

Newark Land Bank |

A Division of Invest Newark

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AGENDA



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Introduction



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





INTRODUCTION: NLB CREATED TO...



Boost

✓ Boost Homeownership

Reduce

✓ Reduce blight

Create

✓ Create affordable and market rate housing

Increase

✓ Increase MWBE developer or subcontractor capacity

Expand

✓ Expand neighborhood business opportunities

Increase

✓ Increase property values

Support

✓ Support community goals

Improve

✓ Improve the quality of life for Newark residents

COMMUNITY ENGAGEMENT





COMMUNITY ENGAGEMENT: **COMMUNITY ADVISORY BOARD**



Community Advisory Board (CAB):

The City of Newark designated Invest Newark as the land bank entity for the City of Newark via ordinance 6PSF-a, adopted April 4, 2020. The ordinance, as well as state law, mandates that the NLB create a Community Advisory Board to provide input into the land bank's operations.

The purposes of the Newark Land Community Advisory Board are to:

- Provide feedback regarding decisions and operations of Newark Land Bank (NLB)
- Provide the public an opportunity to be heard on programming and the impact on the community of policy decisions

The CAB has held meetings on February 19, 2021; May 8, 2021, June 7, 2021 (special meeting), and July 28, 2021. At the special meeting held June 21, a secretary of the board was elected and minutes have begun to be taken for CAB meetings. The CAB agreed on a schedule of meetings for the remainder of 2021. The next CAB meeting will be held on November 4, 2021 at 6:00 P.M.

COMMUNITY ENGAGEMENT: **COMMUNITY ADVISORY BOARD**

Community Advisory Board (CAB) – con't'd:

NLB participated in the 2021 virtual Affordable Homeownership Summit on October 21, 2021 organized by the Center for New York City Neighborhoods. Leaders convened online to discuss the challenges facing low- and moderate-income homeowners, as well as innovative solutions and best practices. This year's Summit is focused on Building an Equitable Recovery, and how we can leverage opportunities for equitable and affordable homeownership even as we face ongoing uncertainty. The panel, titled Best Practices in Homeownership from Near and Afar, brought together homeownership and community development pilots and programs that are making waves around the country and globe, including the Newark Land Bank and explored how they could translate to and benefit communities in New York.

The next NLB Community Advisory Board meeting will be held on November 4, 2021



COMMUNITY ENGAGEMENT: **NLB COMMUNITY PARTNERSHIPS**



NLB Community Partnerships:

NLB believes that partnerships with Newark non-profit, community development organizations, businesses, and faith-based groups are essential. NLB welcomes the opportunity to collaborate on projects that further the City's plans, goals, and initiatives for building sustainable neighborhoods and who are providing impactful wraparound services and are able to use land bank properties for new construction of affordable housing, urban gardening, and green space projects. Organizations with the relevant qualifications and capacity may apply to restore NLB properties to productive use, while simultaneously improving the quality of life for Newark residents.

Non-profit organizations must meet the following mandatory requirements:

- Be located in the City of Newark
- Have a non-profit status under section 501(c)(3) of the Internal Revenue Code
- Be compliant with New Jersey Charitable Registration and Investigation Act
- Use property consistent with current zoning requirements
- Compliance with criteria outlined in NLB General Disposition Policy



COMMUNITY ENGAGEMENT: **COMMUNITY ENGAGEMENT EFFORTS**



Since its launch, the Invest Newark Land Bank website has garnered **2,170 users**.

Social Media:

Invest Newark Land Bank Facebook page has **78** followers and has received **54** "likes"

Invest Newark Land Bank Instagram page has **158** followers

Invest Newark Land Bank YouTube videos have been viewed more than **1,700** times

YouTube Facebook Instagram

1,949 132 158

Zoom Webinar Attendees

260

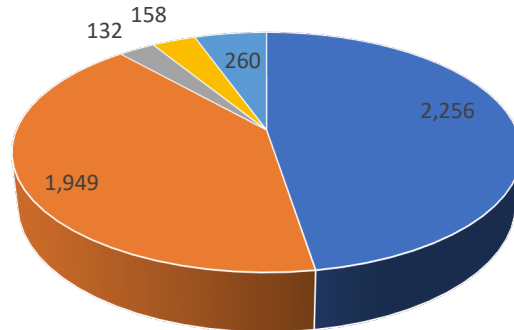
Website Registered Users

2,256

Total

4,755

Social Media Engagements



INVENTORY





INVENTORY



- The City of Newark transferred the first batch of 98 properties to the Invest Newark Land Bank on January 18, 2021.
- As of August 31, 2021, thirteen (13) properties have been redeemed or returned to the City.
- Through October 31, 2021, there have been 17 closed sales transactions.
- Please refer to the table on the following slide:



INVENTORY: EXHIBIT A



Inventory Description	Property Received from City of Newark		Total Properties		Properties Closed As of October 31, 2021		Remaining in Inventory	
	#	Assessed Value(*)	#	Assessed Value	#	Assessed Value	#	Assessed Value
Total number of properties	98	5,934,400	85	5,629,200	17	793,000	68	4,836,200
Properties redeemed / returned to City of Newark	13	(305,200)	0	0	0	0	0	0
Net initial inventory	85	5,629,200	85	5,629,200	17	793,000	68	4,836,200
By property type:								
Properties with existing structures	18	1,721,300	18	1,721,300	3	363,000	15	1,358,300
Vacant Lots	22	616,100	22	616,100	2	141,800	20	474,300
Commercial/Industrial/Mixed use	14	2,557,600	14	2,557,600	0		14	2,557,600
Side Lots	31	734,200	31	734,200	12	288,200	19	446,000
Total	85	5,629,200	85	5,629,200	17	793,000	68	4,836,200

* - City of Newark assessed value of land and improvements as of the title transfer date.



INVENTORY: EXHIBIT B



The inventory of properties has been apportioned as of October 31, 2021 to the various programs as follows:

Land Bank Program	No. of Properties	Sold / Closed	Remaining In Inventory
PRO Newark	4		4
Resident Advantage	5	1	4
Move in Ready	2		2
Section 8 Home Ownership Conversion Program	7	2	5
Vacant Lots	22	2	20
Side Lots	31	12	19
Commercial / Industrial / Mixed use	14		14
Total	85	17	68



INVENTORY: EXHIBIT C



Invest Newark receives all indications of interest via its website (www.landbank.investnewark.org) As of October 31, 2021, we have received a total of **91** applications. **47** bid packages have been requested and provided to applicants. **29** are in contract with an additional **13** pending (see table)

Land Bank Program	No. of Applications Received	Bid Packages Sent	In Contract	Pending
PRO Newark	17	8	2	
Resident Advantage	19	5	2	1
Move in Ready				
Section 8 Home Ownership Conversion Program	3		2	1
Vacant Lots	10	10	8	8
Side Lots	34	16	15	3
Commercial / Industrial / Mixed use	8	8		
Total	91	47	29	13



INVENTORY: COMPLETED UNITS / IN CONSTRUCTION / PIPELINE



- As of October 31, 2021: **Two (2)** Section 8 Home Ownership Conversion Properties have been completed, with a completed value of **\$420,000** and **one (1)** Move-In Ready property with a completed value of **\$210,000**.
- As of October 31, 2021: 7 properties in construction; 2 Move-in Ready, 4 Section 8 Home Ownership Conversion Properties and 1 Commercial / Industrial / Mixed Use project (505 Clinton Avenue / Gant-Gilbert Arts Collective) with a collective value of **\$11,386,100**.
- 505 Clinton Avenue is anticipated to be completed January 15, 2022, with occupancy to commence during February, 2022. The Move-In Ready and Section 8 Home Ownership Conversion properties under construction will be completed December 1, 2021.
- Please refer to the table on the following slide:



INVENTORY: EXHIBIT D - Completed Units / In Construction / Pipeline



Land Bank Program	No. of Units	Units in Construction		Total Deal Costs
		Land / Bldg Cost Basis ^(*)	Construction Costs (Hard & Soft Costs)	
PRO Newark Resident Advantage Move in Ready	2	\$133,900	\$470,000	\$603,900
Section 8 Home Ownership Conversion Program	4	\$332,200	\$710,000	\$1,042,200
Vacant Lots Side Lots				
Commercial / Industrial / Mixed use	1	\$326,000	\$9,414,000	\$9,740,000
Refunds				
Total	7	\$792,100	\$10,594,000	\$11,386,100

* - City of Newark assessed value of land and improvements as of the title transfer date.

There are presently 2 commercial / industrial / mixed use projects in the pipeline that will be comprised of approximately 110 residential units, plus retail and parking. These two units collectively have a projected value of +/- \$22.2M(**). Both projects are in the RFP stage and construction is anticipated to commence 1st quarter 2022

** Cost estimates as per Cost Guides Methodology - Fixr

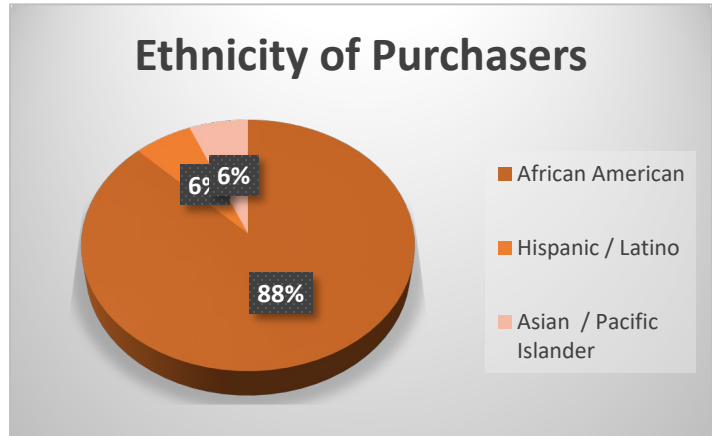


INVENTORY: EXHIBIT E - CLOSINGS



The Land Bank team is responsible for coordinating all aspects of pre-closing and closing services for all disposition programs, including, but not limited to, coordinating with lenders and title companies, conducting the closing, preparation and recording of documents, and authorizing appropriate post-closing disbursements and reconciliation associated with the settlement process. As of October 31, 2021, Invest Newark Land Bank has recorded the following closings:

Land Bank Program	Sold / Closed
PRO Newark	
Resident Advantage	1
Move in Ready	
Section 8 Home Ownership Conversion Program	2
Vacant Lots	2
Side Lots	12
Commercial / Industrial / Mixed use	
Total	17



ECONOMIC IMPACT





ECONOMIC IMPACT



A primary purpose of the Invest Newark Land Bank is to promote opportunity for local MWBE businesses. Accordingly, Invest Newark seeks to target MWBE's for all development and vendor opportunities and to track disbursements / payments MWBE vs. overall expenditures. Following are the relevant expenditure statistics. As of October 31, 2021, 86% of all expenditures have been made to MWBE enterprises.

Disbursement / Expense	Current YTD			Program As of October 31, 2021		
	Total \$	MWBE \$	MWBE %	Total	MWBE \$	MWBE %
Maintenance and operating expense	344,662	159,718	46.34%	407,689	183,171	44.93%
Construction Costs	705,765	705,765	100.00%	749,076	749,076	100.00%
Construction Related Professional Services	371,250	371,250	100.00%	495,000	495,000	100.00%
Total	1,421,677	1,236,733	86.99%	1,651,765	1,427,247	86.41%

FINANCIAL INFORMATION





FINANCIAL INFORMATION



As of October 31, 2021, the Invest Newark Land Bank has received **\$1.8M** in funding from the City of Newark. The **17** property closings as of October 31, 2021 have generated gross proceeds of **\$395,500**. Program fee income as of October 31, 2021 is **\$4,400**.

Revenue Sources	Current YTD	Program As of October 31, 2021
City of Newark Funding	1,000,000	1,800,000
Gross Sales Proceeds	707,750	707,750
Fee Income	4,400	4,400
Total	1,712,200	2,512,200