



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 19-0750, Version: 1

**Dept/ Agency:** Economic and Housing Development

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

**Type of Service:** Private Sale/Redevelopment

**Purpose:** To redevelop three (3) existing properties into three (3) two-family residential homes to create affordable rental or for-sale housing.

**Entity Name:** SAJ Development, LLC

**Entity Address:** 70 South Munn Avenue, Suite 1104, East Orange, New Jersey 07018

**Sale Amount:** \$74,620.00

**Cost Basis:** (X) \$6.00 - \$10.00 PSF ( ) Negotiated ( ) N/A ( ) Other:

**Assessed Amount:** \$289,500.00

**Appraised Amount:** \$0.00

**Contract Period:** To commence within three (3) months and be completed within twelve (18) months from the transfer of ownership by the City

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

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

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

**(Address/Block/Lot/Ward)**

389 Lyons Avenue/Block 3070/Lot 26/South Ward

855 S 14<sup>th</sup> Street/Block 3010/Lot 24/South Ward

97 Willoughby Street/Block 3054/Lot 28/South Ward

**Additional Information:**

Address	Block	Lot	Size	Sq. Feet	Vacant Land (Yes/No)
389 Lyons Avenue	3070	26	33.4X100	3,340.	No
855 S 14 <sup>th</sup> Street	3010	24	27.6X95	2,622.	No
97 Willoughby Street	3054	28	25X100	2,500.	Yes

Total Sale Price: Square Feet x PSF

Properties with Structures = 5,962 square feet X \$10.00 = \$59,620.00

Vacant Land = 2,500 square feet X \$6.00 = \$15,000.00

Total Purchase Price: \$74,620.00

Sale at prices set forth by Ordinance 6S&Fh adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

**WHEREAS**, the purpose of this resolution is to approve the sale and redevelopment of the following City-owned Properties located in the South Ward of the City of Newark:

Address	Block	Lot	Size	Sq. Feet	Vacant Land (Yes/No)
389 Lyons Avenue	3070	26	33.4X100	3,340.	No
855 S 14 <sup>th</sup> Street	3010	24	27.6X95	2,622.	No
97 Willoughby Street	3054	28	25X100	2,500.	Yes

Total Sale Price: Square Feet x PSF

Properties with Structures = 5,962 square feet X \$10.00 = \$59,620.00

Vacant Land = 2,500 square feet X \$6.00 = \$15,000.00

Total Purchase Price: \$74,620.00

**WHEREAS**, the City of Newark has determined that the above referenced City-owned Properties (the “Properties”) are no longer needed for public use; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the rehabilitation of the area and is conveying the Properties at such prices and upon such terms as it deems reasonable and said conveyance is made in conjunction with the applicable Redevelopment Plan, as amended; 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 August 17, 2005, through Ordinance 6S&Fd(S) the Municipal Council adopted the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned Properties located within the South Ward, which includes the above-referenced Properties; and

**WHEREAS**, the City’s Department of Economic and Housing Development received a letter of intent, attached as Exhibit A of the Redevelopment Agreement (also referred to as “Proposal”), from SAJ Development LLC, 70 South Munn Avenue, Suite 1104, East Orange, New Jersey 07018 (the “Redeveloper”) for the purchase and redevelopment of the Properties into three (3) two-family residential homes to create affordable rental or for-sale housing.

**WHEREAS**, based upon the City’s review of the Proposal and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Properties and to redevelop it in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement for the Sale and Redevelopment of Land, the form of which is attached hereto (the “Agreement”), and the South Ward Redevelopment Plan, as amended; and

**WHEREAS**, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell the Properties to the Redeveloper, whom is willing to purchase the Properties from the City, for the consideration of Seventy-Four Thousand, Six Hundred Twenty Dollars and Zero Cents (\$74,620.00), for the purpose of redeveloping said Properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the South Ward Redevelopment Plan, as amended.

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

1. The Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute the Agreement for the Sale and Redevelopment of Land (the "Redevelopment Agreement"), in the form attached hereto, with SAJ Development LLC, 70 South Munn Avenue, Suite 1104, East Orange, New Jersey 07018 (the "Redeveloper"), for the private sale and redevelopment of the following Properties (the "Properties"), for the following Purchase Price, in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement and the South Ward Redevelopment Plan, as amended:

<u>Address</u>	<u>Block</u>	<u>Lot</u>	<u>Size</u>	<u>Sq. Feet</u>	<u>Vacant Land (Yes/No)</u>
389 Lyons Avenue	3070	26	33.4X100	3,340.	No
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2. The Properties are being sold to the Redeveloper, by private sale to redevelopment them into three (3) two-family residential homes to create affordable rental or for-sale housing.
3. The Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Redevelopment Agreement annexed hereto and may enter into access and right of entry agreements and any other related documents which may be necessary in order to effectuate the sale of the Properties and the terms and conditions of the Redevelopment Agreement, all in a form subject to the approval of the Corporation Counsel of the City of Newark.
4. The Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two (2) six (6) month extensions of any timeframe set forth in the Redevelopment Agreement, subject to the Interim Deputy Mayor/Director of the Department of Economic and Housing Development submitting a Memorandum of the extension to the Office of the City Clerk.
5. The Redeveloper shall be designated as the exclusive redeveloper of the Properties and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment and/or rehabilitation of the Properties is hereby rescinded.
6. The Redeveloper shall have thirty (30) days from the date this resolution is certified by the Office of the City Clerk to execute the attached Redevelopment Agreement and return same to the Department of Economic and Housing Development. Should the Redeveloper fail to execute and return the attached Redevelopment Agreement within this thirty (30) day time period, the authorization provided by this resolution shall be null and void, unless the Acting

Deputy Mayor/Acting Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period, subject to the Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development submitting a Memorandum of the extension to the Office of the City Clerk.

7. The Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development and the Director of Finance are hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety percent (90%) of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7Rg, adopted on November 6, 1985; and ten percent (10%) of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6S&Ff, adopted on June 21, 2006, for the purpose of preserving low and moderate income affordable housing.
8. The Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development shall place a copy of the executed Redevelopment Agreement for the Sale and Redevelopment of Land, the Quitclaim Deed, and all such other executed agreements authorized by this resolution on file in the Office of the City Clerk.
9. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, adopted on April 5, 1995; the City of Newark's Affirmative Action Plan Resolution 7Rbp, adopted on March 1, 1995; Federal Executive Order 11246, (as amended by Executive Orders 11375 and 12086) regarding the award of goods and services contracts; and the City of Newark Ordinance 6PSF-c June 17, 2015, Amending Title II, Administration, Chapter 4, General Administration, Section 20, Hiring of Newark Residents by Contractors or Other Persons Doing Business with the City of Newark and Section 21, Newark Residents' Employment Policy, by Adding Language to Address Immediate Short Term Training and Employment Opportunities and Repealing the Newark Employment Commission, a copy of which is attached to the Agreement as Exhibit C (the "First Source Ordinance"), all as may be applicable. In addition, the Redeveloper has agreed to ensure that thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.
10. The development of the Properties shall commence within three (3) months and be completed within eighteen (18) months from the transfer of ownership of the Properties by the City to the Redeveloper.
11. The project to be implemented by the Redeveloper shall conform to the City of Newark Design Guidelines, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Additionally, the Redeveloper shall conduct any environmental investigation and remediation upon the Properties as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed. Failure to exercise or delay in exercising this Right of Reverter by the City of Newark shall not constitute a waiver nor shall such failure and/or delay serve as a basis for adverse possession of the Property. Any and all waivers of the City's Right of Reverter shall be in writing.

12. The Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper to effectuate the transfer of the Properties. Said Quitclaim Deed conveying title to the Properties to the Redeveloper shall be approved as to form and legality by the City's Corporation Counsel and attested to and acknowledged by the City Clerk.

### **STATEMENT**

This Resolution authorizes the Mayor and/or his designee, Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of the following Properties with SAJ Development LLC, 70 South Munn Avenue, Suite 1104, East Orange, New Jersey 07018, to redevelop into three (3) two-family residential homes to create affordable rental or for-sale housing, in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement for the Sale and Redevelopment of Land and the South Ward Redevelopment Plan, as amended:

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