



## Legislation Text

File #: 20-0898, Version: 1

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

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

**Type of Service:** Amend an Affordable Housing Agreement

**Purpose:** To amend Resolution 7R3-e adopted on September 21, 2016, to which awarded \$500,000.00 in HOME Funds to the Urban League of Essex County Opportunity Corporation, in order to authorize a First Amended Affordable Housing Agreement to:

(1) amend the duration of the Affordable Housing Agreement from December 31, 2016 through December 31, 2018 to December 31, 2016 through November 30, 2020; and

(2) award additional HOME Funds in the amount of \$195,045.00 for a total allocation of \$695,045.00, to subsidize the construction and development costs of eleven (11) HOME assisted units within a twenty-two (22) unit residential project comprising of: four (4) three (3) family homes creating twelve (12) new units, two (2) two (2) family homes creating four (4) new units and rehabilitating one (1) three (3) family home, one (1) two (2) family home and one (1) one (1) family home creating six (6) rehabilitated units.

The requested increase in HOME Funds results from unanticipated expenses encountered in the course of completing the Project, including, but not limited to, remediation and clearance of underground oil tanks and fees for water and sewer connections.

**Entity Name:** Urban League of Essex County Opportunity Corporation

**Entity Address:** 508 Central Avenue, Newark, New Jersey 07107

**Loan Amount:** \$195,045.00 in additional funding to the original loan amount of \$500,000.00 for a total loan amount of \$695,045.00

**Loan Term:** December 31, 2016 through November 30, 2020

**Additional Information:**

**Total of 11 (eleven) HOME assisted units:**

217-219 Fairmount Avenue; Block 263, Lot 58.01 - three (3) family

221 Fairmount Avenue; Block 263, Lot 58.02 - three (3) family

227 Fairmount Avenue; Block 263, Lot 61.01 - three (3) family

229 Fairmount Avenue; Block 263, Lot 61.02 - two (2) family

228 Fairmount Avenue; Block 262, Lot 1 - three (3) family

224 Fairmount Avenue; Block 262, Lot 3 - two (2) family

231 Fairmount Avenue; Block 263, Lot 63 - two (2) family

479 South 14<sup>th</sup> Street; Block 329, Lot 21 - three (3) family

204 South 6<sup>th</sup> Street; Block 1778, Lot 52 - one (1) family

**WHEREAS**, through the Resolution 7R3-e adopted on September 21, 2016, the Municipal Council authorized the Mayor and/or his designee, the Deputy Mayor/ Director of the Department of Economic and Housing Development and/or his/her designee to enter into and execute an Affordable Housing Agreement to award Urban League of Essex County Opportunity Corporation (hereinafter "Urban League of Essex County"), with offices located at 508 Central Avenue, Newark, New Jersey 07107, HOME funds in the amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00)

to subsidize the construction and development costs of eleven (11) of the approximately twenty-two (22) units to be constructed with the owner occupied Project known as the "Fairmount Heights" (the "Project") located at 231 Fairmount Avenue, Block 263, Lot 63; 479 S.14<sup>th</sup> Street, Block 329, Lot 21; 224 Fairmount Avenue, Block 262, Lot 3; 228 Fairmount Avenue, Block 262, Lot 1; 227 Fairmount Avenue, Block 263, Lot 61.01; 229 Fairmount Avenue, Block 263, Lot 61.02; 217-219 Fairmount Avenue, Block 263, Lot 58.01; 221 Fairmount Avenue, Block 263, Lot 58.02; and 204 South 6<sup>th</sup> Street, Block 1778, Lot 52 in Newark, New Jersey; and

**WHEREAS**, this resolution seeks to amend Resolution 7R3-e by authorizing the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute a First Amended Affordable Housing Agreement to: (1) amend the duration of the agreement from December 31, 2016 through December 31, 2018 to December 31, 2016 through November 30, 2020; and (2) award additional HOME Funds in the amount of One Hundred Ninety-Five Thousand and Forty-Five Dollars and Zero Cents (\$195,045.00) towards the completion of the HOME Assisted units within the Project; and

**WHEREAS**, additional HOME program funds in the amount of One Hundred Ninety-Five Thousand and Forty-Five Dollars and Zero Cents (\$195,045.00) is necessary to cover unanticipated Project expenses, including, but not limited to, remediation and clearance of underground oil tanks and fees for water and sewer connections to ensure the successful completion of the Project; and

**WHEREAS**, Urban League of Essex County has spent Two Hundred and Forty-Nine Thousand Sixty-Four Dollars and Ninety-Eight Cents (\$249,064.98) of the initial Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) HOME Funds grant, leaving an unexpended balance of Two Hundred Fifty Thousand Nine Hundred and Thirty-Five Dollars and Two Cents (\$250,935.02); and

**WHEREAS**, the requested increase in HOME Funds in the amount of One Hundred Ninety-Five Thousand and Forty-Five Dollars and Zero Cents (\$195,045.00) would bring the total amended HOME funds grant amount to Six Hundred Ninety-Five Thousand Forty-Five Dollars and Zero Cents (\$695,045.00) and would increase the available unexpended balance to Four Hundred Forty-Five Thousand Nine Hundred Eighty Thousand Dollars and Two Cents (\$445,980.02).

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

1. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a First Amended Affordable Housing Agreement with Urban League of Essex County in order to: (1) amend the duration of the agreement from December 31, 2016 through December 31, 2018 to December 31, 2016 through November 30, 2020, and (2) award additional HOME Funds in the amount of One Hundred Ninety-Five Thousand and Forty-Five Dollars and Zero Cents (\$195,045.00) for a total allocation of Six Hundred Ninety-Five Thousand Forty-Five Dollars and Zero Cents (\$695,045.00), to subsidize the construction and development costs for the successful completion of the Project.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to establish a declaration of covenants, conditions and restrictions. Said covenants, conditions and restrictions shall run with the land and bind Urban League of Essex

County 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 with this Agreement for a period of fifteen (15) years to ensure compliance with the requirements of the HOME program, pursuant to the HOME program statute and regulations (24 CRF Part 92).

3. This resolution is ratified from December 31, 2016 to the date of adoption of this authorizing resolution.

4. Urban League of Essex County shall be responsible for the recordation of the final First Amended Affordable Housing Agreement and Mortgage and any amendments hereto in the Office of the Essex County Register's Office.

5. 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 First Amended Affordable Housing Agreement and any amendments thereto, which are annexed hereto, and may enter into subordination agreements, mortgages, access and right of entry agreements, and other relevant documents related to this fund allocation in a form subject to the approval of the City's Corporation Counsel.

6. All federal HOME program funds for the Project shall be subject to the terms and conditions set forth in the Affordable Housing Agreement and any amendments thereto, which are attached hereto and made a part thereof.

7. The Project shall be completed by no later than November 30, 2020 and Urban League of Essex County must adhere to all milestones and timelines in the Project Schedule approved by the Department of Economic and Housing Development. The Project must conform to the City of Newark Design Guidelines for New Home Construction, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should Urban League of Essex County fail to complete the Project within the specified time frame, then the City, in its sole discretion, in addition to any other remedy available by the First Amended Affordable Housing Agreement and any amendments thereto or as allowed by law, may direct Urban League of Essex County to repay all HOME program funds expended on the Project back to the City.

8. The additional HOME program funds in the amount of One Hundred and Ninety-Five Thousand and Forty-Five Dollars and Zero Cents (\$195,045.00) are being awarded solely to cover the unanticipated expenses encountered by the Urban League of Essex County during the course of completing the Project.

9. A copy of this resolution, the final fully executed First Amended Affordable Housing Agreement authorized by this resolution and any further amendments authorized herein, the Assignment Agreement, and any other agreements authorized herein and the certification of funds shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development.

10. The Entity must remain in compliance with municipal, State and Federal laws including,

but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&Fd adopted on April 5, 1995) and its Affirmative Action Plan (7Rbp, adopted on 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. The Entity has agreed to ensure that a minimum of 30% of the workers employed during the construction of the project shall be Newark residents and that 25% of all contractors, subcontractors and suppliers shall be Newark companies.

11. Resolution 7R3-e, which was previously adopted on September 21, 2016, and the affordable housing agreement authorized therein shall remain in full force an effect, to the extent it is not otherwise amended herein.

12. Attached hereto is a certification from the Director of the Department of Finance, which states: (1) that there are sufficient funds for the First Amended Affordable Housing Agreement as set forth hereinabove; and (2) that the line appropriation of the official budget which shall be charged is as follows:

Business Unit	Dept.	Div./Proj.	Account	Budget Ref.	Amount
NW051	G18	D18A0	72090	B2018	\$179,259.00
NW051	G17	D1710	72090	B2017	\$15,786.00

13. Any resolution that is wholly or partially in conflict with the provisions of this resolution is hereby superseded with respect to such conflict.

### **STATEMENT**

This resolution ratifies and authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute a First Amended Affordable Housing Agreement with Urban League of Essex County in order to: (1) amend the duration of the agreement from December 31, 2016 through December 31, 2018 to December 31, 2016 through November 30, 2020; and (2) award additional HOME Funds in the amount of One Hundred Ninety-Five Thousand and Forty-Five Dollars and Zero Cents (\$195,045.00) for a total allocation of Six Hundred Ninety-Five Thousand Forty-Five Dollars and Zero Cents (\$695,045.00), to subsidize the construction and development costs for the successfully completion of the Project.