

City Clerk File No. Ord. 13-059

Agenda No. 3.K 1st Reading

Agenda No. 4.J 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 13-059

TITLE: ORDINANCE TO 1) EXTEND THE SUNSET PROVISION OF ORDINANCE 11-084 THAT APPROVED A 30 YEAR TAX EXEMPTION FOR A LOW AND MODERATE INCOME SENIOR CITIZEN AFFORDABLE HOUSING PROJECT TO BE CONSTRUCTED BY THE MONTGOMERY SENIOR LIVING CENTER URBAN RENEWAL ASSOCIATES, L.P.; AND 2) AMEND THE FINANCIAL AGREEMENT TO INCREASE THE PERCENTAGE OF THE ANNUAL SERVICE CHARGE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, Montgomery Senior Living Center Urban Renewal Associates, L.P., is an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. [Entity]; and

WHEREAS, Montgomery Senior Living Center Urban Renewal Associates, L.P. is the ground lessee of certain property owned by the Jersey City Housing Authority (JCHA) known as: Block 2116, Lot P1; to be known as Block 13102, Lot 1.02, on City's Tax map and more commonly known by the street address of 561 Montgomery Street, Jersey City, New Jersey [Property]; and

WHEREAS, by an application dated June 8, 2011, Montgomery Senior Living Center Urban Renewal Associates, L.P., applied for a 30 year tax exemption to rehabilitate an existing unoccupied ten (10) story high rise building containing 70 dwelling units for occupancy by and at rents affordable to senior citizens of low or moderate income affordable housing as defined by the United States Department of Housing and Urban Development [Project]; and

WHEREAS, because the Project is a low and moderate income affordable housing project, it is eligible for tax exemption pursuant to N.J.S.A. 40A:20-4, even though it is in neither a redevelopment area or an urban enterprise zone; and

WHEREAS, by the adoption of Ordinance 11-084 on August 10, 2011, the tax exemption was approved, subject to the approval of financing from the New Jersey Housing and Mortgage Finance Agency [NJHMFA] on or before December 31, 2012; and

WHEREAS, NJHMFA did not approve financing by December 31, 2012, and the tax exemption sunseted; and

WHEREAS, by a letter dated April 10, 2013, Montgomery Senior Living Center Urban Renewal Associates, L.P., has applied to revive its application of June 8, 2011 and extend its period of tax exemption in order to now obtain financing from the NJHMFA from May 24, 2015; and

WHEREAS, Montgomery Senior Living Center Urban Renewal Associates, L.P., has also agreed to pay a service charge estimated to be \$36,286, which sum is equal to 9% of Annual Gross Revenue for years 1 through 15; and 12% of Annual Gross Revenue for years 16 through 30, and to provide employment and other economic opportunities for City residents and businesses in accordance with a Project Employment Agreement; and

WHEREAS, the City hereby determined that the relative benefits of the project outweigh the cost of the tax exemption for the following reasons:

1. The City will apply to receive credit for creating 68 units of low and moderate income rental housing against the units needed within the City of Jersey City as determined by the New Jersey Council on Affordable Housing;
2. There is an especially compelling need for decent safe and affordable housing for low income families, who are currently paying over 30% of their income for housing; and
3. The construction of the improvements will create 55 construction jobs, 2 full-time jobs and 1 part-time job, and stabilize the neighborhood; and

WHEREAS, the City hereby determines that the tax exemption is necessary to insure the success of the Project for the following reasons:

1. The reduced tax payments allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project;
2. The reduction in taxes makes the Project attractive to investors of low income housing tax credits and makes the project eligible for financing from the New Jersey Housing and Mortgage Finance Agency, needed to fund the Project; and
3. The reduced tax payments will also allow the owner to maintain the low income units at the lowest rents possible within the income guidelines; and
4. The Project will provide 68 units of low and moderate income affordable housing which advances an inherently beneficial public purpose, notwithstanding that the City's impact analysis, on file with the Office of the City Clerk, which indicates that the service charge will not support the cost of providing municipal services to the Project; and

WHEREAS, Montgomery Senior Living Center Urban Renewal Associates, L.P., site plan application was approved on May 24, 2011; and

WHEREAS, Montgomery Senior Living Center Urban Renewal Associates, L.P., has certified that the terms of its application dated June 8, 2011 have not changed except that it accepts the Amended Service Charge; and

WHEREAS, on April 16, 2013, the Tax Exemption Committee recommended the approval of the tax exemption to the Mayor with a two (2) year extension of the sunset provision and an amendment to the Service Charge of 9% of Annual Gross Revenue for years 1 through 15; and 12% of Annual Gross Revenue during years 16 through 30.

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

1. The application of Montgomery Senior Living Center Urban Renewal Associates, L.P., an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq.; for a tax exemption, a copy of which is on file in the office of the City Clerk, is hereby approved subject to the following terms and conditions:

- (a) Term: 30 years;

- (b) Service Charge: 9% of Annual Gross Revenue for years 1 through 15, estimated to be approximately \$36,286; and 12% of Annual Gross Revenue for years 16 through 30;
- (c) Administrative Fee: 2% of the prior year's Annual Service Charge;
- (d) County Payment: 5% of the Annual Service Charge to the City for remittance by the City to Hudson County;
- (e) Project: 68 units of rental housing for low or moderate income families, especially senior citizens and special needs persons, as defined by United States Department of Housing and Urban Development; and
- (f) Property: Block 2116, Lot P1; to be known as Block 13102, Lot 1.02, on the City's Tax map and more commonly known by the street address of 561 Montgomery Street, Jersey City, New Jersey.

2. The Mayor or Business Administrator is authorized to execute a tax exemption Financial Agreement, which includes a Project Employment Agreement in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator and Corporation Counsel deems appropriate or necessary.

3. This Ordinance will sunset and the Tax Exemption will terminate unless the Entity receives approval of financing from the NJHMFA, which must now occur no later than May 24, 2015.

4. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

5. 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.

6. This ordinance shall take effect at the time and in the manner provided by law.

7. The City Clerk and Corporation Counsel be and they 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.

NOTE: All material is new; therefore underlining has been omitted. For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JM/he
4/18/13

APPROVED AS TO LEGAL FORM



Corporation Counsel

APPROVED: _____

APPROVED: 

Business Administrator

Certification Required
Not Required

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

ORDINANCE NO. Ord. 13-059
 TITLE: 3.K. APR 24 2013 4.J. MAY 08 2013



Ordinance to 1) Extend the Sunset Provision of Ordinance 11-084 that approved a 30 year tax exemption for a low and moderate income senior citizen affordable housing project to be constructed by the Montgomery Senior Living Center Urban Renewal Associates, L.P.; and 2) Amend the financial agreement to increase the percentage of the annual service charge.

RECORD OF COUNCIL VOTE ON INTRODUCTION											
								APR 24 2013 8-0			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			LAVARRO	✓		
LOPEZ	✓			RICHARDSON	ABSENT			COLEMAN	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
								MAY 08 2013 8-0			
Councilperson <u>RICHARDSON</u>				moved, seconded by Councilperson <u>COLEMAN</u>				to close PH.			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	ABSENT			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			LAVARRO	✓		
LOPEZ	✓			RICHARDSON	✓			COLEMAN	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

YVONNE BALTER FLETCHER GENSAMER MARIA MAIO
JAYSON BURG CHARLES HARRINGTON

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
								& adopted			
Councilperson _____				moved to amend* Ordinance, seconded by Councilperson _____							
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO				GAUGHAN				BRENNAN			
DONNELLY				FULOP				LAVARRO			
LOPEZ				RICHARDSON				COLEMAN			

✓ Indicates Vote

N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE											
								MAY 08 2013 8-0			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	ABSENT			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			LAVARRO	✓		
LOPEZ	✓			RICHARDSON	✓			COLEMAN	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on APR 24 2013

Adopted on second and final reading after hearing on MAY 08 2013

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on MAY 08 2013

Robert Byrne
 Robert Byrne, City Clerk

APPROVED:

Peter M. Brennan
 Peter M. Brennan, Council President

Date: MAY 08 2013

APPROVED:

Jerramiah T. Healy
 Jerramiah T. Healy, Mayor

Date: MAY 13 2013

*Amendment(s):

Date to Mayor MAY 09 2013