

CITY OF VINELAND

**RESOLUTION NO. 2020-218**

**RESOLUTION AUTHORIZING THE EXECUTION OF ALL DOCUMENTS NECESSARY FOR THE FORBEARANCE OF GUARANTY OBLIGATIONS UNDER SECTION 108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 FOR BOSCOV'S DEPARTMENT STORES, LLC AT THE CUMBERLAND MALL**

**WHEREAS**, ON May 29,2009, the City of Vineland executed a Loan Guaranty Assistance Agreement, Loan B-08-MC-34-0008 so as to provide financial assistance to Boscov's Department Stores, LLC to assist in job creation and job retention in accordance with Section 108 of Title I of the Housing and Community Development Act of 1974, as amended; and

**WHEREAS**, as a result of the pandemic, on March 9, 2020 Governor Phil Murphy issued Executive Order 103 declaring a public emergency and thereafter executed Executive Order 104 which ordered all non-essential businesses in New Jersey to close their physical locations and to prohibit the unnecessary travel of the residents of the State of New Jersey; and

**WHEREAS**, Boscov's Department Store in the Cumberland Mall, Vineland, New Jersey (Boscov's) is classified as a non-essential business and as such, has been ordered closed by the Governor in accordance with the Executive Orders issued; and

**WHEREAS**, like all non-essential businesses ordered to close, Boscov's is experiencing a loss in revenue that makes it difficult to honor their financial commitment during these unprecedented times and is requesting assistance by way of forbearance of the payments of their financial obligations as outlined in the Section 108 Loan; and

**WHEREAS**, it is acknowledged that the United States Department of Housing and Urban Development (HUD) is not the actual lender under Section 108 Loan program and cannot forgive loans or defer interest payments; and

**WHEREAS**, it is further acknowledged that the interest charges on the Section 108 Loan program are due seven days prior to August 1, 2020 which will be wired directly to the Lender, Bank of New Your Mellon from Boscov's Department Store, LLC and that a new interim note will spread the deferred principal payment evenly over the remaining payment years and these payments will also be wired directly to the lender from Boscov's Department Store, LLC.

**NOW THEREFORE BE IT RESOLVED** by the Council of the City of Vineland that a request for a principal loan payment deferment for the August 1, 2020 payment on Section 108 Loan B-08-MC-34-0008 established to create and/or retain low/mod jobs for Boscov's Department Stores, LLC be submitted for consideration.

Adopted:

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President of Council

ATTEST:

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City Clerk