

FREQUENTLY ASKED QUESTIONS

WHAT IS THE NEWARK LAND BANK AND WHY WAS IT CREATED?

The Newark Land Bank is a division of Invest Newark, a NJ nonprofit corporation. The Newark Land Bank was established by State of New Jersey enabling legislation P.L. 2019, c 159, and City of Newark Municipal Ordinance 6PSF-g adopted on October 16, 2019. The Newark Land Bank strategically acquires, maintains, and repurposes vacant, abandoned, and foreclosed properties, and efficiently returns them to productive use.

Specifically, the Newark Land Bank (the “NLB”) was created to boost homeownership, reduce blight, create affordable and market rate housing, increase M/W/DBE developer or subcontractor capacity, expand neighborhood business opportunities, increase property values, support community goals and priorities of the City, and improve the quality of life for Newark residents.

IS THE NEWARK LAND BANK MANAGED BY THE CITY OF NEWARK?

Although the NLB was established by the City of Newark, it is not part of the City Administration. NLB is a division of Invest Newark, a NJ nonprofit corporation which is an independent nonprofit with its own bylaws and board of directors. By way of the Land Bank Agreement with the City of Newark, set forth by Ordinance 6PSF-a adopted on April 7, 2020, the NLB has been granted certain powers necessary to confront the problems caused by vacant, abandoned, and tax delinquent properties in Newark. The President and CEO of Invest Newark is responsible for supervision and management of the Land Bank and all NLB staff, and reports all Land Bank activity to the Board of Directors. While it is not government controlled, NLB works in partnership with the City of Newark to revitalize neighborhoods and strengthen neighborhoods within the municipality.

HOW IS THE NEWARK LAND BANK FUNDED?

The NLB is funded by a range of sources. These include contributions from the City of Newark, federal and state funding, revenue from the sale of properties, grants, donations, and loans. While the City of Newark is permitted to support the NLB, the City is not liable for the obligations of the NLB. As a division of Invest Newark, the NLB is a separate and distinct entity from the City of Newark municipal government.

HOW DOES THE NEWARK LAND BANK ACQUIRE PROPERTIES?

The primary source of property acquisitions for the Newark Land Bank is the City of Newark’s surplus properties, and the tax lien auction which generally takes place December of each year. NLB may also assemble a strategic list of properties that support organizational and City goals and request these properties from the City of Newark subject to Municipal Council approval. NLB may also acquire properties through purchase, gifts, donations, and foreclosure. If you are interested in donating a property, please visit our website at www.investnewark.org/land-bank/DONATE-PROPERTY.

WHAT PROPERTIES DOES THE NEWARK LAND BANK OWN?

All NLB properties are listed under “CURRENT PROPERTIES” on our website. NLB properties are only located within the City of Newark.

HOW DO I PURCHASE PROPERTY FROM THE NEWARK LAND BANK?

NLB sells properties via Programs and Request For Proposals (RFPs). Our inventory of available properties is always changing. You can stay up-to-date on newly available properties by signing up for our Mailing List at www.investnewark.org/land-bank/MAILING-LIST. All disposition decisions for our properties, including selection of winning bids, are published on the website.

WHO CAN PURCHASE NEWARK LAND BANK PROPERTY?

Any qualified individual, family, partnership, non-profit, or corporation can purchase and develop a land bank property per specific program requirements and disposition policies. Primarily, properties are sold via online bid applications and RFPs, though the NLB also engages in development planning and associated dispositions with thoroughly vetted homebuyers, real estate developers, and non-profit community partners to achieve City and neighborhood goals.

WHAT ARE THE QUALIFICATIONS FOR APPLYING?

NLB requires at a minimum that the purchaser provide basic personal or business information, a feasible development plan for the property of interest where rehabilitation is required, and proof of financing for the purchase or proposed development. In addition, all NLB applications require a processing fee for submission. Program applications and RFPs enumerate specific requirements, such as application fees, First Time Homebuyer restrictions, or income limits for the purchaser.

DOES THE NEWARK LAND BANK GIVE GRANTS OR PROVIDE FINANCING?

NLB does not give out grants or provide financing for purchasing or rehabilitating property. Properties that require rehabilitation are priced in consideration of the amount of work that purchasers will generally have to undertake. Rehabilitated "ready to move in" properties are priced to be affordable for Newark residents. The City's "Live Newark Program" provides access to down payment and closing cost assistance for owner-occupied properties. *Live Newark* applications and program guidelines may be obtained from the City's web site: www.newarknj.gov/departments/economichousing

HOW DO I VISIT/INSPECT A PROPERTY?

NLB opens properties for inspection on multiple dates for each specific Program or RFP. Details are posted on each property's individual page as well as on Invest Newark's Community Calendar at www.investnewark.org

HOW MUCH TIME DO I HAVE TO CLOSE ON A PROPERTY THAT I PURCHASE FROM THE NEWARK LAND BANK?

NLB will arrange for closings to take place no later than ninety (90) days from the date of notification that your bid has been accepted. Specific requirements for each purchase program are included in the application, purchase agreement, and any marketing materials.

WILL I BE REQUIRED TO POST A DEPOSIT WHEN I PURCHASE A NEWARK LAND BANK PROPERTY? IF SO, HOW MUCH AND WHEN?

An earnest money deposit in an amount equal to a minimum of 15% of the property list price, but not less than \$500, payable to the Newark Land Bank via online electronic payment or certified funds upon receipt of a purchase agreement from the NLB. \$500 of all deposits will be retained

by NLB as an administrative fee. The balance of the earnest money deposit will be applied against the balance of the purchase price due at closing.

AM I REQUIRED TO REHABILITATE THE PROPERTY I PURCHASE?

Yes, unless the property has already been rehabilitated and is ready to move in, properties must be repaired, altered and improved in accordance with the Newark Land Bank Housing Quality Standards, the Revised Ordinances of the City of Newark, and Uniform Construction Code of the State of New Jersey.

Each NLB purchase agreement specifies the amount of time allotted to complete rehabilitation of the property. **At closing, the title/deed to the property is held in escrow until the repairs are complete and the purchaser has obtained a Certificate of Occupancy from the City of Newark.**

We do this to ensure that buyers uphold their commitment to meet the terms in their application, and purchase agreement, and complete their project in a timely fashion. NLB may also impose deed restrictions to ensure certain outcomes in property sales, such as a requirement for owner occupancy. Specific requirements for each purchase program are included in the application, purchase agreement, and any marketing materials.

HOW LONG DO I HAVE TO REHABILITATE OR BUILD A NEWARK LAND BANK PROPERTY?

Buyers of NLB properties are required to rehabilitate or build residential, commercial, industrial, and mixed-use properties in a period of time as follows:

- Fewer than 4 Units – (up to 6 Months)
- Commercial, industrial, mixed use or residential properties of more than 4 Units (12-18 Months) per phase

NLB may grant an extension of time to complete the project so long as the buyer makes such request in writing, and provides the NLB with an acceptable updated project schedule that includes timetables for the completion and any additional information requested by the NLB.

NLB reserves the right to repossess any property if the buyer fails to complete the project within the time allotted in the purchase agreement, or attempts to sell the property before completing the project without express written authorization from NLB.

HOW MANY PROPERTIES CAN I PURCHASE FROM THE NEWARK LAND BANK?

Buyers may not purchase more than 10 properties in a single transaction, subject to specific terms and conditions set forth in a Program or RFP. Sale of additional properties to the same buyer, whether as an individual or member of a group, will not be considered unless prior transactions with the NLB have been completed in accordance with the purchase agreement and program guidelines.

HOW DO I REPORT A PROPERTY?

One of the overarching principles of the NLB is its accountability to the Newark community. To report an abandoned, blighted residential property, or to let us know about a concern you have regarding a Newark Land Bank-owned property, please visit the "Contact Us" tab on our website or email us at NLBinfo@investnewark.org. We appreciate your input!

I AM A CONTRACTOR/DEVELOPER. HOW CAN I OBTAIN WORK FROM THE NEWARK LAND BANK?

NLB utilizes a Request for Proposal (RFP), Request for Application (RFA), Request for Qualifications (RFQ), or sole source process to procure contractors. When seeking contractors, notices are posted on our website, sent out by email to our mailing list, and may also be advertised in local newspapers. To be notified of opportunities to work with the NLB, join our Mailing List at www.investnewark.org/land-bank/MAILING-LIST.

HOW CAN I GET MORE INFORMATION?

Should you have a question not answered above, or are simply looking for additional information, please visit the Contact Us tab on our website or email us at NLBinfo@investnewark.org. We strive to respond to all inquiries within 3 business days.