



# City of Newark

City Hall  
920 Mayor Kenneth A.  
Gibson Boulevard  
Newark, New Jersey 07102

## Legislation Text

File #: 26-0495, Version: 1

**Dept/ Agency:** Finance

**Action:** ( ) Ratifying (X) Authorizing ( ) Amending

**Purpose:** Approving Form of Sale of City-Secured Bonds

**Amount to be Financed:** \$50,800,000.00

**Source of Appropriation:** Bond Anticipation Notes

**Purchaser:** Open Market

**Project Information:**

(Description/ Project No./ Amount Appropriated/Ordinance No.)

**RESOLUTION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY (THE "CITY") AUTHORIZING AND APPROVING (A) THE SALE AND ISSUANCE OF GENERAL OBLIGATION NOTES, SERIES 2026, CONSISTING OF (I) BOND ANTICIPATION NOTES, SERIES 2026C (NHA AFFORDABLE HOUSING LOANS) (TAX-EXEMPT), (II) SPECIAL EMERGENCY NOTES, SERIES 2026D (TAX-EXEMPT), (III) BOND ANTICIPATION NOTES, SERIES 2026E (PATH HOME PROGRAM) (TAX-EXEMPT), AND (IV) SPECIAL EMERGENCY NOTES, SERIES 2025F (FEDERALLY TAXABLE) OF THE CITY, (B) THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH, (C) THE ENTERING INTO AND EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE IN CONNECTION THEREWITH, AND (D) CITY OFFICIALS TO UNDERTAKE OTHER ACTIONS IN CONNECTION THEREWITH**

**Additional Information:**

**WHEREAS**, the City of Newark, in the County of Essex, State of New Jersey (the "City"), (a) has heretofore issued (i) \$20,000,000.00 Bond Anticipation Notes, Series 2025B (NHA Affordable Housing Loans) (the "Prior NHA BAN Notes") on May 8, 2025, which Prior NHA BAN Notes mature on May 7, 2026, (ii) \$6,000,000.00 Special Emergency Notes, Series 2025D (the "Prior SEN Notes") on June 4, 2025, which Prior SEN Notes mature on June 3, 2026, and (iii) \$6,000,000.00 Bond Anticipation Notes, Series 2025C (Path Home Program) (the "Prior Path Home BAN Notes" and together with the Prior NHA BAN Notes, the "Prior BAN Notes") on June 4, 2025, which Prior Path Home BAN Notes mature on June 3, 2026 (the Prior BAN Notes together with the Prior SEN Notes, the "Prior Notes"); and

**WHEREAS**, the Prior NHA BAN Notes were issued to currently refund the City's \$20,000,000.00 Bond Anticipation Notes, Series 2024B (NHA Affordable Housing Loans) (the "Original NHA BAN Notes") on May 14, 2024, which Original NHA BAN Notes matured on May 13, 2025 and were issued pursuant to the provisions of the Local Bond Law of the State of New Jersey (the "State"), N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the "Local Bond Law"), the Local Redevelopment and Housing Law of the State, N.J.S.A. 40A:12A-1 *et seq.*, as amended and supplemented (the "Housing Law"), and Ordinance Number 6PSF-c, finally adopted by the Municipal Council of the City on September 20, 2023, approved by the Mayor and published as required by law (the "NHA BAN Ordinance") to provide a loan to the Newark Housing Authority (the "Authority") and its related entities for the purpose of providing the Authority with financing to acquire properties

commonly known as West Kinney Gardens Phase I-A (“West Kinney”), West Kinney Gardens Phase I-B (“Hayes”), and Stella Gardens Apartments (“Prince” and together with West Kinney and Hayes, the “Properties”), which Properties are necessary to maintain low and moderate income affordable housing in the City; and

**WHEREAS**, the Prior SEN Notes were issued pursuant to the provisions of the Local Budget Law of the State, N.J.S.A. 40A:4-1 et seq. (the “Local Budget Law”) and Ordinance Number 6PSF-d finally adopted by the Municipal Council of the City on February 19, 2025, approved by the Mayor and published as required by law (the “SEN Ordinance”), to provide funds to (i) finance the costs associated with the preparation and execution of a complete program of revaluation of real property for the use of the local tax assessor pursuant to the provisions of N.J.S.A. 40A:4-53(b), and (ii) pay costs of issuance associated with the issuance of the Prior SEN Notes; and

**WHEREAS**, the Prior Path Home BAN Notes were issued pursuant to the provisions of the Local Bond Law, the Housing Law, and Ordinance Number 6PSF-a finally adopted by the Municipal Council of the City on March 19, 2025, approved by the Mayor and published as required by law (the “Path Home BAN Ordinance”), to provide funds to (i) temporarily finance the cost of implementing the City’s Path Home Program which, through a Shared Services Agreement with the Authority, provides for the rehabilitation of certain Authority-owned housing units to provide not less than a total of two hundred (200) units of transitional housing for eligible and qualified families and persons experiencing homelessness within the City and to provide those qualified persons with services through City service providers, and (ii) pay costs of issuance associated with the issuance of the Prior Path Home BAN Notes; and

**WHEREAS**, the City desires to sell and issue \$50,800,000.00 aggregate principal amount of General Obligation Notes, Series 2026, consisting of (i) \$20,000,000.00 Bond Anticipation Notes, Series 2026C (NHA Affordable Housing Loans) (Tax-Exempt) (the “2026C NHA BAN Notes”), (ii) \$4,800,000.00 Special Emergency Notes, Series 2026D (Tax-Exempt) (the “2026D SEN Notes”), (iii) \$6,000,000.00 Bond Anticipation Notes, Series 2026E (Path Home Program) (Tax-Exempt) (the “2026E Path Home BAN Notes” and together with the 2026C NHA BAN Notes, the “BAN Notes”) (the BAN Notes together with the 2026D SEN Notes shall be defined as the “Tax-Exempt Notes”), and (iv) \$20,000,000.00 Special Emergency Notes, Series 2026F (Federally Taxable) (the “2026F Taxable SEN Notes” and together with the 2026D SEN Notes, the “SEN Notes”) (the BAN Notes together with the SEN Notes shall be defined as the “Notes”) to, respectively, (a) currently refund the Prior NHA BAN Notes pursuant to the provisions of the Local Bond Law, the Housing Law, the NHA BAN Ordinance and this resolution (the “Resolution”), (b) currently refund a \$4,800,000.00 principal portion of the Prior SEN Notes (a \$1,200,000.00 portion of the Prior SEN Notes will be paid by the City with a 2026 budget appropriation), pursuant to the provisions of the Local Budget Law, the SEN Ordinance and this Resolution, (c) currently refund the Prior Path Home BAN Notes pursuant to the provisions of the Local Bond Law, the Housing Law, the Path Home BAN Ordinance and this Resolution, and (d) finance the cost of contractually required severance liabilities resulting from the retirement and layoff of employees of the City in fiscal year 2025 pursuant to the provisions of the Local Budget Law, Ordinance Number 6PSF-a(s) finally adopted by the Municipal Council of the City on September 9, 2025, approved by the Mayor and published as required by law (the “Taxable SEN Ordinance” and together with the NHA BAN Ordinance, the SEN Ordinance, and the Path Home BAN Ordinance, the “Ordinances”) and this Resolution; and

**WHEREAS**, the City now wishes to authorize and implement the issuance of the Notes and

any and all actions related thereto via the adoption of this Resolution; and

**WHEREAS**, pursuant to, and in accordance with, as applicable, (i) the Local Bond Law, (ii) the Housing Law, (iii) the Local Budget Law, and (iv) the Ordinances, the City is seeking to authorize the sale and issuance of the Notes; and

**WHEREAS**, the City, in order to issue the Notes at competitive market rates, seeks to, among other things, authorize the preparation, execution and distribution, as applicable, of a Preliminary Official Statement (as hereinafter defined) and an Official Statement (as hereinafter defined); and

**WHEREAS**, the City, also seeks to, among other things, authorize the preparation, execution and delivery of, as applicable, the Notes, a Continuing Disclosure Certificate (as hereinafter defined), a Tax Certificate (as hereinafter defined), as and if applicable, and any other agreements or documents required for the authorization, sale, issuance, execution and delivery of the Notes.

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

**Section 1.** The recitals set forth above are incorporated herein as if fully set forth herein.

**Section 2. Authorization of Notes.** The City is hereby authorized to issue not to exceed \$50,800,000.00, aggregate principal amount of Notes, consisting of (i) \$20,000,000.00 2026C NHA BAN Notes, (ii) \$4,800,000.00 2026D SEN Notes, (iii) \$6,000,000.00 2026E Path Home BAN Notes, and (iv) \$20,000,000.00 2026F Taxable SEN Notes.

Pursuant to the provisions of the Local Bond Law, the Housing Law, the NHA BAN Ordinance and the Path Home BAN Ordinance, as applicable, and this Resolution, the Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized and directed to sell, issue, execute and deliver the BAN Notes. The BAN Notes will be dated their date of delivery and shall mature not later than one (1) year from their date as shall be determined by the Acting Director of Finance and Interim Chief Financial Officer of the City. The BAN Notes may be renewed from time to time in accordance with the provisions of the Local Bond Law. The BAN Notes shall not be subject to redemption prior to maturity.

Pursuant to the provisions of the Local Budget Law, the SEN Ordinance and the Taxable SEN Ordinance, as applicable, and this Resolution, the Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized and directed to sell, issue, execute and deliver the SEN Notes. The SEN Notes will be dated their date of delivery and shall mature not later than one (1) year from their date as shall be determined by the Acting Director of Finance and Interim Chief Financial Officer of the City. The SEN Notes may be renewed from time to time in accordance with the provisions of the Local Budget Law. The SEN Notes shall not be subject to redemption prior to maturity.

**Section 3. Sale of the Notes.** The Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized, at his or her discretion, and based upon the advice of Wilentz, Goldman & Spitzer, P.A., bond counsel to the City (“Bond Counsel”), and NW Financial Group, LLC, the municipal advisor to the City (the “Municipal Advisor”), in accordance with the applicable Ordinance, to sell each series of the Notes on a competitive basis and to award each

series of the Notes to the applicable bidder based upon the submission by such bidder of a conforming bid of the lowest net interest cost or true interest cost as may be determined by the Acting Director of Finance and Interim Chief Financial Officer of the City. The Acting Director of Finance and Interim Chief Financial Officer of the City is also authorized, at his or her discretion, and based upon the advice of Bond Counsel and the Municipal Advisor, in accordance with the applicable provisions of the applicable Ordinance, to offer and sell all or any series of the Notes on a negotiated basis or via private sale.

**Section 4. Authorization for Official Statement.** The preparation by the City and the Municipal Advisor of a Preliminary Official Statement (the "Preliminary Official Statement") relating to the Notes is hereby authorized. The distribution by the City of the Preliminary Official Statement, in substantially the form attached hereto as **Exhibit A**, to be used in connection with the marketing and sale of the Notes, is hereby authorized and approved, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel and the Municipal Advisor to the City may advise and recommend and an Authorized Officer of the City (as hereinafter defined) may approve. The Mayor, Business Administrator, and Acting Director of Finance and Interim Chief Financial Officer of the City (each an "Authorized Officer(s)") are each hereby authorized and directed, on behalf of the City, to execute and deliver a certificate that "deems final" the Preliminary Official Statement in accordance with the Rule (as hereinafter defined).

After the sale of each series of the Notes, the Preliminary Official Statement shall be modified to reflect the effect of the sale of each series of the Notes and any other revisions not inconsistent with the substance thereof; and said Preliminary Official Statement, deemed "final" by an Authorized Officer in accordance with the Rule, as so modified, shall constitute the final Official Statement (the "Official Statement"). The Authorized Officers are each hereby authorized and directed on behalf of the City to execute and deliver said Official Statement.

**Section 5. Authorization for Notices of Sale.** The Acting Director of Finance and Interim Chief Financial Officer of the City is hereby delegated, authorized and directed, on behalf of the City, to sell and award the 2026C NHA BAN Notes and 2026D SEN Notes to the successful bidder therefor pursuant to the terms and conditions of a Notice of Sale for the 2026C NHA BAN Notes and 2026D SEN Notes (the "Notice of Sale for 2026C NHA BAN Notes and 2026D SEN Notes"). The form of the Notice of Sale for 2026C NHA BAN Notes and 2026D SEN Notes, in substantially the form attached hereto as **Exhibit B**, is hereby approved, and the execution of a Notice of Sale for 2026C NHA BAN Notes and 2026D SEN Notes by the Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Acting Director of Finance and Interim Chief Financial Officer, in consultation with Bond Counsel and/or the Municipal Advisor. The Municipal Advisor and Bond Counsel are each hereby authorized to distribute the Notice of Sale for 2026C NHA BAN Notes and 2026D SEN Notes in connection with the offering, marketing, and sale of the 2026C NHA BAN Notes and 2026D SEN Notes.

The Acting Director of Finance and Interim Chief Financial Officer of the City is hereby delegated, authorized and directed, on behalf of the City, to sell and award the 2026E Path Home BAN Notes to the successful bidder therefor pursuant to the terms and conditions of a Notice of Sale for the 2026E Path Home BAN Notes (the "Notice of Sale for 2026E Path Home BAN Notes"). The form of the Notice of Sale for 2026E Path Home BAN Notes, in substantially the form attached hereto as **Exhibit C**, is hereby approved, and the execution of a Notice of Sale for 2026E Path Home BAN Notes by the Acting Director of Finance and Interim Chief Financial Officer of the City is hereby

authorized with such changes as may be approved by the Acting Director of Finance and Interim Chief Financial Officer, in consultation with Bond Counsel and/or the Municipal Advisor. The Municipal Advisor and Bond Counsel are each hereby authorized to distribute the Notice of Sale for 2026E Path Home BAN Notes in connection with the offering, marketing, and sale of the 2026E Path Home BAN Notes.

The Acting Director of Finance and Interim Chief Financial Officer of the City is hereby delegated, authorized and directed, on behalf of the City, to sell and award the 2026F Taxable SEN Notes to the successful bidder therefor pursuant to the terms and conditions of a Notice of Sale for the 2026F Taxable SEN Notes (the "Notice of Sale for 2026F Taxable SEN Notes" and together with the Notice of Sale for 2026C NHA BAN Notes and 2026D SEN Notes and the Notice of Sale for 2026E Path Home BAN Notes, the "Notices of Sale"). The form of the Notice of Sale for 2026F Taxable SEN Notes, in substantially the form attached hereto as **Exhibit D**, is hereby approved, and the execution of a Notice of Sale for 2026F Taxable SEN Notes by the Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Acting Director of Finance and Interim Chief Financial Officer, in consultation with Bond Counsel and/or the Municipal Advisor. The Municipal Advisor and Bond Counsel are each hereby authorized to distribute the Notice of Sale for 2026F Taxable SEN Notes in connection with the offering, marketing, and sale of the 2026F Taxable SEN Notes.

**Section 6. Prior Actions and Execution of Notes.** All actions taken to date by the Authorized Officers, employees, professionals and agents of the City, including Bond Counsel, the Municipal Advisor, and the Auditor (as hereinafter defined), with respect to the authorization, sale, issuance, execution and delivery of the Notes, including, but not limited to, submissions and applications to rating agencies and the distribution and dissemination of the Preliminary Official Statement and the Notices of Sale, as applicable, are hereby approved, ratified, adopted and confirmed, and each Authorized Officer is hereby authorized and directed to execute and deliver the Notes and any such agreements, documents or submissions required for the authorization, sale, issuance, execution and delivery of the Notes, and the City Clerk or Deputy Clerk is hereby authorized and directed to attest to the signatures of the Authorized Officers and to affix, imprint or reproduce the seal of the City on such Notes and, as applicable, on any such agreements, documents or submissions related to the authorization, sale, issuance, execution and delivery of the Notes. All Notes issued pursuant to this Resolution shall be executed by the Acting Director of Finance and Interim Chief Financial Officer and the Mayor of the City, under the seal of the City and attested by the City Clerk or Deputy Clerk. The Authorized Officers are each hereby authorized and directed to execute and deliver all documents, certificates, agreements, and instruments necessary or convenient in connection with the authorization, sale, issuance, execution, and delivery of the Notes.

**Section 7.** All other details or requirements of, as applicable, the Ordinances, the Local Bond Law, and the Local Budget Law shall be determined and approved by an Authorized Officer of the City, upon consultation with Bond Counsel, the Municipal Advisor, and Samuel Klein and Company, CPAs, Auditor to the City (the "Auditor"), and such approvals are to be conclusively evidenced by his or her execution of each series of the Notes as provided herein or on any other document, certificate, agreement or instrument related to the authorization, sale, issuance, execution and delivery of the Notes.

**Section 8. Continuing Disclosure.** The City hereby covenants and agrees to comply with the secondary market disclosure requirements of Rule 15c2-12, as amended (the "Rule"), promulgated

by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, and agrees to covenant to such compliance, as required, in a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), in substantially the form attached hereto as **Exhibit E**. In connection therewith, an Authorized Officer of the City, in consultation with Bond Counsel, the Municipal Advisor, and the Auditor to the City, is hereby authorized and directed to enter into and execute the Continuing Disclosure Certificate, evidencing the contractual undertaking of the City to comply with the requirements of the Rule, and to deliver the Continuing Disclosure Certificate in connection with the offer and sale of the Notes. Notwithstanding the foregoing, failure of the City to comply with the covenants set forth in the Continuing Disclosure Certificate shall not be considered a default on the Notes; however, any Noteholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance, to cause the City to comply with its obligations hereunder and thereunder. The Authorized Officers, and any professionals or agents of the City acting on its behalf, are each hereby authorized and directed to execute and deliver all certificates, documents and agreements in connection therewith and, if necessary, to file budgetary, financial and operating data on an annual basis and notices of certain enumerated events as required to comply with, and in accordance with, the provisions of the Rule.

**Section 9. Ratings.** The Acting Director of Finance and Interim Chief Financial Officer is hereby authorized and directed, upon consultation with Bond Counsel, the Municipal Advisor, and the Auditor to the City, to, if applicable, submit information and financial data on the City to ratings agencies to obtain ratings on each series of the Notes.

**Section 10. Tax Matters.** To the extent that one or more series of the Notes, specifically, the Tax-Exempt Notes, are issued as tax exempt obligations (which determination shall be made prior to sale), the City shall covenant in a Tax and Arbitrage Certificate (the "Tax Certificate") that it will comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and that it will take no action or omit to take any action that would cause the interest on the Tax-Exempt Notes to lose its tax exemption under the Code. The Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized and directed to execute and deliver the Tax Certificate in connection with the issuance and closing of the Tax-Exempt Notes.

**Section 11.** The Acting Director of Finance and Interim Chief Financial Officer of the City is hereby authorized and directed to determine all matters and terms in connection with the sale and issuance of the Notes, as applicable (including adjusting the principal amount of any or all series of the Notes (not in excess of the amounts authorized in Section 2 hereof)), the terms set forth in each of the Notices of Sale, and/or any matters set forth in this Resolution that are deemed necessary and advisable to change by the Acting Director of Finance and Interim Chief Financial Officer of the City in consultation with Bond Counsel, the Municipal Advisor, and the Auditor, prior to the sale or closing of the Notes, as applicable.

**Section 12. Further Action.** The sale and issuance of each series of the Notes is hereby authorized and approved. The terms and provisions of each series of the Notes (including, without limitation, registered or book-entry form, the aggregate principal amount, the maturity date, interest rate and redemption provisions) shall be determined by the Acting Director of Finance and Interim Chief Financial Officer of the City as authorized by, as applicable, the Local Bond Law, the Local Budget Law, the Ordinances heretofore adopted by the Municipal Council, and this Resolution. The Authorized Officers are each hereby authorized and directed to take all actions which are necessary or convenient to effectuate the terms of this Resolution and the issuance, sale and delivery of each

series of the Notes, including, but not limited to, the execution and delivery of the Continuing Disclosure Certificate, the Tax Certificate (for the Tax-Exempt Notes), and closing certificates, documents, agreements, instruments, and opinions in connection therewith, in consultation with, and upon the advice of, Bond Counsel, the Municipal Advisor, and the Auditor. The Authorized Officers are hereby authorized and directed to execute and deliver all documents necessary or convenient in connection with the issuance, sale and delivery of the Notes. All such actions heretofore or hereafter taken by the Authorized Officers and professionals of the City are hereby ratified, approved, and confirmed.

**Section 13. Pledge of the City.** The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the Notes authorized by this Resolution. The Notes shall be direct, unlimited obligations of the City. The City shall have the power and shall be obligated to levy *ad valorem* taxes upon all taxable property within the City for the payment of such Notes and interest thereon, without limitation as to rate or amount.

**Section 14. Effective Date.** This Resolution shall take effect immediately upon adoption.

### **STATEMENT**

Resolution authorizing and approving the Sale of Bond Anticipation Notes, the preparation and distribution of a preliminary official statement and final official statement, the entering into and execution of a continuing disclosure certificate and to undertake other actions in connection therewith.