File #: 25-0142, **Version:** 1

AN ORDINANCE GRANTING A TWENTY-FIVE (25) YEAR LONG TERM TAX ABATEMENT TO CASA MIA APARTMENTS URBAN RENEWAL, LLC, C/O CAPITAL REALTY GROUP, INC., 86 ROUTE 59 EAST SPRING VALLEY, NEW YORK 10977, FOR A PROJECT, LOCATED IN THE NORTH WARD AT 502-504 SUMMER AVENUE, NEWARK, NEW JERSEY AND IDENTIFIED ON THE CITY'S TAX MAP AS BLOCK 625, LOT 46 (THE "PROPERTY"), TO REHABILITATE A SIX (6) STORY ELEVATOR 100% AFFORDABLE SENIOR-LIVING RESIDENTIAL RENTAL BUILDING WITH A TOTAL OF NINETY-ONE (91) RESIDENTIAL UNITS, CONSISTING OF NINE (9) RESIDENTIAL RENTAL UNITS WHICH SHALL BE RESTRICTED TO TENANTS UP TO 60% OF AREA MEDIAN INCOME ("AMI") (THE "INCOME RESTRICTED UNITS"), AND ONE (1) NON-INCOME SUPERINTENDENT UNIT (NORTH WARD).
Deferred 6PSF-f 120325

WHEREAS, Casa Mia Apartments Urban Renewal, LLC, c/o Capital Realty Group, Inc., 86 Route 59 East Spring Valley, New York 10977 filed an application with the Mayor seeking a long term tax abatement under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., for a Twenty-five (25) year term for a project located in the North Ward at 502-504 Summer Avenue, Newark, New Jersey 07104 and identified on the City's tax map as Block 625, Lot 46 on the tax map of the City (the "Property") to rehabilitate a six (6) story elevator 100% affordable senior-living residential rental building with a total of ninety-one (91) residential units, consisting of nine (90) residential rental units which shall be restricted to tenants up to 60% of Area Median Income ("AMI") (the "Income Restricted Units"), and one (1) non-income superintendent unit. The rehabilitation shall include an extensive renovation of all the apartments and common areas, exterior brick, new windows, roof, and HVAC, renovations to the community room with a new modern furniture, a TV lounge and computer stations, and new and upgraded security features, including an electronic key fob system, and IP CCTV cameras, and a wireless emergency pendant systems to allow residents to call in case of emergency (collectively, the "Project"); and

WHEREAS, the Mayor has submitted the application and proposed Financial Agreement to the Municipal Council with his recommendation thereof, a copy of which is annexed hereto; and

WHEREAS, the Department of Economic and Housing Development has determined pursuant to N.J.S.A. 40A:20-11 that the relative benefits of this Project outweigh any costs associated with this tax exemption and that without the tax abatement granted herein, the Project would not be undertaken.

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

1. The application of Casa Mia Apartments Urban Renewal, LLC, c/o Capital Realty Group, Inc., 86 Route 59 East Spring Valley, New York 10977, for the development, maintenance, and operation of the Project described in the application is hereby approved in accordance with the recommendation of the Mayor for a project, located in the North Ward at 502-504 Summer Avenue,

Newark, New Jersey 07104 and identified on the City's tax map as Block 625, Lot 46 on the tax map of the City (the "Property"), to rehabilitate a six (6) story elevator 100% affordable senior-living residential rental building with a total of ninety-one (91) residential units, consisting of nine (90) residential rental units which shall be restricted to tenants up to 60% of Area Median Income ("AMI") (the "Income Restricted Units"), and one (1) non-income superintendent unit. The rehabilitation shall include an extensive renovation of all the apartments and common areas, exterior brick, new windows, roof, and HVAC, renovations to the community room with a new modern furniture, a TV lounge and computer stations, and new and upgraded security features, including an electronic key fob system, and IP CCTV cameras, and a wireless emergency pendant systems to allow residents to call in case of emergency (collectively, the "Project").

2. The abatement from taxation on improvements is hereby granted to the Entity for a period of twenty-five (25) years pursuant to N.J.S.A. 40A:20-12, and only so long as the Entity is subject to and complies with the proposed Financial Agreement and the Long Term Tax Exemption Law, as amended and supplemented.

3. The Mayor of the City of Newark is hereby authorized to execute, on the City's behalf, the Financial Agreement in the form attached hereto.

4. The The Deputy Mayor/Director shall file an executed copy of the Financial Agreement authorized by this ordinance in the Office of the City Clerk.

5. The Project, when completed, will conform with all State laws and ordinances of the City of Newark relating to its construction and use.

6. The Affirmative Action Program now on file in the Office of the City Clerk is declared to be a material condition of the Financial Agreement authorized by this ordinance.

7. The Entity shall, in the operation of the Project, comply with all laws so that no person shall be subject to any discrimination because of race, religious principles, color, national origin, or ancestry.

8. The Entity shall file an employment report (herein described below) with the Office of Affirmative Action, who shall forthwith, after receiving the report, send a copy thereof to the City Clerk, and the Office of Affirmative Action shall forthwith investigate the matters contained therein and report its findings to the Municipal Council.

9. The annual service charge shall be based on the greater of the minimum annual service charge or 7.5% of the Annual Gross Revenue from the affordable housing units as set forth more fully within the Financial Agreement.

10. The Entity shall pay the minimum annual service charge, as calculated pursuant to N.J.S.A. 40A:20-12(b)(2)(e) and the Financial Agreement, in each year in which the annual service charge, as provided in paragraph 9 above, would be less than the minimum annual service charge.

11. The following occurrences and requirements are express conditions of the granting of this tax abatement to be performed by the Entity, and the failure to comply with these requirements will result in the cancellation of the tax abatement:

(a) The Entity shall not, without the prior consent of the Municipal Council of the City of Newark, sell, lease, assign, encumber, subordinate, convey, mortgage, or transfer all or any

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part of the Project so as to sever, disconnect or divide the improvements from the land embraced within the Project;

(b) The Entity shall concomitantly, with the submission of the annual report required of it by N.J.S.A. 40A:20-9(d), attach an employment report under oath, with particulars, stating the manner and the extent to which it has complied with paragraph 8 above. This employment report shall be filed with the Director of Finance, the City Clerk, and the Director of the Department of Economic and Housing Development;

(c) The Entity shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this ordinance;

(d) The Entity shall submit to the City a copy of its formation documents, as approved by the Department of Community Affairs and filed with the Secretary of State;

(e) The Entity shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to City Ordinance 6S&Fd, adopted October 21, 1992, as amended.

12. That in any year that the Entity shall fail to make four (4) consecutive land tax payments when due and owing in the manner defined in N.J.S.A. 40A:20-12(b)(2)(e), such delinquency shall render the Entity ineligible for any land tax credits against the annual service charge.

13. The Entity understands and agrees that the revenue projections set forth in the application are estimates and that the actual payments in lieu of taxes to be paid by the Entity to the City shall be determined pursuant to the Financial Agreement to be executed between the Entity and the City of Newark.

14. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby waived, but only with respect to this ordinance.

15. Within ten (10) calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Entity, the City Clerk's Office shall transmit a certified copy of the Ordinance and Financial Agreement to the Chief Financial Officer of the County and County Counsel for informational purposes.

16. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance grants a long term tax abatement Casa Mia Apartments Urban Renewal, LLC, c/o Capital Realty Group, Inc., 86 Route 59 East Spring Valley, New York 10977, pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. for a twenty-five (25) year term, for a project, located in the North Ward at 502-504 Summer Avenue, Newark, New Jersey 07104 and identified on the City’s tax map as Block 625, Lot 46 on the tax map of the City (the “Property”), to rehabilitate a six (6) story elevator 100% affordable senior-living residential rental building with a total of ninety-one

(91) residential units, consisting of nine (9) residential rental units which shall be restricted to tenants up to 60% of Area Median Income (“AMI”) (the “Income Restricted Units”), and one (1) non-income superintendent unit.