



## Legislation Text

File #: 23-1023, Version: 1

**AN ORDINANCE AMENDING TITLE 2, ADMINISTRATION, CHAPTER 10, DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT, SECTION 7, LIVE NEWARK LOAN FORGIVENESS PROGRAM FOR ADVANCING CLOSING, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY AMENDING SECTION 7.3 FAÇADE IMPROVEMENT PROGRAM, TO INCREASE THE AMOUNT OF THE FAÇADE IMPROVEMENT LOAN FOR ELIGIBLE FAÇADE IMPROVEMENTS UNDER THE FAÇADE IMPROVEMENT PROGRAM.**

**Sponsor(s): Council Member, Patrick O. Council**

**WHEREAS**, the Municipal Council on behalf of the City of Newark wishes to increase the Façade Improvement Loan amount to benefit Newark residents and businesses; and

**WHEREAS**, the City recognizes that eligible façade improvements are needed in business corridors throughout the neighborhoods; and

**WHEREAS**, the City of Newark has determined that there is a need to adjust the aforementioned loan amounts; and

**WHEREAS**, the Municipal Council finds and declares the following amendments to the Revised General Ordinances of the City of Newark, New Jersey, 2000, are deemed necessary for the prosperity of residents and businesses within the City of Newark.

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

[Deletions are indicated by ~~strikethrough~~, additions are indicated by **bold and underline**.]

**SECTION 1.** Title II, Administration, Chapter 10, Department of Economic and Housing Development, of the Revised General Ordinances of the City of Newark, New Jersey, 2000, is amended and supplemented, to read as follows:

### **CHAPTER 10, Department of Economic and Housing Development**

#### **§ 2:10-7.3 FAÇADE IMPROVEMENT PROGRAM.**

##### **a. Program for Façade Improvements**

1. Establishment. The Department of Economic and Housing Development is hereby authorized to establish and administer a Façade Improvement Program in order to provide funds up to ~~\$20,000~~ **\$40,000** ("Façade Improvement Loan") for Eligible Façade Improvements to Eligible Façade Improvement applicants, as those terms are defined in this section, as part of the Live Newark Loan Forgiveness Program, pursuant to the minimum

requirements set forth herein. The borrower(s) shall not be provided with funds or reimbursed for any costs associated with any facade improvement work exceeding \$20,000 ~~\$20,000~~ **\$40,000**. Modification of these minimum requirements may only be made by the Municipal Council.

2. Application. All applications for the Facade Improvement Program shall, at a minimum, include: a copy of the applicant's most recent tax returns; pay stubs; employment information; outstanding mortgages, judgments or any other liens upon the subject property; and any other information required in the application forms.
3. Eligible Facade Improvement Applicants. Individuals who meet the following criteria shall be eligible for a Facade Improvement Loan, subject to the terms and conditions set forth in this section:
  - (a) [Current owner\(s\)](https://ecode360.com/37503010) and occupants of the subject property who shall have reasonably been determined to have the necessary resources to maintain ownership of the subject property;
  - (b) [Resided upon the subject property](https://ecode360.com/37503011) for at least the three (3) consecutive years immediately preceding the submission of the application by the applicant;
  - (c) [Property taxes upon the subject property](https://ecode360.com/37503012) are and remain fully paid and current;
  - (d) [City sewer invoices for the subject property](https://ecode360.com/37503013) are and remain fully paid and current;
  - (e) [City water invoices for the subject property](https://ecode360.com/37503014) are and remain fully paid and current; and
  - (f) [Homeowner's insurance premiums for the subject property](https://ecode360.com/37503015) are and remain fully paid and current.
4. Pre-Determination of Eligibility of Applicant by the Loan Administrator(s). The Loan Administrator(s) shall review the written applications to determine the eligibility of the applicant (s) for a loan under the Facade Improvement Program and shall so advise the applicant(s) in writing. The determination of eligibility by the Loan Administrator is final, subject to review by the Deputy Mayor/Director of the Department of Economic and Housing Development. The applicant shall then submit a Facade Improvement Proposal which shall be subject to review and approval, as set forth herein.
5. Eligible Facade Improvements. Eligible Facade Improvements shall consist of repairs or improvements to the exterior of the subject property which are intended to beautify the community and may also satisfy existing City code violations or address any threats posed by the existing condition to the health, safety and welfare of the occupants of the subject property and/or community surrounding the subject property, including, but not limited to, the following, all of which shall be subject to the prioritization referenced herein:
  - (a) [Exterior repairs to roofs, porches, windows, and doors](https://ecode360.com/37503018);
  - (b) [Painting or siding](https://ecode360.com/37503019);

- (c) <<https://ecode360.com/37503020>>Replacement of doors, windows or roofs;
- (d) <<https://ecode360.com/37503021>>Installation of a privacy fence (excluding chain link fences); and
- (e) <<https://ecode360.com/37503022>>Driveway repairs.

6. Facade Improvement Proposal. Applicant(s) who have been pre-determined to be eligible for a loan under the Facade Improvement Program shall submit a written proposal setting forth a detailed description of the proposed project which shall have been prepared by a professional, licensed contractor; color photos depicting the existing condition of the area of the subject property upon which the proposed project is to be implemented; and a proposed project schedule setting forth, at minimum, a commencement date and a completion date for the work ("Facade Improvement Proposal"). Applicant(s) shall be encouraged to submit proposals which incorporate energy efficiency components or upgrades pursuant to the Home Performance with ENERGY STAR® Program under the New Jersey Clean Energy Program. The Facade Improvement Proposal shall be subject to review, approval and comment by the Director.
7. Approval of the Proposed Facade Improvement Project. The Deputy Mayor/Director of the Department of Economic and Housing Development shall review all proposals submitted under the Facade Improvement Program to determine eligibility for the Facade Improvement Program. The Deputy Mayor/Director of the Department of Economic and Housing Development has the right to reject, in whole or in part, any Facade Improvement Proposal in the Director's reasonable discretion or to negotiate modifications of same for a project of lesser or greater magnitude than described in the Facade Improvement Proposal. The Deputy Mayor/Director of the Department of Economic and Housing Development shall issue a written determination setting forth the eligibility of the applicable proposal, together with any terms and conditions of its approval ("Proposal Review Letter"). The determination of eligibility by the Deputy Mayor/Director of Economic and Housing Development is final. Any approval of any Facade Improvement Proposal issued by the Deputy Mayor/Director of the Department of Economic and Housing Development shall be conditional, subject to the receipt of required permits and approvals. Additionally, no payment or reimbursement shall be made for any work that is conducted by an applicant(s) prior to the approval of the Facade Improvement Proposal.
8. Facade Determination Letter. Upon a determination regarding eligibility of the applicant and the issuance of a Proposal Review Letter, the Loan Administrator(s) shall advise the applicant in writing accordingly ("Facade Determination Letter"). If a loan is being granted under the Facade Improvement Program, the Facade Determination Letter shall also indicate the amount of the loan which is expected to be extended, which such amount may be increased (but only up to ~~\$20,000~~ **\$40,000**) or decreased based upon any additional review of the Facade Improvement Proposal or the subject property by the Deputy Mayor/Director of the Department of Economic and Housing Development, subject to the availability of funding ("Facade Improvement Loan Amount"). Prior to or upon any disbursement of the Facade Improvement Loan, the City shall take all necessary steps to establish and record with the Essex County Registrar a mortgage to be secured by a lien against the subject property in the

amount of the Facade Improvement Loan, pursuant to the loan documents.

9. Facade Improvement Project. The borrower(s) shall implement the Facade Improvement Proposal as same has been approved by the Deputy Mayor/Director of the Department of Economic and Housing Development in the Proposal Review Letter (the "Facade Improvement Project"). The Facade Improvement Project shall not materially deviate from the approval issued by the Deputy Mayor/Director of the Department of Economic and Housing Development unless the borrower(s) has sought and received the written consent of the Deputy Mayor/Director of the Department of Economic and Housing Development.
10. Access. The Deputy Mayor/Director of the Department of Economic and Housing Development may elect to conduct a physical inspection of the subject property in the determination of whether a Facade Improvement Proposal is eligible for the Facade Improvement Program. In such event, the applicant shall grant the Deputy Mayor/Director of the Department of Economic and Housing Development with access to inspect the entire area of the subject property upon which the Facade Improvement Project is to be implemented, without the necessity for any further documentation. The Deputy Mayor/Director of Economic and Housing Development shall also be granted access to inspect the Facade Improvement Project during its implantation and upon completion, prior to any disbursement of the Facade Improvement Loan by the Loan Administrator(s). In the event that the Deputy Mayor/Director of Economic and Housing Development is denied reasonable access to conduct the inspections herein, the application submitted by the applicant shall be rejected and no disbursement under the Facade Improvement Program shall be made.
11. Implementation of the Facade Improvement Project. All work in connection with the Facade Improvement Project shall be undertaken in accordance with, and shall not materially deviate without the Director's written approval, from the Facade Improvement Proposal which was approved by the Deputy Mayor/Director's written approval, from the Facade Improvement Proposal which was approved by the Deputy Mayor/Director of Economic and Housing Development in a Proposal Review Letter. Additionally, all such work shall be conducted by a licensed, professional contractor and the Facade Improvement Project shall be implemented in full compliance with all applicable laws, rules, regulations, City ordinances and the applicable Redevelopment Plan, as amended. The borrower(s) shall be responsible for obtaining any permits which are required for the Facade Improvement Project. In no way shall approval by the Deputy Mayor/Director of Economic and Housing Development of a Facade Improvement Proposal substitute for appropriate approval by any City agencies for any permits that may be required. The Facade Improvement Project shall be fully implemented within twelve (12) months following the borrower's receipt of the first Facade Improvement Loan Disbursement, subject to two (2) extensions of up to three (3) months each to be granted in writing, at the discretion of the Deputy Mayor/Director of the Department of Economic and Housing Development.
12. Distribution of the Facade Improvement Loan. In order to obtain a disbursement of the Facade Improvement Loan in any amount, which shall be subject to the availability of funding, the borrower(s) shall submit a written request for payment to the Loan Administrator(s) together with any supporting documentation as the Loan Administrator(s) may require, including but not limited to, contracts or agreements, estimates, insurance, invoices, receipts and photos ("Facade Improvement Loan Requisition"). The Loan Administrator(s) shall be authorized to

advance up to ~~\$5,000~~ **\$10,000** to the borrower(s) in order to commence the Facade Improvement Project. Thereafter, all disbursements of the Facade Improvement Loan pursuant to the terms of the loan documents ("Facade Improvement Loan Disbursement") shall be subject to approval of any work for which any disbursement is sought by the Deputy Mayor/Director of the Department of Economic and Housing Development.

13. Inspection of the Facade Improvement Project. Except as otherwise provided herein, as a condition precedent to the disbursement of the Facade Improvement Loan, the Facade Improvement Project and any work undertaken in connection with same, shall be inspected and approved by the Deputy Mayor/Director of the Department of Economic and Housing Development. The Deputy Mayor/Director of Economic and Housing Development has the right to reject, in whole or in part, any Facade Improvement Project or any portion of same or to negotiate modifications as may be necessary. The Deputy Mayor/Director of the Department of Economic and Housing Development shall issue a letter setting forth the approval (or disapproval) of the Facade Improvement Project (or the renovation project, as further set forth herein), in whole or in part, as may be applicable, together with any terms and conditions of its approval ("Disbursement Approval Letter").
14. Forgiveness or Repayment of the Facade Improvement Loan. Facade Improvement Loans shall be made in the form of five (5) year interest-free, forgivable loans, up to the amount of ~~\$20,000~~ **\$40,000**. For each full, consecutive year following the final Facade Improvement Loan disbursement that the borrower(s) makes the subject property his or her primary residence, 20% of the total Facade Improvement Loan amount shall be forgiven, up to 100%, until the Facade Improvement Loan is fully satisfied. In the event that the borrower sells or transfers the subject property, or the subject property is no longer the borrower's primary residence at any time prior to the full satisfaction of the Facade Improvement Loan, the borrower(s) shall notify the Loan Administrator(s) accordingly in writing. The borrower(s) shall then be required to repay the pro-rated amount to the City in an accelerated manner upon the borrower's sale of the subject property from the sale proceeds or by prompt payment directly to the City, respectively. Upon full satisfaction of the Facade Improvement Loan, the City shall discharge the mortgage upon the subject property in accordance with the terms of the loan documents.

By way of example, if the borrower(s) is disbursed a total of ~~\$20,000~~ **\$40,000** but only makes the subject property his or her primary residence for three years following the final Facade Improvement Loan Disbursement (i.e. equivalent to ~~4,000~~ **8,000** per year for a total of ~~\$12,000~~ **\$24,000**), the borrower(s) would be required to repay the City the sum of ~~\$8,000~~ **\$16,000**.

By way of further example, if the borrower(s) is disbursed ~~\$17,500~~ **\$35,000**, the amount of ~~\$3,500~~ **\$7,000** would be forgiven for each full, consecutive year following the final Facade Improvement Loan disbursement that the borrower(s) makes the subject property his or her primary residence for three years and eight months following the final Facade Improvement Loan Disbursement, a total of ~~\$10,500~~ **\$21,000** would be forgiven (i.e. 20% for each full, consecutive year of primary residency, with no forgiveness being calculated for the eight month period), borrower(s) would be required to repay the City the pro-rated sum of ~~\$7,000~~ **\$14,000**.

**SECTION 2: Codification.** This Ordinance shall be a part of the Code of the City of Newark as though codified and fully set forth therein. The City Clerk shall have this Ordinance codified and

incorporated in the official copies of the Code. The City Clerk and the Corporation Counsel are authorized and directed to change any Chapter, Article and/or Section number of the Code of the City of Newark in the event that the codification of this Ordinance reveals that there is a conflict between the numbers and the existing Code, and in order to avoid confusion and possible accidental repealers of existing provisions not intended to be repealed.

### **STATEMENT**

This Ordinance Amends Title II, Administration, Chapter 10, Department of Economic and Housing Development, Section 7, Live Newark Loan Forgiveness Program for Advancing Closing, by amending Section 7.3 Façade Improvement Program, to increase the amount of the Façade Improvement Loan for Eligible Façade Improvements under the Façade Improvement Program.