/Amount: \$617,000.00 HUD Section 108 Loan

Contract Period: Construction shall commence within three (3) months from execution and shall be completed within twenty-four (24) months of commencement of construction

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

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

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

(Address/Block/Lot/Ward)

807-837 Hunterdon Street/Block 3589/Lot 40/South Ward

Additional Information:

Resolution 7RcsS(AS) adopted on April 16, 1986

Resolution 6PSF-b adopted on January 5, 2017

Resolution 7R2-c(S/AS) adopted on September 25, 2018

WHEREAS, the Municipal Council ("Municipal Council") of the City of Newark ("the City"), encourages and supports the development of safe places for Newark residents to host events, educational classes and contribute to the economic revitalization of the City; 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. (the "LRHL"); and

WHEREAS, on April 7, 1999, by Ordinance 6S&Fi, the Municipal Council adopted the South Ward Redevelopment Plan (together with all amendments, the "Redevelopment Plan"), which provides for the redevelopment of city-owned property;

WHEREAS, the Municipal Council thereafter adopted Ordinance 6S&Fd(AS) on August 17,

2005, adopting the Third Amendment to the South Ward Redevelopment Plan, which includes the above referenced property;

WHEREAS, United Muslim, Inc., 115 South Kingman Road, P.O. Box 553 in South Orange, New Jersey 07079 (the “Entity”) owns real property located at 807-837 Hunterdon Street (Block 3589, Lot 40) in the City of Newark, New Jersey (the “Property”), and desires to build on the same property a non-denominational community center with an adjacent thirty-two (32) car parking lot (the “Project”) that will provide a safe space for Newark residents to host a myriad of community-facing events such as social/civic gatherings, weddings, etc.; and

WHEREAS, since the property was previously owned by the City and conveyed to Muslim Inc. on January 10, 1995, and subsequently conveyed to United Muslim on March 5, 2004, the property qualifies under the Redevelopment Plan; and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the LRHL, and is governed by the Redevelopment Plan, as amended (the “Redevelopment 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 the Redevelopment Plan; and

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

WHEREAS, pursuant to 7Rg, on November 6, 1985, the Municipal Council of the City of Newark established the Community and Economic Development Dedicated Trust Fund for the purpose of facilitating redevelopment in the City of Newark and implementing activities eligible under Title I of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the Newark 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 Three Hundred and Fifty Thousand Dollars and Zero Cents (\$350,000.00), to be used as a subsidy to develop the Project; and

WHEREAS, the City of Newark desires to enter into a Grant Agreement with United Muslim, Inc., in order to memorialize the terms and conditions of a capital grant in the amount of Three Hundred and Fifty Thousand Dollars and Zero Cents (\$350,000.00), with funds for this grant to be provided from the City’s Community and Economic Development Dedicated Trust Fund established by Resolution 7Rg adopted on November 6, 1985, as financial assistance for the sole purpose to renovate the Property and complete the Project; and

WHEREAS, since the entire City is designated as an area in need of rehabilitation pursuant to Resolution 7Rdo(AS), the Project is eligible for the grant with use of funds from the City’s Community

and Economic Dedicated Trust Fund per Resolution 7Rg

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

1. The Municipal Council of the City of Newark hereby authorizes the use of up to Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) of funds from the City's Community and Economic Development Dedicated Trust Fund for the purpose of funding a grant to United Muslim, Inc. (the "Entity"), 115 South Kingman Road, P.O. Box 553, South Orange, New Jersey 07079, for use in connection with the rehabilitation of the property, more specifically building a community center with three (3) offices, storage space, a kitchen, two (2) bathrooms on each floor with an adjacent thirty two (32) car parking lot.
2. The Mayor and/or his designee, the Acting Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute, on the City's behalf, a Grant Agreement with the Entity, in the form attached hereto as Exhibit A ("Grant Agreement"), in the amount of Three Hundred and Fifty Thousand Dollars and Zero Cents (\$350,000.00) from the City of Newark's Community and Economic Development Dedicated Trust Fund (the "Grant Funds"), to be used as financing for the renovation of the Property and development of the Project, which shall facilitate redevelopment of the City and implementation of related activities.
3. The Acting Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to 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 by the Entity by requiring the Entity to execute a separate Mortgage and Mortgage Note, in a form subject to the approval of the City of Newark'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 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 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.
5. The Department of Economic and Housing Development shall be responsible for the recordation of the final and fully executed Grant Agreement, Mortgage and Security Agreement, the Note and any amendments thereto in the Office of the Essex County Register's Office.
6. The Acting 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 and other relevant documents related to these fund allocations in forms subject to the approval of the Corporation Counsel. In addition, the Acting 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 Newark Municipal Council by the Acting Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel. Any material modification of this 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 April 5, 1995) and its Affirmative Action Plan (7Rbp adopted 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 at least 40% of the workers employed during the construction of the project shall be Newark residents and that at least 30% of all contractors, subcontractors and suppliers shall be Newark companies.
9. Attached hereto is a Certification of Funds, which shall be filed in the Office of the City Clerk, from the Director of Finance of the City of Newark, which states that: (1) there are sufficient funds in the amount of Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) and; (2) that the line appropriation of Official Budget, which shall be charged is as follows:

Business Unit	Dept.	Activity	Account#	Budget Ref.	Amount
NW026	BS		32100	B2018	\$350,000.00

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 Acting Deputy Mayor/Director of the Department of Economic and Housing Development.

STATEMENT

This resolution authorizes the Mayor and/or his designee, and the Acting Deputy Mayor/Director of

the Department of Economic and Housing Development to enter into and execute a Grant Agreement with United Muslim, Inc., P.O. Box 553, South Orange, New Jersey 07079, for Grant Funds from the City of Newark Community and Economic Development Dedicated Trust Fund in the amount of Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) to subsidize the redevelopment and/or rehabilitation of a non-denominational Community Center that will provide a safe space for Newark residents to host events, including, but not limited to, weddings and community gatherings with an adjacent thirty-two (32) car parking lot located at 807-837 Hunterdon Street, Newark, New Jersey (South Ward) and identified on the Official Tax Map of the City of Newark as Block 3589, Lot 40, for a period of two (2) years from the execution date of the Grant Agreement.