

ORDINANCE NO. 2023- 43

ORDINANCE AUTHORIZING THE SALE OF BLOCK 2902, LOT 12; BLOCK 2902, LOT 13, AND BLOCK 2903, LOT 24 TO THE VINELAND DEVELOPMENT CORPORATION TO BE DEVELOPED AND SOLD AS LOW AND/OR MODERATE INCOME HOUSING.

WHEREAS, the City of Vineland is the owner of 3 vacant Lots located on N. Third Street known as Block 2902, Lot 12; Block 2902, Lot 13, and Block 2903, Lot 24, which are not needed for a public purpose;

WHEREAS, there is a shortage of low income housing in the City of Vineland, and the sale of the 3 vacant lots to the Vineland Development Corporation to be improved as single family homes and sold to individuals or families that qualify for low and/or moderate income housing is the most appropriate use of the property;

WHEREAS, the City of Vineland has or will subdivide Block 2902, Lot 12 prior to the transfer of the Lot to create two building lots with the same dimensions as Block 2902, Lot 13, and will have the same presumed assessed value as Block 2902, Lot 14, which has an assessed value of \$16,800.00;

WHEREAS, Block 2903, Lot 24 has an assessed value for the land of \$20,600.00;

WHEREAS, N.J.S.A. 40A:12-21 (j) authorizes the sale of real property to a non-profit corporation for the purpose of rehabilitating the residential property for resale;

WHEREAS, the Vineland Development Corporation is a non profit corporation;

WHEREAS, N.J.S.A. 40:60-51.12 authorizes the sale/lease of real property to be used in the promoting health, safety, morals, and the general welfare;

WHEREAS, the sale of Block 2902, Lot 12; Block 2902, Lot 13, and Block 2903, Lot 24 to the Vineland Development Corporation for the construction and sale of low and/or moderate income housing will promote the general welfare by increasing the pool of low income housing in the City of Vineland.

WHEREAS, the Vineland Development Corporation has agreed to construct single family homes on the Lots and sell the homes to individuals/families that qualify, under the applicable guidelines, to purchase low income housing units in the City of Vineland, for a price, and upon such terms as set by the applicable guidelines;

WHEREAS, the City of Vineland agrees to provide a subsidy for the construction of each home out of its available COAH funding;

WHEREAS, the Vineland Development Corporation has agreed to purchase the 2 lots created by the subdivision of Lot 12, as well as Lot 13, for \$16,800.00 each and Lot 24 for \$24,600.00, payable only out of the net proceeds of the sale of each improved lot, to the extent the net proceeds of the sale exceed the cost of construction plus the COAH subsidiary.

WHEREAS, the Vineland Development Corporation has agreed to return the remaining proceeds of each sale to the Affordable Housing Trust Fund;

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Vineland, the governing body of the City of Vineland, that the statements of the preamble, hereinabove, are incorporated herein as though fully set forth herein;

CITY OF VINELAND

BE IT FURTHER ORDAINED by the City Council of the City of Vineland that the Mayor and Clerk are hereby authorized to execute an agreement of sale (a copy of which is attached to this Ordinance) along with a Deed of Transfer and such other Closing documents necessary to transfer the Lots to the Vineland Development Corporation subject to the terms and conditions set forth in this Ordinance.

This Ordinance shall take effect upon adoption and publication according to Law.

Passed first reading:

Passed final reading:

President of Council

Approved by the Mayor:

Mayor

ATTEST:

City Clerk

AGREEMENT OF SALE BETWEEN
THE CITY OF VINELAND
AND
THE VINELAND DEVELOPMENT CORPORATION

THIS AGREEMENT OF SALE (“Agreement”) is made and entered into as of this _____ day of _____, 2023, by and between the Vineland Development Corporation (the “VDC”) and the City of Vineland (at times referred to as the “City”).

WHEREAS, there is a need in the City of Vineland for low income housing;

WHEREAS, the City is the Owner of three vacant lots known as Block 2902, Lot 12; Block 2902, Lot 13, and Block 2903, Lot 24, which are not needed for a public purpose;

WHEREAS, the City of Vineland has, or will, subdivide Block 2902, Lot 12 prior to the transfer of the Lot to the VDC to creating two building lots with the same dimensions as Block 2902, Lot 13;

WHEREAS, for the purpose of this Agreement the two (2) lots to be subdivided from Block 2902, Lot 12 shall be deemed to have the same assessed value as Block 2902, Lot 12, \$16,800.00.

WHEREAS, Block 2903, Lot 24 has an assessed value for the land of \$20,600.00;

WHEREAS, the VDC has the knowledge, experience, resources, and reputation necessary to construct four (4) residential housing units on the lots.

NOW, THEREFORE, in consideration of the mutual agreements and undertakings provided herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. PURCHASE PRICE. The City agrees to transfer title to subdivided Block 2902, Lot 12; Block 2902, Lot 13, and Block 2903, Lot 24 to the VDC for the lesser of the assessed value of each lot; or the difference between the net sales price of each lot plus any subsidiary received from the City and the cost of construction (the “Purchase Price”). Payment shall be made from the proceeds of the sale of each lot at the time of closing. Any remaining proceeds from the sale of each lot shall be returned to the City’s Affordable Housing Trust Fund.

2. CONSTRUCTION AND SALE OF LOW INCOME HOUSING. The VDC shall construct four (4) single family homes on the Lots and sell the homes to individuals/families that qualify, under the applicable guidelines, to purchase low income housing units in the City of Vineland, for a price, and upon such terms as set by the applicable guidelines. In the event the VDC fails to comply with the terms of this Paragraph the Lot(s) shall automatically revert to the City without any entry or reentry made thereon on behalf of the City.

3. **CONSTRUCTION.** Each home shall be constructed in a cost effective and workman like manner and in accordance with the standards of the industry. The VDC shall provide the City, upon request, with invoices and other documented proof of all costs and expenses incurred by the VDC in connection with the construction of the homes on each of the Lots. The City will subsidize a portion of the cost of construction through its Affordable Housing Trust Fund. The amount of the subsidy for each lot shall be in the sole discretion of the City.

4. **SALE.** The VDC shall be responsible for the sale of each home to an individual/family that qualifies, under the applicable guidelines, to purchase a low income housing unit in the City of Vineland, for a price, and upon such terms as set by the applicable guidelines as determined by Triad Associates. The sale shall occur as soon as reasonably practical after the issuance of the C.O. or T.C.O.

5. **SALE PROCEEDS.** The net proceeds of the sale of the Property by the VDC shall be distributed to the parties in the following order:

- a. The cost of construction, less any subsidiary paid by the City, to the VDC;
- b. The Purchase Price of each Lot (as defined above) to the City;
- c. The balance, if any, returned to the Affordable Housing Trust Fund.

IN WITNESS WHEREOF, the City and the VDD have caused this Agreement to be executed on the day and year set forth in the first paragraph hereof.

VINELAND DEVELOPMENT
CORPORATION

Date: _____, 2023

Cosmo Giovinazzi, President

CITY OF VINELAND

Date: _____, 2023

Anthony Fanucci, Mayor