



# City of Newark

City Hall  
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## Legislation Text

File #: 25-0195, Version: 1

**AN ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR REHABILITATION OF HOUSING UNITS MANAGED BY THE NEWARK HOUSING AUTHORITY AND OTHER RELATED EXPENSES IN AND FOR THE CITY AND APPROPRIATING \$6,000,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$6,000,000.00 IN BONDS OR NOTES OF THE CITY TO FINANCE THE SAME.**

**Deferred 6PSF-e 030525**

**WHEREAS**, the Housing Authority of the City of Newark (the "NHA") has been duly created as a public body corporate and politic of the State of New Jersey by an Ordinance of the members of the Municipal Council of the City of Newark in the County of Essex, New Jersey (the "City"), duly adopted pursuant to and in accordance with all applicable law, including the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) (the "Housing Law"); and

**WHEREAS**, the City and the NHA are desirous of implementing the Path Home Program and to rehabilitate and make available to eligible persons up to two hundred (200) units managed by the NHA and eligible for financial assistance from the federal government (the "Path Home Units"); and

**WHEREAS**, the City desires to authorize the issuance of its bonds and bond anticipation notes for the purpose of paying a portion of the costs of rehabilitating the Path Home Units.

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

**Section 1.** The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the City of Newark, in the County of Essex, New Jersey (the "City"), as general improvements. For the several improvements or purposes described in Section 3 hereof, there are hereby appropriated the respective sums of money therein stated as the appropriations made for each improvement or purpose, such sums amounting in the aggregate to \$6,000,000.00. Pursuant to the provisions of N.J.S.A. 40A:12A-37(c)(2) in the Housing Law, notwithstanding the provisions of Section 11 of the Local Bond Law (N.J.S.A. 40A:2-11), no down payment is required hereunder as this bond ordinance authorizes obligations for the purpose of aiding the NHA with housing projects located in the City and as to which the federal government has contracted to furnish financial assistance.

**Section 2.** In order to finance the cost of the several improvements or purposes not covered by application of the several down payments hereunder, negotiable bonds of the City are hereby authorized to be issued in the aggregate principal amount of \$6,000,000.00 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

**Section 3.** The improvements hereby authorized and the purposes for which the bonds or notes are to be issued is the rehabilitation of housing units managed by the Newark Housing Authority and identified on a list on file with the Finance Department from time to time, said housing units to be utilized in connection with the City's Path Home program, as follows:

- (a) Purpose: Improvements to housing units, including, without limitation, construction of renovations and acquisition and installation of appliances, and including all work and materials necessary therefore or incidental thereto.

<u>Appropriation and Estimated Cost:</u>	\$5,280,000.00
<u>Amount of Down Payment:</u>	\$0
<u>Estimated Maximum amount of Bonds or Notes:</u>	\$5,280,000.00
<u>Period or Average Period of Usefulness:</u>	15 years

- (b) Purpose: Acquisition of furnishings for housing units, including all work and materials necessary therefore or incidental thereto.

<u>Appropriation and Estimated Cost:</u>	\$720,000.00
<u>Amount of Down Payment:</u>	\$0
<u>Estimated Maximum amount of Bonds or Notes:</u>	\$720,000.00
<u>Period or Average Period of Usefulness:</u>	5 years

- (c) The maximum amount of bonds or notes to be issued for the several improvements or purposes set forth in Section 3 hereof is as stated in Section 2 hereof.

(d) The estimated cost of the several improvements or purposes is equal to the amount of the appropriation herein made therefor.

**Section 4.** All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with notes issued pursuant to this bond ordinance, and the Chief Financial Officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The Chief Financial Officer is hereby authorized and directed to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The Chief Financial Officer is directed to report in writing to the Governing Body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

**Section 5.** The Capital Budget or Temporary Capital Budget (as applicable) of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency therewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended Capital Budget

or amended Temporary Capital Budget (as applicable) and Capital Program as approved by the Director of the Division of Local Government Services is on file with the City Clerk and is available there for public inspection.

**Section 6.** The following additional matters are hereby determined, declared, recited and stated:

(a) The several capital improvements or purposes described in Section 3 of this bond ordinance are not current expenses and are improvements or purposes the City may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The average period of usefulness of the several improvements or purposes, within the limitations of the Local Bond Law, computed on the basis of the respective amounts or obligations authorized for each improvement or purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 13.8 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the City Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$6,000,000.00, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$300,000.00 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the several improvements or purposes.

(e) The City reasonably expects to commence acquisition of the projects described in Section 3 hereof and to advance all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are advanced, the City further reasonably expects to reimburse such expenditures from the proceeds of the bonds or notes authorized by this bond ordinance, in an aggregate not to exceed the amount of bonds or notes authorized in Section 2 hereof. The above represents the City's official intent to reimburse itself for costs authorized hereunder out of the proceeds of bonds and/or notes issued hereunder.

**Section 7.** Any grant moneys received for the improvements or purposes described in Section 3 hereof shall be applied either to direct payment of the cost of each such improvement or purpose or to payment of the obligations issued pursuant to this bond ordinance and the amount of obligations authorized hereunder shall be reduced to the extent that such funds are so used.

**Section 8.** The full faith and credit of the City is hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the obligations and the interest thereon without limitation of rate or amount.

**Section 9.** The Chief Financial Officer of the City is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the City and to execute such disclosure document on behalf of the City. The Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide

secondary market disclosure on behalf of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the City and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the City fails to comply with its undertaking, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

**Section 10.** This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

### **STATEMENT**

Ordinance providing for the rehabilitation of housing units managed by the Newark Housing Authority and other related expenses in and for the City and appropriating \$6,000,000.00 therefor, and providing for the issuance on \$6,000,000.00 in bonds or notes of the City to finance the same.