



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 22-0583, 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 build out of a two-phase social impact and community development project providing supportive social services to individuals and families affected by HIV/AIDS through its Service Providing Partner, AIDS Resource Foundation for Children, Inc. ("ARFC"); Phase I shall consist of a fifty-six (56) unit all-affordable (80% or less of area median household income and supportive housing) and workforce housing development with a commercial space dedicated for a daycare center for residents and local community residents in a newly constructed mixed-use five (5) story building with ground level parking and Phase II shall consist of a forty-two (42) unit affordable residential building, to be built on the real property located at 701-703 South 10th Street, 705 South 10th Street, 707 South 10th Street, 709-711 South 10th Street, 713 South 10th Street, 715-717 South 10th Street, 719 South 10th Street and 721 South 10th Street, Newark, New Jersey 07108, as part of the Kent/Brenner/Springfield Redevelopment Plan.

**Entity Name:** 10th and 11th Street Homes, LLC

**Entity Address:** 369 Raymond Boulevard, Newark, New Jersey 07105

**Grant Amount:** \$400,000.00

**Funding Source:** Community and Economic Development Dedicated Trust Fund

**Total Project Cost:** \$13,773,963.00

**City Contribution:** \$400,000.00

**Other Funding Source/Amount:** \$0.00

**Grant Period:** Commencing upon full execution of the Grant Agreement and expiring within twenty-four (24) months of the commencement date 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

**List of Property:** (if applicable)

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

701-703 South 10<sup>th</sup> Street/Block 2630/Lot 19.01/South Ward

705 South 10<sup>th</sup> Street/Block 2630/Lot 19.02/South Ward

707 South 10<sup>th</sup> Street/Block 2630/Lot 19.03/South Ward

709-711 South 10<sup>th</sup> Street/Block 2630/Lot 19.04/South Ward

713 South 10<sup>th</sup> Street/Block 2630/Lot 19.05/South Ward

715-717 South 10<sup>th</sup> Street/Block 2630/Lot 19.06/South Ward

719 South 10<sup>th</sup> Street/Block 2630/Lot 19.07/South Ward

721 South 10<sup>th</sup> Street/Block 2630/Lot 19.08/South Ward

**Additional Information:**

**Deferred 7R2-p 090822**

**Deferred 7R2-f 092122**

**WHEREAS**, the City of Newark through its Homelessness Commission issued a Housing Challenge - Call for Partners on November 16, 2020, to assist in the creation of healthy, permanent and affordable housing options for City of Newark “residents without addresses”, which sought partners to develop transitional, permanent supportive housing and housing first units, to aggressively attack the affordable housing and homelessness crisis; and

**WHEREAS**, the Housing Challenge - Call for Partners required submissions to be submitted via electronic mail by 4:00pm, December 16, 2020; and

**WHEREAS**, 10<sup>th</sup> and 11<sup>th</sup> Street Homes, LLC, a New Jersey limited liability company having its place of business located at 369 Raymond Boulevard, Newark, New Jersey 07105 (the “**Redeveloper**”), submitted a Proposal on December 14, 2020, in response to the Housing Challenge - Call for Partners, seeking to build out a two-phase social impact and community development project providing supportive social services to individuals and families affected by HIV/AIDS through its Service Providing Partner, AIDS Resource Foundation for Children, Inc. (“ARFC”); Phase I shall consist of a 56 Unit all-affordable (80% or less of area median household income and supportive housing) and workforce housing development with a commercial space dedicated for a daycare center for residents and local community residents in a newly constructed mixed-use 5-story building with ground level parking and Phase II shall consist of a forty two (42) unit affordable residential building (the “**Project**”) to be built on the real property located at 701-703 South 10<sup>th</sup> Street, 705 South 10<sup>th</sup> Street, 707 South 10<sup>th</sup> Street, 709-711 South 10<sup>th</sup> Street, 713 South 10<sup>th</sup> Street, 715-717 South 10<sup>th</sup> Street, 719 South 10<sup>th</sup> Street and 721 South 10<sup>th</sup> Street, Newark, New Jersey, and identified on the official tax map of the City as Block 2630, Lots 19.01, 19.02, 19.03, 19.04, 19.05, 19.06, 19.07 and 19.08 (South Ward) as identified on the official tax map of the City of Newark (the “**Properties**”); and

**WHEREAS**, in order to stimulate the reinvigoration of the City, the Newark Municipal Council (“Municipal Council”) adopted Resolution 7Rdo(AS) on June 15, 2005, designating the entire City as an area in need of rehabilitation pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A: 12A-1 et seq. (“LRHL”); and

**WHEREAS**, the Municipal Council thereafter adopted Ordinance 6PSF-b on April 1, 2009, adopting the Kent/Brenner/Springfield Redevelopment Plan (Central and South Wards), governing the Redevelopment of property located within the affected area, which includes the above referenced Properties; and

**WHEREAS**, the Project is located within an area in need of redevelopment as defined under the LRHL, and is governed by the Kent/Brenner/Springfield Redevelopment Plan, as amended; 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) 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 redevelopment plans; and

**WHEREAS**, the Project qualifies for financial assistance since it is located within a redevelopment area and is being performed in accordance with the Kent/Brenner/Springfield Redevelopment Plan; and

**WHEREAS**, the Municipal Council recognizes the need to complete the above Project and desires to provide a capital grant in the amount of Four Hundred Thousand Dollars (\$400,000.00) (“Grant”) to the Redeveloper to be used as a subsidy to develop the Project; and

**WHEREAS**, the funds for the Grant shall be provided from the City’s Community and Economic Development Dedicated Trust Fund, which was established by the Municipal Council through Resolution 7RG, adopted on November 6, 1985 (the “**Resolution**”) for the purpose of financing the development costs associated with redevelopment projects, urban revitalization projects, economic stabilization and stimulation projects, restoration and preservation of properties of special value for historic, architectural and esthetic reasons, and such other projects within the City which are consistent with the activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, as amended (“**Title I**”); and

**WHEREAS**, since the Project is consistent with the purposes set forth in the Resolution and the activities eligible for assistance under Title I, the City determined that it is in the best interest of the City to enter into a Grant Agreement and such other documents as may be necessary in order to fund the Grant to the Redeveloper.

**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 each hereby authorized to enter into and execute a grant agreement with 10th and 11<sup>th</sup> Street Homes, LLC, 369 Raymond Boulevard, Newark, New Jersey 07105 (“Redeveloper”), in the form attached hereto (“**Grant Agreement**”), in the amount of Four Hundred Thousand Dollars (\$400,000.00) from the City’s Community and Economic Development Dedicated Trust Fund (the “**Grant Funds**”), 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.
2. The Grant Funds are being provided to Redeveloper based on the Proposal submitted by Redeveloper on December 14, 2020, in response to the Housing Challenge - Call for Partners.
3. 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 the Agreement for the Redevelopment of Land with Redeveloper (“Redevelopment Agreement”) for the Project located at 701-703 South 10<sup>th</sup> Street, 705 South 10<sup>th</sup> Street, 707 South 10<sup>th</sup> Street, 709-711 South 10<sup>th</sup> Street, 713 South 10<sup>th</sup> Street, 715-717 South 10<sup>th</sup> Street, 719 South 10<sup>th</sup> Street and 721 South 10<sup>th</sup> Street, Newark, New Jersey, and identified on the official tax map of the City as Block 2630, Lots 19.01, 19.02, 19.03, 19.04, 19.05, 19.06, 19.07 and 19.08 (South Ward) as identified on the official tax map of the City of Newark (“Properties”), to memorialize the terms and conditions of the redevelopment of the Properties consistent with the Proposal, and the Award of the Grant Funds.
4. The 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 Redeveloper upon the occurrence of an event of default under the Grant Agreement by requiring

the Redeveloper to execute a separate Mortgage and Security Agreement (“Mortgage”) and Note for the full amount of the Grant Funds pursuant to the Grant Agreement. Said covenants, conditions and restrictions shall run with the land and bind the Redeveloper 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 in connection therewith upon its issuance of a Certificate of Completion for the Project.

5. The term of the Grant Agreement shall commence on the date of full execution and delivery of the Grant Agreement by Redeveloper and shall expire upon the City’s issuance of a Certificate of Completion for the Project as provided in the Grant Agreement.
6. The Redeveloper shall be responsible for the recordation of the final fully executed Grant Agreement and Mortgage and any amendments thereto in the Essex County Register’s Office.
7. 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 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 City’s 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 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 City’s Corporation Counsel.
8. The Redeveloper 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 Redeveloper 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 Redeveloper to repay all funding authorized in the Grant Agreement.
9. The Redeveloper 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 Redeveloper 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.
10. Attached hereto is a Certification from the Director of Finance of the City of Newark which states that (1) there are sufficient funds in the amount of Four Hundred Thousand Dollars (\$400,000.00) and (2) that the line appropriation of official budgets which shall be charged is as

follows:

Department	Dept.	Division/Proj.	Activity	Account	Budget Ref.	Amount
NW026		BS		32100	B2022	\$400,000.00

11. A copy of the fully executed Redevelopment Agreement, Grant Agreement, Note, recorded Mortgage, and Certification of Funds, together with this Resolution 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

This Resolution authorizes the Mayor and/or his designee, and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Redevelopment Agreement, Grant Agreement, Note, and Mortgage and Security Agreement, in the forms attached hereto, in the amount of Four Hundred Thousand Dollars (\$400,000.00) to be provided from the City's Community and Economic Development Dedicated Trust Fund in order to subsidize the costs necessary to complete the Project, located at 701-703 South 10<sup>th</sup> Street, 705 South 10<sup>th</sup> Street, 707 South 10<sup>th</sup> Street, 709-711 South 10<sup>th</sup> Street, 713 South 10<sup>th</sup> Street, 715-717 South 10<sup>th</sup> Street, 719 South 10<sup>th</sup> Street and 721 South 10<sup>th</sup> Street, Newark, New Jersey, and identified on the official tax map of the City as Block 2630, Lots 19.01, 19.02, 19.03, 19.04, 19.05, 19.06, 19.07 and 19.08 (South Ward) as identified on the official tax map of the City of Newark, pursuant to the Housing Challenge - Call for Partners ("Making Housing Homes").

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