

Ordinance of the City of Jersey City, N.J.

File No. Ord. 20-037
Agenda No. 3.4 (1st Reading)
Agenda No. 4.7 (2nd Reading and Final Passage)



AN ORDINANCE AUTHORIZING THE BUSINESS ADMINISTRATOR TO EXECUTE A CONSENT ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY, MUHLENBERG SENIOR HOUSING URBAN RENEWAL LLC AND MUHLENBERG GARDENS URBAN RENEWAL, LLC EFFECTUATING THE TRANSFER AND ASSIGNMENT OF THE PROPERTY AND THE TAX EXEMPTION HELD BY MUHLENBERG SENIOR HOUSING URBAN RENEWAL LLC TO MUHLENBERG GARDENS URBAN RENEWAL, LLC PURSUANT TO THE LIMITED-DIVIDEND NONPROFIT HOUSING CORPORATIONS OR ASSOCIATIONS LAW N.J.S.A 55:16-1 ET SEQ.

COUNCIL AS A WHOLE offered and moved adoption of the following ordinance:

WHEREAS, pursuant to N.J.S.A. 55:16-1 et seq., and Resolution S-2387 on September 4, 1979, the City approved a Tax Exemption and the execution of a Financial Agreement with Hudson Lutheran Housing Corporation [the Original Entity], pursuant to the Limited-Dividend Nonprofit Housing Corporations or Associations Law [the "Limited Dividend Housing Law"], as amended and supplemented, N.J.S.A. 55:16-1 et seq., for the construction of a senior housing project consisting of 151 residential units, and more particularly described as Block 2102, Lots 4 and 4X, (f/k/a Block 875, Lots 63, 269, 291, 293, A, B, C and B2), on the official Tax Map of the City of Jersey City [Project]; and

WHEREAS, the City and the Original Entity, entered into a Financial Agreement dated September 17, 1979 [Financial Agreement]; and

WHEREAS, all 150 rental units within the Project are affordable and restricted to senior citizen occupancy; and

WHEREAS, by Ordinance number 17-171, adopted on December 13, 2017, the City approved the transfer of the Financial Agreement from the Original Entity to Muhlenberg Senior Housing Urban Renewal LLC [Current Entity] and extended the tax exemption on the property for an additional three (3) years; and

WHEREAS, on February 9, 2018, the Original Entity, the Current Entity, and the City executed a Consent Assignment and Assumption Agreement transferring the Financial Agreement from the Original Entity to the Current Entity and extending the tax exemption on the property for an additional three (3) years; and

WHEREAS, pursuant to an Agreement of Sale dated October 8, 2019, the Current Entity agreed to sell the Project and assign the Financial Agreement to Muhlenberg Gardens Urban Renewal, LLC [New Entity]; and

WHEREAS, by application dated January 8, 2020, the New Entity formally requested that the City give its consent and approval for the purchase of the Project, and the assignment of the Financial Agreement to the New Entity; and

WHEREAS, the New Entity has agreed to assume all obligations of the previous Entity under the Financial Agreement as amended, including, but not limited to, the continuance of the affordability controls for the senior citizen occupants of the Project; and

WHEREAS, the New Entity will continue to pay to the City 6.28% of annual gross revenue; and

WHEREAS, pursuant to N.J.S.A. 55:16-14, upon written application by the New Entity, the City is required to consent to the purchase of a housing project and transfer of a tax exemption if the prospective purchaser can demonstrate that:

APPROVED AS TO LEGAL FORM

A handwritten signature in black ink, appearing to be "K.B.", is written over a horizontal line.

Business Administrator

A handwritten signature in black ink, appearing to be "D.W.", is written over a horizontal line.

Corporation Counsel

An Ordinance authorizing the Business Administrator to execute a consent assignment and assumption agreement between the City, Muhlenberg Senior Housing Urban Renewal LLC and Muhlenberg Gardens Urban Renewal, LLC effectuating the transfer and assignment of the property and the tax exemption held by Muhlenberg Senior Housing Urban Renewal LLC to Muhlenberg Gardens Urban Renewal, LLC pursuant to the limited-dividend nonprofit housing corporations or associations law N.J.S.A 55:16-1 et seq.

1) The project is within an area where, under the conditions existing at the time, dwellings conforming to reasonable standards of adequacy and renting at or below the average rent to be charged in the project, are not being provided in sufficient quantity through the ordinary operation of private enterprise; and

2) That there has been presented to the authority, in such form and with such proof as it may require, a financial plan covering the cost of lands and improvements and the operation of the project, such as shall reasonably assure the successful completion and operation of the project in accordance with the purposes of this act.

WHEREAS, the New Entity has demonstrated that the Project is within an area where, under the conditions existing at the time, dwellings conforming to reasonable standards of adequacy and renting at or below the average rent to be charged in the Project, are not being provided in sufficient quantity through the ordinary operation of private enterprise; and

WHEREAS, the New Entity has provided a financial plan with its application which assures the successful operation of the Project in accordance with the Limited Dividend Housing Law; and

WHEREAS, it is in the City's best interest that the New Entity be permitted to purchase this Project from the current owner and that the tax exemption originally granted to the current owner be transferred to the New Entity.

WHEREAS, on April 22, 2020, the Municipal Council of the City of Jersey City, by Resolution 20-____, agreed to the purchase of the Senior Housing Project located at 1065 Summit Avenue by the New Entity and agreed to the transfer and assignment of the tax exemption associated with the Senior Housing Project located at 1065 Summit Avenue from the Current Entity to the New Entity.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

A.Consent for Muhlenberg Gardens Urban Renewal, LLC to purchase the project located at Block 2102, Lots 4 and 4X, (f/k/a Block 875, Lots 63, 269, 291, 293, A, B, C and B2) and more commonly known by the street address of 1065 Summit Avenue, is hereby approved.

B.Consent to transfer the tax exemption from Muhlenberg Senior Housing Urban Renewal LLC to Muhlenberg Gardens Urban Renewal, LLC, is hereby approved.

C.The New Entity agrees to assume all obligations of the Current Entity under the Financial Agreement as amended, including, but not limited to, the continuance of the affordability controls for the senior citizen occupants of the project.

D.The New Entity will continue to pay to the City 6.28% of annual gross revenue.

F. The Mayor or Business Administrator is hereby authorized to execute a Consent Assignment and Assumption Agreement between the City, Muhlenberg Senior Housing Urban Renewal LLC, and Muhlenberg Gardens Urban Renewal, LLC, in substantially similar form to the Agreement attached hereto and in accordance with the terms and conditions referenced above as well as any other terms and conditions deemed necessary or appropriate by the Corporation Counsel and the Business Administrator to effectuate the purposes of this Ordinance.

G.All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.

H.This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.

I.This Ordinance shall take effect at the time and in the manner provided by law.

J.The City Clerk are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this Ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

Ord. 20-037

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K. The Business Administrator is empowered to request periodic audits of the Project in order to ensure that the New Entity is fulfilling its obligations under the amended Financial Agreement.

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| RECORD OF COUNCIL VOTE ON INTRODUCTION – Apr 22 2020 | | | | | | |
|--|-----|----------|--------|--------------------|-----|-----|
| RIDLEY | AYE | YUN | ABSENT | LAVARRO | AYE | 8-0 |
| PRINZ-AREY | AYE | SOLOMON | AYE | RIVERA | AYE | |
| BOGGIANO | AYE | ROBINSON | AYE | WATTERMAN, PRES | AYE | |

| RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING – May 6 2020 | | | | | | |
|---|-----|----------|-----|---------------------|-----|-----|
| RIDLEY | AYE | SALEH | AYE | LAVARRO | AYE | 9-0 |
| PRINZ-AREY | AYE | SOLOMON | AYE | RIVERA | AYE | |
| BOGGIANO | AYE | ROBINSON | AYE | WATTERMAN, PRES. | AYE | |

| RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY – | | | | | | |
|--|--|----------|--|---------------------|--|--|
| RIDLEY | | SALEH | | LAVARRO | | |
| PRINZ-AREY | | SOLOMON | | RIVERA | | |
| BOGGIANO | | ROBINSON | | WATTERMAN, PRES. | | |

| RECORD OF FINAL COUNCIL VOTE – May 6 2020 | | | | | | |
|---|-----|----------|-----|---------------------|-----|-----|
| RIDLEY | AYE | SALEH | AYE | LAVARRO | AYE | 9-0 |
| PRINZ-AREY | AYE | SOLOMON | AYE | RIVERA | AYE | |
| BOGGIANO | AYE | ROBINSON | AYE | WATTERMAN, PRES. | AYE | |

Adopted on first reading of the Council of Jersey City, N.J. on Apr 22 2020

Adopted on second and final reading after hearing on May 6 2020

This is to certify that the foregoing Ordinance was adopted
by the Municipal Council at its meeting on May 6 2020



City Clerk



Joyce E. Watterman, President of Council

Approved: May 6 2020



Steven M. Fulop, Mayor

Date to Mayor: May 7 2020

Approved: May 15 2020