



Legislation Details (With Text)

File #: 12-1608 **Version:** 1 **Name:** Waiving 20 day Period - 5 yr tax abatement ordinance
Type: Resolution **Status:** Filed
File created: 7/20/2012 **In control:** Economic and Housing Development
On agenda: 8/1/2012 **Final action:** 8/1/2012
Title: Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Waiving 20 day period for an ordinance to take effect
Purpose: To waive 20 day period for implementation of amendments to 5 year tax abatement as any further delays will continue to negatively impact the real estate market
Ordinance No(s).: 6PSF-c 080112
Additional Information:

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
8/1/2012	1	Municipal Council	Adopt	Pass

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Additional Information:

WHEREAS, N.J.S.A. 54:4-3.139 et seq. (the "State Law") authorizes municipalities in which an urban enterprise zone has been established to provide for abatements of real property taxes for qualified residential properties; and

WHEREAS, pursuant to the State Law, the Municipal Council adopted Ordinance 6PSF-K 012109 (the "Prior Ordinance") establishing a program under which owners of newly constructed residential properties of 1 to 4 dwelling units meeting certain specified qualifications may obtain a five year tax abatement for such properties; and

WHEREAS, Section 3 of the Prior Ordinance provided that no abatement shall be granted to a nonowner occupant more than three years following the date of final adoption of the Prior Ordinance; and

WHEREAS, one of the public purposes for the adoption of the State Law and the Prior Ordinance was to encourage the construction of qualifying residential housing units in order to stimulate neighborhood revitalization and to provide housing for the employees of businesses located

within urban enterprise zones; and

WHEREAS, this public purpose has been frustrated due to the inclusion of the three year limitation within the Prior Ordinance as nonowner occupants who would otherwise qualify for tax abatement under the State Law and Prior Ordinance have refrained from constructing qualifying residential housing units and/or have delayed their construction of such units due to the tax burdens associated with such housing; and

WHEREAS, additionally, the inclusion of the three year limitation within the Prior Ordinance has had the unanticipated effect of excluding nonowner occupants who constructed residential housing projects within the City in reliance upon the tax abatement program authorized by the State Law and the Prior Ordinance, but who were unable to complete construction of such projects within the three year limitation due to circumstances outside of their control, from obtaining tax abatements for these housing units, thereby discouraging them from completing the construction of these projects and/or from constructing other residential housing projects within the City; and

WHEREAS, on August 1, 2012, following a public hearing as required by applicable law, the Municipal Council finally adopted Ordinance 6PSF-c 080112 repealing Section 3 of the Prior Ordinance, retroactive to January 21, 2012, so as to remove this three year limitation and to thereby allow for the granting of a tax abatement to nonowner occupant applicants providing that all of the requirements of Chapter 26 of the Municipal Code, as amended and supplemented thereby, are met; and

WHEREAS, N.J.S.A. 40:69A-181(b) authorizes a governing body to adopt a resolution declaring an emergency and determining that an ordinance will take immediate effect, as permitted by law, so long as at least two-thirds of all the members of the council vote in favor of such resolution; and

WHEREAS, there is a public need to eliminate the three year limitation set forth within the Prior Ordinance immediately so that the public policies set forth within the State Law, the Prior Ordinance, and Ordinance 6PSF-c 080112 may be achieved by encouraging nonowner occupants with partially completed housing projects to complete them and by allowing nonowner occupants who built housing projects in reliance upon the tax abatement program authorized by the State Law and the Prior Ordinance, but who were unable to complete construction of such projects within the three year limitation due to circumstances outside of their control, to obtain tax abatements for these housing units so long as they meet all other requirements for such abatements, thereby encouraging them to re-invest in new housing projects within the City; and

WHEREAS, the Municipal Council has determined that it is therefore necessary and appropriate to adopt this resolution pursuant to N.J.S.A. 40:69A-181(b) declaring an emergency and determining that Ordinance 6PSF-c 080112 shall take immediate effect as permitted by law.

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

1. As a result of the reasons set forth herein and the important public policies enunciated, an emergency is hereby declared to exist in accordance with N.J.S.A.40:69A-181(b) and Ordinance 6PSF-c 080112 shall take immediate effect as permitted by law.

STATEMENT

This resolution authorizes an emergency to be declared and further authorizes Ordinance 6PSF-c 080112 to become effective immediately as permitted by law due to the important public purpose to encourage the construction of qualifying residential housing units in order to stimulate neighborhood revitalization and to provide housing for the employees of businesses located within urban enterprise zones.