

RESOLUTION NO. 2014-437

A RESOLUTION APPROVING THE USE OF SECOND GENERATION ENTERPRISE ZONE ASSISTANCE FUNDS FOR ECONOMIC DEVELOPMENT LOAN TO NUEVA VIDA BEHAVIORAL HEALTH CENTER OF NEW JERSEY, INC. (a New Jersey non-profit corporation).

WHEREAS, the City of Vineland Revolving Loan Fund Second Generation Loan Committee has submitted a proposal dated October 14, 2014, for use of Second Generation Enterprise Zone Assistance Funds for the following project: **Economic Development Loan to Nueva Vida Behavioral Health Center of New Jersey, Inc. (a New Jersey non-profit corporation)**; and

WHEREAS, it is considered to be in the best interest of the City of Vineland and the community in particular that Second Generation Enterprise Zone Assistance Funds be utilized for the above-mentioned project; now, therefore,

BE IT RESOLVED by the City Council of the City of Vineland that said Council does hereby approve the use of Second Generation Enterprise Zone Assistance Funds for the following project, in accordance with the proposal submitted by the City of Vineland Revolving Loan Fund Second Generation Loan Committee:

Economic Development Loan to	
Nueva Vida Behavioral Health Center of New Jersey,	
Inc. (a New Jersey non-profit corporation)	\$35,000.00

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute all documents associated with this loan.

Adopted:

President of Council

ATTEST:

City Clerk



Sandra Forosisky, Director
Economic Development Dept.
www.vinelandcity.org
email: sforosisky@vineland.org

640 E. Wood Street
PO Box 1508
Vineland, NJ 08362-1508
Phone: (856) 794-4000 ext. 462
Fax: (856) 405-4607



MEMORANDUM

TO: City Council President and Members

FROM: City of Vineland Revolving Loan Fund
Second Generation Loan Committee

SUBJECT: **Applicant:** Nueva Vida Behavioral Health Center of New Jersey, Inc.
(a New Jersey non-profit corporation)
Loan Amount: \$35,000.00

DATE: October 14, 2014

Dear Council President Fanucci, Councilmen Procopio, Spinelli, and Councilwomen Calakos and Gonzales:

On behalf of the City of Vineland Revolving Loan Fund Second Generation Loan Committee, please accept this letter recommending a commitment be given to the above applicant for a second generation loan in the amount as stated herein above.

Please note that the committee finds that the purpose of the loan meets the criteria set forth in the Statute made and provided governing Urban Enterprise Zone Loans. The committee further finds that the loan will promote economic development, creation of jobs, and/or tax ratables that will benefit the City of Vineland.

Further, please note that based on the information provided, the applicant has the present ability to repay said loan and the loan would be properly protected in that the pledged collateral has a net value which equals or exceeds the amount of the requested funding.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sandra Forosisky".

Sandra Forosisky
Director of Economic Development

SF/fd

cc: Frank DiGiorgio
file



VINELAND UEZ LOAN COMMITTEE LOAN PROPOSAL

Date: September 16, 2014

Borrower Name and Address (s): Nueva Vida Behavioral Health Center
427 Market Street
Camden, New Jersey 08102

Request: \$35,000 commercial term loan for acquisition of furniture, equipment and equipment.

Interest Rate: 5.00%

Term of Loan: 5 Years

1.BACKGROUND:

Nueva Vida Behavioral Health Center of New Jersey (“Nueva Vida”), is a 501(c)(3) non-profit corporation, which has been in existence since 1997 in Camden , New Jersey. Nueva Vida was incorporated in the State of New Jersey on June 21, 2004 and is state licensed. Nueva Vida is a multilingual/multicultural health center providing bilingual and mental health services to people of all ages. The primary focus of Nueva Vida to date has been to provide counseling for adults and children with emotional challenges such as depression, anxiety, as well as other common emotional disorders whom reside in the Camden County area (hereinafter referred to as Nueva Vida/Camden). The breakdown of patients is about 80% adults and 20% children. Nueva Vida/Camden does not treat individuals with emotional issues secondary to alcohol or drug dependency. Nueva Vida/ Camden obtains its patients from word of mouth, doctor referrals and referrals from State of New Jersey approved agencies. Dr. Cesar Tavera created Nueva Vida in 1997 and he became the operator and Executive Director in 2003. In 2002, he became the first elected president of the Dominican Medical Association of Delaware Valley and in 2004 was awarded the “Doctor of the Year” by the Dominican-American Association of Psychiatry. Dr. Tavera is a member of the Board of Directors of the Walt Whitman Center of Art and is the Executive Director of the Zaoko Group and EZ Records. He attended the Central del Este University in the Dominican Republic, where he graduated of Doctor in Medicine.

Nueva Vida will be locating its first office outside of Camden in Vineland, New Jersey (hereinafter referred to as Nueva Vida/Cumberland) later this year. The plan is to locate in a center city Vineland location close to bus routes. Initially, Nueva Vida/Cumberland will be utilizing professional staff from its Camden location but will be quickly hiring additional staff to work in Vineland. Within one year of opening, Nueva Vida/Cumberland will have a permanent staff a Medical Director, a Clinical Director, three part-time Psychiatrists, twelve part-time Psychologists, and four full-time support staff.

Nueva Vida expects to obtain a permanent license for the Cumberland location within sixty (60) days of the loan applications being approved and to be operating within thirty (30) days of that time. These objectives may occur sooner but these dates are the projections which should be relied upon. Nueva Vida/Cumberland has met with the leadership of Complete Care and is confident of its ability to treat patients referred by Complete Care (letter on file – letter of support from Complete Care). Complete Care treats approximately 50,000 patients annually, many of whom share the same psychological profile of the patients treated by Nueva Vida in Camden. Nueva Vida/Cumberland plans to work closely with Complete Care to provide the best possible assistance to the shared patients. To that end, Nueva Vida/Cumberland is purchasing a software program which fully integrates with the program utilized by Complete Care and in fact from the same vendor as recommended by Complete Care. This will allow a seamless treatment for patients, subject to the restraints of the law etc.

1.BACKGROUND (Continued):

According to the Nueva Vida Behavioral Health Center of NJ manual, more specifically – Need Assessment for the Service section - , a large number of New Jersey residents are of Hispanic/Latino origin, at least 12% of the residents of the state. Hispanics/Latinos constitute 47% of the population in Camden and approximately 40% in Vineland. The economic and linguistic obstacles contribute heavily to the high prevalence of mental and psychological disorder in the population. At the same time, they act as formidable obstacles to receiving mental health and medical care. The patients in need of the services provided by Nueva Vida consist of adults, adolescents and children. Nueva Vida describes that these individuals have been practically excluded from this type of care due to language, cultural factors and economic factors such as high unemployment, low educational achievement, poor housing conditions, poverty, and low per capita income. Particularly, the youth segment has experienced particular detriment because they have been unable to benefit from this type of treatment due to the same barriers. Nueva Vida Behavioral Health Center of NJ was specifically formed to provide multilingual and multicultural mental health services to the patients by the high quality, multilingual, multicultural, multidisciplinary mental health staff.

As stated in the manual, the Congress of the United States has resolved that any legislation enacted in the health care delivery system of the United States must ensure that every person has access to coverage for medically and psychologically necessary treatment for mental disorder that is equitable to the coverage provided in treatment for physical illness. This was followed by congressional legislative action in April 1993, which instituted provisions providing for coverage of a broad array of mental health and rehabilitation services for people of all ages.

Specific findings indicate that although mental illness and substance abuse disorders are prevalent throughout society, only 30 percent of those in need of mental health services actually receive them adequately. In addition, 4/5 of children in need of mental health care do not receive adequate services, resulting in significant costs to society, as these children become adults. These trends are most apparent in areas of low income and education levels, and often, people in these communities will not appeal to large institutions, which do not have small comprehensive care units located close to their places of residence. The problems of the Hispanic/Latino Community have worsened throughout the country. The poverty rate among Hispanic/Latino children is growing faster than that of any other race of children based on the data released by the U.S. Census.

1a. PROJECT: Nueva Vida Behavioral Health Center of NJ proposes to commence operations in a leased location in Vineland, New Jersey later this year. Dr. Tavera has identified a location and is currently negotiating terms for lease. Nueva Vida proposes to lease the building located at 9 – 13 N. Sixth Street, Vineland, New Jersey. This location was formerly utilized as a health care school and prior to that, leased as office space. The project cost are as follows:

<u>Uses:</u>		<u>Sources:</u>	
Working Capital	\$150,000	Century Savings Bank	\$125,000
Software	143,000	Cumberland Empowerment Zone	35,000
Leasehold Improve.	28,574	Vineland UEZ	35,000
Equipment	34,465	Software Vendor	143,000
Furniture and Fixtures	<u>8,125</u>	Borrower	<u>26,164</u>
Total	\$364,164	Total	\$364,164

2. COLLATERAL:

- a.) UCC-1 Filing and Security Agreement (furniture, fixtures, accounts receivable and all business assets now and hereafter acquired) – subordinate position to Century Bank for working capital loan.

3. GUARANTORS: N/A.

4. LIEN POSITION: Subordinate to primary lender on accounts receivable.

5. DOLLAR AMOUNT AND HOLDER OF PRIOR LIENS: Century Savings Bank will hold a priority UCC-1 filing and Security Agreement. The Cumberland Empowerment Zone will share a second with Vineland UEZ.

6. SIZE OF PARCEL: 9 North Sixth Street lot size is 40' x 80' plus 13 N. Sixth Street Lot is 25' x 80'.
The 13 N. Sixth Street lot is needed because the State of NJ will require an exit door on 9 N. Sixth Street (north side).

7. IMPROVEMENTS THEREON: Nueva Vida will lease a two-story commercial office building with a semi-finished basement containing a total of 9,000 sq. ft. (3,000 per floor) in downtown Vineland.

8. LOCATION OF PROPERTY: 9 N. Sixth Street (and 13 N. Sixth Street)

9. APPRAISAL INFORMATION: N/A.

10. FINANCIAL:

11. SUBSTANTIATION: DSCR = 1.51x, LTV = N/A.

- Creation of 6 full-time jobs and 15 part-time jobs initially (projects 20 full-time long term in addition to other part-time positions).
- Vacant office property will be occupied.
- Spin-off economic impact for downtown Landis Avenue businesses and other city businesses.
- Community medical need is addressed.

12. RECOMMENDATION: