

RESOLUTION NO. 2020-35

A RESOLUTION APPROVING THE TRANSFER OF THE TAX ABATEMENT AGREEMENT BY AND BETWEEN SPRING GARDENS SENIOR HOUSING, INC. AND THE CITY OF VINELAND TO HOUSE OF DAVID PRESERVATION, INC.

WHEREAS, on August 9, 1995 Spring Gardens Senior Housing, Inc. (“Spring Gardens”) entered into an agreement with the City of Vineland (the “City”) for Payment in Lieu of Taxes pursuant to the authority contained in the Long Term Tax Exemption Law of 1991 as amended (N.J.S.A. 40A:20-1 et seq.) (the “LTTE Law”), for the federally subsidized, senior citizen housing project located on Block 982, Lots 18, 18.01, 18.02, 18.03, and 18.04, at Spring Road and Dante Avenue, in the City of Vineland, Cumberland County, New Jersey (the “Project”), commonly known as Spring Gardens Senior Housing (the “Agreement” which is attached as Exhibit 1); and

WHEREAS, House of David Preservation, Inc. (“House of David”) is the contract purchaser of the Project from Spring Gardens; and

WHEREAS, Paragraph 7 of the Agreement states that the tax exemption granted pursuant to the Agreement shall continue only if and while the Project is owned by a nonprofit corporation formed for the purpose of the Senior Citizens Housing Law; and

WHEREAS, the Project ownership will be acquired through Spring Gardens Elderly Housing LP which is wholly owned by House of David; and

WHEREAS, House of David is a qualified I.R.C. Section 501(c)(3) not for profit Corporation incorporated under the District of Columbia Non Profit Corporation Act of 2010, and is authorized to engage in providing qualified affordable housing for elderly persons; and

WHEREAS, Paragraph 11 of the Agreement prohibits Spring Gardens from selling or transferring the Project to any Corporation, Association, or Entity unless such Corporation, Association, or Entity qualifies under Title 15 of the revised statutes of 1973 and the Senior Citizens Housing Law and other applicable laws and owns no other development at the time of the transfer; and

WHEREAS, Paragraph 11 of the Agreement further requires prior written consent of the City and the U.S. Department of Housing and Urban Development (“HUD”) prior to any sale or transfer of the Project; and

WHEREAS, pursuant to Paragraph 11 of the Agreement, House of David has requested the consent of the City to acquire the Project and for a transfer of the Agreement; and

WHEREAS, the Project is subject to a Regulatory Agreement with HUD and a Project Rental Assistance Contract with HUD which will remain operative upon acquisition of the Project; and

WHEREAS, it is in the best interest of the City to consent to the acquisition of the Project by House of David and the transfer of the Agreement to House of David ; and now therefore,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Vineland that House of David has satisfied the terms of Paragraph 7 and is awaiting written consent of the U.S. Department of Housing and Urban Development as required by Paragraph 11 of the Agreement, the City hereby consents to the acquisition of the Project by House of David, approves the transfer of the Agreement to House of David and authorizes the Mayor and Clerk to execute any documents necessary to consummate the transfer, subject to the following:

CITY OF VINELAND, NJ

1. The consent is subject to the City receiving written consent of HUD to the acquisition of the Project by House of David and to the transfer of the Agreement to House of David at the time of the closing of the legal title of the Project to House of David through Spring Garden Elderly Housing LP; and
2. The tax abatement shall be subject to the terms of the Agreement, except House of David, as a nonprofit corporation organized for the purpose of owning a qualified subsidized housing project pursuant to N.J.S.A. 40A:20-5.1, is not subject to the restriction of owning no other housing project as provided by N.J.S.A. 40A:20-5(c); and
3. The Agreement shall remain in effect as long as the project is operated as rental housing for senior citizens pursuant to Section 202 of Pub. L. 86-372 (12 U.S.C. §1701q) and pursuant to the provisions of the LTTE Law, specifically N.J.S.A. 40A:20-3(1); N.J.S.A. 40A:20-13 and N.J.S.A. 40A:20-13.1.
4. Any notice or communication sent to House of David by the City shall be addressed as follows:

Capital Realty Group
C/O Sam Horowitz
86 Rt. 59 E
Spring Valley, N.Y. 10977

Adopted:

President of Council

ATTEST:

City Clerk