File #: 24-1011, **Version:** 1

AN ORDINANCE AMENDING TITLE II, ADMINISTRATION, CHAPTER 10, DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT, SECTION 7.3, FAÇADE IMPROVEMENT PROGRAM, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY AMENDING SECTION 7.3(A)(5), ELIGIBLE FAÇADE IMPROVEMENTS AND 7.3(A)(14), FORGIVENESS OR REPAYMENT OF THE FAÇADE IMPROVEMENT LOAN.

WHEREAS, pursuant to Ordinance 6PSF-d, adopted on September 20, 2023, the Municipal Council, on behalf of the City of Newark increased the Façade Improvement Loan amount from Twenty Thousand Dollars and Zero Cents ($20,000.00) to Forty Thousand Dollars and Zero Cents ($40,000.00) to benefit Newark residents and businesses; 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.

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

Note: Additions are shown as **underlined and bold.** Deletions are ~~strikethroughs~~.

SECTION 1.

§ 2:10-7.3 FAÇADE IMPROVEMENT PROGRAM.

a. Program for Façade Improvements.

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;

(b) Painting or siding;

(c) Replacement of doors, windows or roofs;
~~(d) Installation of a privacy fence (excluding chain link fences); and~~

~~(e)~~ **(d)** Driveway repairs.

SECTION 2.

§ 2:10-7.3 FAÇADE IMPROVEMENT PROGRAM.

a. Program for Façade Improvements.

14. Forgiveness or Repayment of the Facade Improvement Loan. Facade Improvement Loans shall be made in the form of ~~five~~ ~~(5)~~ **ten (10)** year interest-free, forgivable loans, up to the amount of $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%~~ **10%** 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 $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 ~~8,000~~ **$4,000** per year for a total of ~~$24,000~~ **$12,000**), the borrower(s) would be required to repay the City the sum of ~~$16,000~~ **$28,000**.

    ~~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 3. All City ordinances or parts thereof inconsistent herewith are hereby repealed to the extent of their inconsistency only.

SECTION 4. 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 5. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

SECTION 6. 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.

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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 Costs or Providing Funding for Eligible Façade Improvements, by amending Section 7.3 Façade Improvement Program.

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