

LEGISLATIVE FACT SHEET

on extension of credit to redevelopers.

N.J.R.S. 40:55C-12, 15

(1975 Amendment)

LAWS OF 1975

SENATE BILL

INTRODUCED 12/3/74

SPONSOR'S STATEMENT

ASSEMBLY COMMITTEE STATEMENT

SENATE COMMITTEE STATEMENT

FISCAL NOTE

AMENDED DURING PASSAGE

HEARING *none discovered*

VETO

SEPARATE STATEMENT 6/23/75

CHAPTER 206 9/22/75

ASSEMBLY BILL 2345

BY *Adubato and others*

YES NO

YES NO

YES NO

YES NO

YES NO

YES

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SPONSOR'S STATEMENT to Assembly, No. 2345

The Redevelopment Agencies Law grants very broad powers to redevelopment agencies to provide for and assist in the redevelopment of blighted areas with the approval of the municipality or municipalities creating the agency. Among those powers are the power to contract with redevelopers for undertaking any project or redevelopment work and the power to borrow money for any of its purposes. This bill is intended to clarify the power of agencies to accomplish the public purpose of redeveloping blighted areas by making loans to redevelopers in connection with such projects and redevelopment work. This will not only assist in the development of blighted areas but also will increase opportunities for gainful employment and improved living conditions, assist in the economic development of political subdivisions within the State, and otherwise contribute to the prosperity, health and general welfare of the State and its citizens.

STATE OF NEW JERSEY

INTRODUCED DECEMBER 3, 1974

By Assemblymen ADUBATO, OWENS, CALI, ESPOSITO, BROWN,
GALLO, PERKINS, GREGORIO, D'AMBROSA and CODEY

Referred to Committee on Municipal Government

AN ACT to amend the "Redevelopment Agencies Law," approved
June 14, 1949 (P. L. 1949, c. 306).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Section 12 of P. L. 1949, c. 306 (C. 40:55C-12) is amended to
2 read as follows:

3 12. An agency shall constitute a public body corporate and politic,
4 exercising public and essential governmental functions, and having
5 all the powers necessary or convenient to carry out and effectuate
6 the purposes and provisions of this act, including the following
7 powers in addition to others herein granted:

8 (a) To sue and be sued; to have a seal and to alter the same
9 at pleasure; to have perpetual succession; to make and execute
10 contracts and other instruments necessary or convenient to the
11 exercise of the powers of the agency; and to make and from time
12 to time amend and repeal bylaws, rules and regulations, not incon-
13 sistent with this act, to carry into effect its powers and purposes.

14 (b) To invest any funds held in reserve or sinking funds, or any
15 funds not required for immediate disbursement, in property or
16 securities in which savings banks may legally invest funds subject
17 to their control; to purchase its bonds at a price not more than the
18 principal amount thereof and accrued interest, all bonds so pur-
19 chased to be canceled.

20 (c) Borrow moneys from any source and issue its bonds therefor
21 and give or issue such security therefor or for such bonds, including
22 but not limited to bonds, bonds and mortgages, or other assets of
23 the agency, or pledge or assignment thereof or mortgage or other
24 encumbrance on any of its property, real, personal, or mixed, and

25 pay such rate of interest thereon not exceeding 6% per annum as
26 the agency may deem for the best interest of the public.

27 (d) To invest in an obligee the right in the event of a default
28 by the agency to foreclose and take possession of the project covered
29 by said mortgage or apply for the appointment of a receiver.

30 (e) To provide for the refunding of any of its bonds, by the
31 issuance of such obligations, in such manner and form, and upon
32 such terms and conditions, as it shall deem in the best interests of
33 the public.

34 (f) Consent to the modification of any contract, bond indenture,
35 mortgage or other instrument entered into by it.

36 (g) Pay or compromise any claim arising on, or because of any
37 agreement, bond indenture, mortgage or instrument.

38 (h) Subordinate, waive, sell, assign or release any right, title,
39 claim, lien or demand however acquired, including any equity or
40 right of redemption, foreclose, sell or assign any mortgage held
41 by it, or any interest in real or personal property; and purchase
42 at any sale, upon such terms and at such prices as it determines
43 to be reasonable and to take title to property, real, personal or
44 mixed, so acquired and similarly to sell, exchange, assign, convey
45 or otherwise dispose of any such property.

46 (i) Complete, administer, operate, obtain and pay for insurance
47 on, and maintain, renovate, repair, modernize, lease or otherwise
48 deal with any property acquired or held pursuant to this act.

49 (j) Acquire, by condemnation, any land or buildings which are
50 necessary for a project under this act. In such case the agency
51 shall proceed pursuant to the provisions of chapter 1 of Title 20
52 of the Revised Statutes relating to eminent domain and acquire
53 a fee simple or such lesser interest in said lands as it shall deem
54 necessary.

55 (k) *To extend credit or make loans to redevelopers for the plan-*
56 *ning, designing, acquiring, constructing, reconstructing, improving,*
57 *equipping and furnishing any project or redevelopment work.*

1 2. Section 15 of P. L. 1949, c. 306 (C. 40:55C-15) is amended to
2 read as follows:

3 15. With the approval of the governing body or governing bodies
4 of the municipality or municipalities, an agency may proceed with
5 the clearance, replanning, development and redevelopment of a
6 blighted area after same has been determined as such by said
7 municipality and in order to carry out and effectuate the purposes
8 of this act, said agency may: (a) acquire or contract to acquire
9 from any person, firm, or corporation, public or private, by contri-

10 bution, gift, grant, bequest, devise, purchase, condemnation or
11 otherwise, real or personal property or any interest therein,
12 including such property as it may deem necessary or proper,
13 although temporarily not required for such purposes, in a redevelop-
14 opment area and in any area designated by the governing body as
15 necessary for carrying out the relocation of the residents, industry
16 and commerce displaced from a redevelopment area; (b) clear any
17 area acquired and install, construct or reconstruct streets, facili-
18 ties, utilities and site improvements essential to the preparation
19 of sites for use in accordance with the redevelopment plan;
20 (c) relocate or arrange for the relocation of residents of an area;
21 (d) dispose of land so acquired at its fair value for the uses specified
22 in the redevelopment plan as determined by it to any person, firm,
23 or corporation or to any public agency by sale, lease or exchange;
24 (e) request the planning board, if any, to recommend and the
25 governing body pursuant to existing law to designate blighted areas
26 in need of redevelopment and to make recommendations for such
27 development; (f) to study the recommendations of the planning
28 board for redevelopment of any area and to make its own inves-
29 tigation and recommendations as to current trends in the municipi-
30 pality, blighted areas and blighting factors, to the governing
31 body of the municipality thereon; (g) to publish and disseminate
32 information; (h) to prepare or arrange by contract for preparation
33 of plans by registered architects or licensed professional engineers
34 or planners for the carrying out of redevelopment projects; (i) to
35 arrange or contract with public agencies or redevelopers for the
36 planning, replanning, construction, or undertaking of any project
37 or redevelopment work, or any part thereof, *to provide as part of*
38 *any such arrangement or contract for extension of credit or making*
39 *of loans to redevelopers to finance any project or redevelopment*
40 *work*, and to arrange or contract with public agencies for the
41 opening, grading or closing of streets, roads, roadways, alleys, or
42 other places or for the furnishing of facilities or for the acquisition
43 by such agency of property options or property rights or for the
44 furnishing of property or services in connection with a redevelop-
45 ment area; (j) to arrange or contract with a public agency, to the
46 extent that it is within the scope of that agency's functions, to
47 cause the services customarily provided by such other agency to be
48 rendered for the benefit of the occupants of any redevelopment
49 area, and to have such other agency provide and maintain parks,
50 recreation centers, schools, sewerage, transportation, water and
51 other municipal facilities adjacent to or in connection with

52 redevelopment areas; (k) to enter upon any building or property
53 in any redevelopment area in order to conduct investigations or
54 make surveys, soundings or test borings necessary to carry out the
55 purposes of this act; (l) to arrange or contract with a public agency
56 for the relocation of residents, industry or commerce displaced
57 from a redevelopment area; (m) to conduct examinations and
58 investigations, hear testimony and take proof, under oath at public
59 or private hearings of any material matter, require the attendance
60 of witnesses and the production of books and papers and issue
61 commissions for the examination of witnesses who are out of the
62 State, unable to attend, or excused from attendance; (n) to autho-
63 rize a committee designated by it consisting of one or more mem-
64 bers, or counsel, or any officer or employee to conduct any such
65 investigation or examination, in which case such committee,
66 counsel, officer or employee shall have power to administer oaths,
67 take affidavits and issue subpoenas or commissions; and (o) to do
68 all things necessary or convenient to carry out its powers.

1 3. This act shall take effect immediately.

STATEMENT

The Redevelopment Agencies Law grants very broad powers to redevelopment agencies to provide for and assist in the redevelopment of blighted areas with the approval of the municipality or municipalities creating the agency. Among those powers are the power to contract with redevelopers for undertaking any project or redevelopment work and the power to borrow money for any of its purposes. This bill is intended to clarify the power of agencies to accomplish the public purpose of redeveloping blighted areas by making loans to redevelopers in connection with such projects and redevelopment work. This will not only assist in the development of blighted areas but also will increase opportunities for gainful employment and improved living conditions, assist in the economic development of political subdivisions within the State, and otherwise contribute to the prosperity, health and general welfare of the State and its citizens.

STATEMENT TO
ASSEMBLY, No. 2345

STATE OF NEW JERSEY

DATED: JUNE 23, 1975

Assembly Bill 2345 authorizes a redevelopment agency, or any housing authority operating under the Redevelopment Agencies Law, to borrow moneys or issue bonds in order to extend credits or make loans to redevelopers for the following purposes: the planning, design, acquisition, construction, reconstruction, improvement, equipment and furnishing of any project or redevelopment work, or any part thereof, including the performance of conservation or rehabilitation work (see P. L. 1956, c. 212; C. 40:55-30 et seq.). Under section 15 of P. L. 1949, c. 306 (C. 40:55C-15), redevelopment agencies are already authorized to enter into contracts with redevelopers for the planning, replanning, construction of any project or redevelopment work or any part thereof.

A redevelopment agency's involvement in redevelopment projects is currently limited, however, to the acquisition and clearance of real property in a blighted area, the writing down of the costs of such activities, and the sale of said property for redevelopment, subject to conditions set by the agency.