

# Resolution of the City of Jersey City, N.J.

File No. Res. 22-790  
Agenda No. 10.11  
Approved: Nov 09 2022



## RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY AWARDING AN AFFORDABLE HOUSING TRUST FUND CONTRACT TO THE JERSEY CITY HOUSING AUTHORITY TO ACQUIRE 450 MLK DRIVE, JERSEY CITY, NJ, 07305 A/K/A BLOCK 21301, LOT 1 (WEBB APARTMENTS).

**COUNCIL offered and moved adoption of the following resolution:**

**WHEREAS**, on September 28, 2005, the City of Jersey City ("City") adopted Ordinance 05-130 amending and supplementing Chapter 304, Article VI (Long Term Tax Exemptions) of the Jersey City code that established an Affordable Housing Trust Fund ("AHTF") from recipients of long term tax exemptions to adopt a spending plan; and

**WHEREAS**, said spending plan authorizes the City to contract with a for profit or a non-profit entity organized under state and federal law for the purpose of creating, acquiring and preserving affordable housing; and

**WHEREAS**, the eligible applicant must provide proof that it is the recipient of funds from other public or private sources that together with the AHTF will constitute sufficient funds to complete the proposed project; and

**WHEREAS**, the Jersey City Housing Authority ("JCHA") seeks to acquire the property located at 450 MLK Drive, Jersey City, New Jersey, 07305, a/k/a Block 21301, Lots 1 (hereinafter "Webb Apartments"), which includes 40 affordable residential units, by assuming Genesis MLK Partners, LLC's general partnership interest in Genesis Jersey City Partners, LLC, a Delaware Limited Liability Company and the sole owner of Webb Apartments ("Ownership Entity"), including 10 units constructed with HOME funds; and

**WHEREAS**, once the JCHA acquires the Ownership Entity it will (1) maintain 10 fixed HOME units as approved by the Division of Community Development for the remaining HOME compliance period and upon expiration of the compliance period, convert these units into federally-assisted affordable housing in perpetuity, and (2) convert the remaining thirty (30) units into public housing units and maintain the units as affordable housing in perpetuity subject to the approval of the U.S. Department of Housing and the NJ Home Mortgage Finance Agency (NJHMFA); and

**WHEREAS**, the JCHA has expended approximately \$65,712.00 of non-federal funds in support of this acquisition, and there is a remaining payment of \$215,000 to support the acquisition as set forth above; and

**WHEREAS**, the AHTF Review Committee has approved this request for funding and the Division of Community Development recommends awarding Two Hundred Fifteen Thousand Dollars and 00/000 cents (\$215,000.00) in AHTF funds to complete the acquisition of the Project;

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

1. The Mayor and/or Business Administrator are hereby authorized to enter into an Affordable Housing Trust Fund (AHTF) contract, in substantially the form attached hereto, with Jersey City Housing Authority (JCHA) for the acquisition of the subject property; and
2. Subject to review and approval by Corporation Counsel, the Mayor or Business Administrator is hereby authorized to execute mortgages, notes, affordable housing development agreements and such other documents deemed necessary to secure loans under the Affordable Housing Trust Fund (AHTF). The terms and conditions of the aforementioned documents may be negotiated by the Division of Community Development (DCD) and shall be in accordance with all laws, rules and regulations applicable to the program.

Res. 22-790

Approved: November 9 2022

**Resolution of the Municipal Council of the City of Jersey City awarding an Affordable Housing Trust Fund Contract to the Jersey City Housing Authority to acquire 450 MLK Drive, Jersey City, NJ, 07305 a/k/a Block 21301, Lot 1 (Webb Apartments).**

Jersey City Housing Authority

\$215,000.00

17-293-56-000-025

145820

**Resolution of the Municipal Council of the City of Jersey City awarding an Affordable Housing Trust Fund Contract to the Jersey City Housing Authority to acquire 450 MLK Drive, Jersey City, NJ, 07305 a/k/a Block 21301, Lot 1 (Webb Apartments).**

*I hereby certify that there are sufficient funds for the payment of this resolution in the amount of \$\$215,000, in account number 17-293-56-000-025; PO# \_\_\_\_\_.*

*John (Jack) Scura, Acting Chief Financial Officer*



APPROVED AS TO LEGAL FORM



Business Administrator



Corporation Counsel

Certification Required

RECORD OF COUNCIL VOTE -- Nov 09													8-0		
	AYE	NAY	N.V.	Absent		AYE	NAY	N.V.	Absent		AYE	NAY	N.V.	Absent	N.V. - (Abstain)
RIDLEY	✓				SALEH	✓				DEGISE	✓				
PRINZ-AREY	✓				SOLOMON	✓				RIVERA				✓	
BOGGIANO	✓				GILMORE	✓				WATTERMAN, PRES	✓				

Adopted at a meeting of the Municipal Council of the City of Jersey.



President of Council



City Clerk

**Resolution of the Municipal Council of the City of Jersey City awarding an Affordable Housing Trust Fund Contract to the Jersey City Housing Authority to acquire 450 MLK Drive, Jersey City, NJ, 07305 a/k/a Block 21301, Lot 1 (Webb Apartments).**

**RESOLUTION FACT SHEET -**

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

**Project Manager**

Deja Anderson, Director, Division of Community Development		201-547-5304	DANDERSON@JCNJ.ORG
Department	Department of Housing, Economic Development, and Commerce		
Division	Division of Community Development		

Note: Project Manager must be available by phone during agenda meeting (Wednesday prior to council meeting @ 1:00 p.m.)

Meeting	Regular Meeting of Municipal Council - Nov 09 2022
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**Purpose**

The City of Jersey City’s Division of Community Development is respectfully requesting the Municipal Council of the City of Jersey City to award an Affordable Housing Trust Fund (AHTF) Contract for \$215,000 in AHTF funding to enable the Jersey City Housing Authority (JCHA) to acquire 450 MLK Drive, Jersey City, 07307, a/k/a Block 21301, Lot 1 (Webb Apartments) . The JCHA will be purchasing Genesis MLK Partners, LLC’s general partner interest in Genesis Jersey City Partners, LLC, the sole owner of Webb Apartments, provided that (1) JCHA complies with the applicable HOME mortgage by maintaining ten (10) fixed HOME units for the remaining HOME mortgage compliance period and upon expiration of the compliance period, JCHA converts these units into federally-assisted affordable housing in perpetuity, and (2) HUD and NJHMFA approve JCHA’s plan to immediately convert the remaining thirty (30) units into federally-subsidized public housing units, and to maintain the units as affordable housing in perpetuity.

**Contract term (include all)**

September 1, 2022 - August 31, 2023 (1-Yr)
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**Type of award:**

AHTF (Affordable Housing Trust Fund)
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**ATTACHMENTS:**

Memo - 450 MLK Fact Sheet 450 MLK (Webb Apartments) AHTF CONTRACT (450 MLK)
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## Memorandum

**To:** Members of the Municipal Council of Jersey City

**From:** Agnes Theodossiou –Affordable Housing Project Manager - Division of Community Development

**Date:** August 17, 2022

**Subject:** Resolution of the Municipal Council of the City of Jersey City Awarding an Affordable Housing Trust Fund Contract to the Jersey City Housing Authority to acquire 450 MLK Drive, Jersey City, NJ, 07305 a/k/a Block 21301, Lot 1 (Webb Apartments)

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The City of Jersey City's Division of Community Development is respectfully requesting the Municipal Council of the City of Jersey City to authorize an award of \$215,000 of Affordable Housing Trust Fund (AHTF) funds to enable the Jersey City Housing Authority (JCHA) to acquire 450 MLK Drive, Jersey City, a/k/a Block 21301, Lot 1 ("Webb Apartments").

Jersey City Housing Authority (JCHA) is planning to acquire Webb Apartments and utilize its "Faircloth Authority" to convert the Property's eligible units into public housing, which will allow the JCHA to obtain public housing operating and capital subsidies under Section 9 of the United States Housing Act of 1937 to supplement the rents and keep the building affordable indefinitely.

The JCHA is to purchase Genesis MLK Partners, LLC's general partner interest in Genesis Jersey City Partners, LLC, the sole owner of Webb Apartments, provided that (1) JCHA complies with the applicable HOME mortgage by maintaining ten (10) fixed HOME units for the remaining HOME mortgage compliance period and upon expiration of the compliance period, JCHA converts these units into federally-assisted affordable housing in perpetuity, and (2) HUD and NJHMFA approve JCHA's plan to immediately convert the remaining thirty (30) units into federally-subsidized public housing units in perpetuity.

Webb Apartments is currently a 100% affordable, 40 unit mid-rise apartment building, constructed with a combination of HOME Funds, LIHTC and Solar Credits, which relies exclusively on the rental revenue generated to support its operations. JCHA plans to convert 30 of the 40 units to public housing. The conversion to public housing will add additional subsidy and keep the building affordable indefinitely. The 10 existing HOME units (with the current owner - Genesis) will continue the affordability period as contractually required (contract between City of Jersey City and Genesis Jersey City, LLC) until 2037. JCHA will then convert them into federally assisted affordable housing, hence ensuring their perpetual affordability.

Note: Funding of this project is subject to successful compliance review and assignment and assumption of the current HOME program obligations of Genesis to Jersey City.

Should you have any questions or concerns regarding the contents of the memorandum, please contact me at (551) 256-2312.