



## Legislation Details (With Text)

**File #:** 21-0656      **Version:** 1      **Name:** Ordinance - Employees Housing Assistance Program  
**Type:** Ordinance      **Status:** Adopted  
**File created:** 5/6/2021      **In control:** Economic and Housing Development  
**On agenda:** 5/25/2021      **Final action:** 6/22/2021

**Title:** AN ORDINANCE AMENDING TITLE 2, ADMINISTRATION, CHAPTER 10, DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT, SUBSECTION 2, CITY OF NEWARK MUNICIPAL EMPLOYEES HOUSING ASSISTANCE PROGRAM OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, TO INCREASE THE GRANT AMOUNT FROM \$5,000.00 TO \$10,000.00.

**Sponsors:** Council of the Whole

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
6/22/2021	1	Municipal Council	Close on Public Hearing and Adopt	Pass
6/2/2021	1	Municipal Council	Maintained on Public Hearing and Deferred	Pass
5/25/2021	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

**AN ORDINANCE AMENDING TITLE 2, ADMINISTRATION, CHAPTER 10, DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT, SUBSECTION 2, CITY OF NEWARK MUNICIPAL EMPLOYEES HOUSING ASSISTANCE PROGRAM OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, TO INCREASE THE GRANT AMOUNT FROM \$5,000.00 TO \$10,000.00.**

**WHEREAS**, the City of Newark (the “City”), has found that Municipal Employees, who reside in Newark are much more likely to be genuinely concerned about the welfare of the City than those who reside elsewhere, and by residing within the City in which they are employed, are thereby contributing to the revitalization of the City; and

**WHEREAS**, Section 2:24-1 of the City of Newark Administrative Code requires that Municipal Employees reside within the City limits; and

**WHEREAS**, the City of Newark in order to allow the Director of the Department of Economic and Housing Development (the “Department”) to enter into contracts, execute deeds and other related documents to provide grants to Newark Municipal Employees incentivizing the purchase of market rate housing adopted Ordinance 6S&Fj on November 17, 1997, authorizing the establishment of the City of Newark Municipal Employees Housing Assistance Program (the “City of Newark Municipal Employees Housing Assistance Program”); and

**WHEREAS**, the Municipal Council adopted Ordinance 6S&Fc on August 5, 1998, which

amended Ordinance 6S&Fj by extending the provision of grants to municipal employees who purchase housing at a Municipal auction; and

**WHEREAS**, consistent with the goals and objectives of the of the City of Newark Municipal Employees Housing Assistance Program, the City acting through the Department of Economic and Housing Development wishes to continue to provide municipal employees with incentives in the form of financial assistance for homeownership; and

**WHEREAS**, the City finds that the City of Newark Municipal Employees Housing Assistance Program which offered up to \$5,000.00 in grants for eligible applicants for the purchase of market rate housing through private transactions and/or at a municipal auction should be increased to \$10,000.00 effective immediately; and

**WHEREAS**, the City deems it necessary and convenient to renew and continue the City of Newark Municipal Employees Housing Assistance Program, in order to continue to advance its affordable housing needs and redevelopment objectives throughout the City; and

**WHEREAS**, it is necessary to amend provisions of the ordinance, to set forth detailed minimum requirements of the City of Newark Municipal Employees Housing Assistance Program, as more fully set forth below; and

**WHEREAS**, the ordinance amendments are in compliance with existing State laws and are in the best interest of the City of Newark.

**NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

**[Note: Additions are noted as bold and underlined text and deletions as ~~strike-outs~~.]**

**Section 1.** Title 2, Administration, Chapter 10, Department of Economic Housing and Development, Subsection 2, City of Newark Municipal Housing Assistance Program, of the Revised General Ordinances of the City of Newark, New Jersey, 2000, is hereby amended and supplemented by adding a section to read in its entirety as follows:

## **2:10-2 City of Newark Municipal Employees Housing Assistance Program**

### **2:10-2.1 Establishment.**

The Division of Housing Assistance Department of Economic and Housing Development is **hereby** authorized to establish a City of Newark Municipal Employees Housing Assistance Program ("**The City of Newark Municipal Employees Housing Assistance Program**") to provide for grant amounts of up to ~~\$5,000.00~~ **\$10,000.00** contingent upon the availability of funding and up to ~~\$5,000.00~~ **\$10,000.00** in credits against the final bid price of properties purchased at Municipal auction. The selection criteria and regulations for participation in the program by qualifying purchasers shall be consistent with all terms, rules and regulations established by this section.

### **2:10-2.2 Minimum Requirements for the Program.**

(a) Each grant must be used towards the purchase of a home within the Newark city limits.

Homes sold privately at market rate will be eligible for the grant.

- (b) One **(1)** to four **(4)** family residential structures sold at public auction will be **eligible** for up to ~~\$5,000.00~~ **\$10,000.00** in credits against the final bid price of properties purchased at Municipal auction.
- (c) If the purchaser lives in the property for a period of five **(5)** consecutive years, the grant will be forgiven.
- (d) If the purchaser who is the successful bidder at **a** Municipal auction, resides on the premises for a minimum of five **(5)** consecutive years, the credited amount does not have to be repaid.
- (e) In the event that the purchaser does not live in the home for five **(5)** years, the grant must be repaid in full upon transfer of title.
- (f) In the event that the purchaser at **a Municipal** auction does not live in the home for five **(5)** years, the credited amount must be repaid **in full upon transfer of title**.
- (g) Purchasers will execute a grant agreement in order to receive funds.
- (h) Purchaser's deed will contain the restriction, that in the event that purchaser does not live in the home for five **(5)** years, the grant must be repaid.
- (i) Purchaser at **a Municipal** auction will execute a mortgage and have a deed restriction reflecting the credited amount.
- (j) Purchaser at **a Municipal** auction must repair, and improve the building in accordance with the requirements of the Revised Ordinances of the City of Newark and the Uniform Construction Code of the State of New Jersey. The repairs, alterations and improvements shall be started six **(6)** months from the date of closing title and shall be fully complete **eighteen (18)** months from the day of closing.
- (k) The Department shall have the responsibility for monitoring said transaction to insure compliance with the provisions of this section.

### **2:10-2.3 Authorization to Execute Documents.**

The **Deputy Mayor**/Director of the Department of Economic and Housing Development is authorized to execute all documents necessary for participation in the program by qualified homebuyers, upon their demonstration that they have met all program criteria and other requirements for purchasing a home. The grant agreement shall be attested by the City Clerk and approved as to legality and form by the Corporation Council **Council**.

### **2:10-2.4 Annual Report to Council.**

The **Deputy Mayor**/Director of the Department of Economic and Housing Development shall provide the Municipal Council **Council** with an annual report identifying:

- (a) The number of grant agreements entered into;

(b) The address of the properties that were purchased;

(c) The number of properties purchased at auction.

**Section 2.** Funding for this program will be subject to an annual appropriation by the Municipal Council.

**Section 3.** Any ordinance or part thereof which is inconsistent herewith be and is hereby repealed.

**Section 4.** This program will become effective only after final passage and publication as provided by law.

**Section 5.** If any part of this ordinance shall be declared to be invalid or inoperative, such part shall be deemed severable and the invalidity thereof shall not affect remaining parts of this ordinance.

**Section 6.** This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

### **STATEMENT**

Ordinance amending Title 2, Administration, Chapter 10, Department of Economic and Housing Development, Subsection 2, City of Newark Municipal Employees Housing Assistance Program of the Revised General Ordinances of the City of Newark, New Jersey, 2000, as amended and supplemented, the purpose of this ordinance is to amend the City of Newark Municipal Employees Housing Assistance Program by increasing the grant amount from \$5,000.00 to \$10,000.00.