

City Clerk File No. Ord. 13.098

Agenda No. 3.B 1st Reading

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



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 13.098

TITLE: ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A LOW INCOME AFFORDABLE HOUSING PROJECT INCLUDING RETAIL SPACE, TO BE CONSTRUCTED BY GENESIS OCEAN URBAN RENEWAL CO., LLC, A QUALIFIED HOUSING SPONSOR UNDER THE NEW JERSEY MORTGAGE HOUSING FINANCE AGENCY LAW N.J.S.A. 55:14K-1 ET SEQ.

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

WHEREAS, Genesis Ocean Urban Renewal Co., LLC, is a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.; and

WHEREAS, Genesis Ocean Urban Renewal Co., LLC, is the ground lessee of certain property known as: Block 25804, Lots 23, 22, 21, 20, 19, 18 and 17, on City's Tax map and more commonly known by the street addresses of 441, 443, 445, 447, 449, 451-457 Ocean Avenue and 79-81 Dwight Street, respectively, Jersey City, New Jersey [Property]; and

WHEREAS, Genesis Ocean Urban Renewal Co., LLC, proposes to construct a housing project to be regulated and financed pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq. on the Property; and

WHEREAS, on July 25, 2011, Genesis Ocean Urban Renewal Co., LLC, applied for a 30 year tax exemption under the Long Term Tax Exemption Law N.J.S.A. 40A:20-1 et. seq., to construct certain improvements on the Property to create a total of 64 units of affordable residential rental, 4,465 square feet of retail space, and 22 on-site parking spaces and paid an annual service charge of 8% of revenue (15% of commercial) or \$45,133 per year; and

WHEREAS, by the adoption of Ordinance 11-101 on August 31, 2011, the City of Jersey City approved a 30 year tax exemption for the Project provided construction began no later than two (2) years or August 31, 2013; and

WHEREAS, the tax exemption expired by operation of law since Genesis Ocean Urban Renewal Co., LLC failed to commence construction by August 31, 2013; and

WHEREAS, on August 21, 2013, Genesis Ocean Urban Renewal Co., LLC, applied for a new tax exemption for 54 units of housing with 2000 square feet of commercial space and agreed to pay an annual service charge estimated to be \$29,402 or approximately \$544 per unit, which sum is equal to 6.28 % of Annual Gross Revenue per year and to provide employment and other economic opportunities for City residents and businesses in accordance with a Project Employment Agreement under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.; and

WHEREAS, a copy of the new application dated August 21, 2013, is on file in the office of the City Clerk; and

WHEREAS, the City hereby determines 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 54 units of low or moderate income family 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 or moderate income families, especially for senior citizens who are currently paying over 30% of their income for housing; and
3. The construction of the improvements will stabilize the neighborhood; and

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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 stable 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 allow the owner to maintain the low and moderate income units at the lowest rents possible within the income guidelines; and
4. The project provides 54 units of low 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, that indicates that the amount of the service charge will not support the cost of providing municipal services to the Project; and

WHEREAS, Mayor Steven M. Fulop has reviewed the application and recommends approval of the tax exemption by the Municipal Council.

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

1. The application of Genesis Ocean Urban Renewal Co., LLC, a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq., for a tax exemption is hereby approved, subject to the following terms and conditions:
 - (a) Term: 30 years;
 - (b) Service Charge: 6.28 % of Annual Gross Revenue, estimated to be \$29,402 or approximately \$544 per unit;
 - (c) Project: 54 units of affordable residential rental, 2,000 square feet of retail space, and 22 on-site parking spaces; and
 - (d) Property: Block 25804, Lots 23, 22, 21, 20, 19, 18 and 17, on City's Tax map and more commonly known by the street addresses of 441, 443, 445, 447, 449, 451-457 Ocean Avenue and 79-81 Dwight Street, respectively, 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 construction of the Project begins within two (2) years of the adoption of the within Ordinance.
4. All ordinances and parts of ordinances, including Ordinance 11-101 that expired by law, 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
9/09/13

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 13.098
TITLE: 3.B. SEP 11 2013

4.B.

SEP 25 2013

Ordinance approving a 30 year tax exemption for a low income affordable housing project including retail space, to be constructed by Genesis Ocean Urban Renewal Co., LLC, a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.

RECORD OF COUNCIL VOTE ON INTRODUCTION

SEP 11 2013 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING

SEP 25 2013

Councilperson <u>COLEMAN</u> moved, seconded by Councilperson <u>OSBORNE</u> to close P.H.								9-0			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO				COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALZER
KABILI TAYARI
JAYSON BURG
MICHAEL GRANT

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson _____ moved to amend* Ordinance, seconded by Councilperson _____								& adopted			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMANN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE

SEP 25 2013 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

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

SEP 11 2013

Adopted on second and final reading after hearing on

SEP 25 2013

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

SEP 25 2013

Robert Byrne, City Clerk

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date

SEP 25 2013

APPROVED:

Steven Fulop, Mayor

Date

SEP 26 2013

Date to Mayor

*Amendment(s):