

40:37A-45 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA 40:37A-45 et al., 17:1B-19 (County Improvement Authority--permit financing and operation of housing projects)  
LAWS 1979 CHAPTER 275

Bill No. A3430

Sponsor(s) Matthews & Gewertz

Date Introduced June 11, 1979

Committee: Assembly -----

Senate County & Municipal Government

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly June 18, 1979

Senate June 25, 1979

(THE OCR IS 54 PAGES)

Date of approval Jan. 3, 1980

Following statements are attached if available:

Sponsor statement	Yes	No
Committee Statement: Assembly	<del>Yes</del>	No
Senate	Yes	No
Fiscal Note	<del>Yes</del>	No
Veto Message	<del>Yes</del>	No
Message on signing	Yes	No
Following were printed:		
Reports	<del>Yes</del>	No
Hearings	<del>Yes</del>	No

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6/22/81 JUL 1983

APPROVED 1-3-80

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## ASSEMBLY, No. 3430

## STATE OF NEW JERSEY

INTRODUCED JUNE 11, 1979

By Assemblymen MATTHEWS and GEWERTZ

(Without Reference)

AN ACT concerning county improvement authorities, vesting them with necessary powers to undertake, finance and operate housing projects and to redevelop property in connection therewith \***[and]**\* \*,\* amending and supplementing the "county improvement authorities law," approved January 18, 1961 (P. L. 1960, c. 183\***[.]**\* \*,\* C. 40:37A-44 et seq.)\*, and amending P. L. 1970, c. 38\*.

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

1 1. (New section) The Legislature finds and declares that:

2 a. The supply of decent and affordable housing, particularly for  
3 families of low and moderate income has become increasingly  
4 scarce, especially in certain areas of this State.

5 b. In communities experiencing rapid development and the  
6 problems associated with the economic impact of land speculation,  
7 the cost of developing comprehensive housing programs is pro-  
8 hibitive, thus calling for action in the form of mortgage and  
9 housing finance assistance for the development of private housing  
10 programs by appropriate governmental agencies.

11 c. The "county improvement authorities law," P. L. 1960, c. 183  
12 (C. 40:37A-44 et seq.) provides for the creation of a county level  
13 agency which, with the cooperation and approval of the governing  
14 body of a municipality, may undertake certain improvement and  
15 development projects within that municipality. Such an agency,  
16 and county and municipal government interaction, are appropriate  
17 to provide a means of addressing the need to create a supply of  
18 decent and affordable housing, based upon programs which, at the  
19 State level, have shown substantial success in providing new and  
20 rehabilitated housing units, particularly in urban areas.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.

1 2. (New section) As used in this act:

2 \***[a.]** “Act” means this amendatory and supplementary act and  
3 the rules and regulations adopted by the authority hereunder.\*

4 \***[b.]** \*a.\* “Authority” means any public body created pur-  
5 suant to the “county improvement authorities law,” P. L. 1960,  
6 c. 183 (C. 40:37A-44 et seq.).

7 \***[c.]** \*b.\* “Bonds, bond anticipation notes and other notes and  
8 obligations,” or “bonds, bond anticipation notes or other notes or  
9 obligations” means any bonds, notes, debentures or other evidences  
10 of financial indebtedness issued by the authority pursuant to this  
11 act.

12 \***[d.]** \*c.\* “Family” means two or more persons related by blood,  
13 marriage or adoption who live or expect to live together as a single  
14 household in the same dwelling unit; provided, however, that any  
15 individual who (1) has attained retirement age as defined in sec-  
16 tion 216a of the Federal Social Security Act, or (2) is under a  
17 disability as defined in section 223 of that act, or (3) \*is\* the sur-  
18 viving member of a family whose other members died during occu-  
19 pancy of a housing project\*,\* shall be considered as a family for  
20 purposes of permitting continued occupancy of the dwelling unit oc-  
21 cupied by such family\***[.]**, or (4) such other individuals as the agency  
22 by rule or regulation shall include,\* \*. *The authority may provide*  
23 *by rule or regulation that any other individual not specified in this*  
23A *subsection\** shall be considered as a family for the purpose of this  
23B \***[act]** \* subsection\*.

24 \***[e.]** \*d.\* “Family of \*low and\* moderate income” means a  
25 family (1) whose income is too low to compete successfully in the  
26 normal rental or mutual housing market, and (2) whose gross  
27 aggregate family income does not exceed the limits established  
27A under this act.

28 \***[f.]** \*e.\* “Gross aggregate family income” means the total  
29 annual income of all members of a family, from whatever  
30 source derived, including\*,\* but not limited to, pension, annuity,  
31 retirement and social security benefits\***[.]**, but there may be ex-  
32 cluded from income\* \*; *except that the authority may, by rule or*  
33 *regulation, exclude therefrom:\** (1) such reasonable allowances  
34 for dependents, (2) such reasonable allowances for medical ex-  
35 penses, (3) all or any \***[proportionate]**\* part of the earnings of  
36 \***[gainfully employed minors or]**\* \*any family members below the  
37 *age of 18 years, or of any other\** family members\*,\* other than the  
37A chief wage earner, \***[or]**\* (4) such income as is not received  
37B regularly\***[.]**, as the authority by rule or regulation may deter-  
37C mine\* \*by any family member, or (5) any two or more such items\*.

38 \***[g.]**\* \*f.\* “Housing project” or “project” means any work  
 39 or undertaking, whether new construction or rehabilitation, which  
 40 is designed for the primary purpose of providing decent, safe and  
 41 sanitary dwelling units for families of moderate income in need  
 42 of housing; such undertaking may include any buildings, land,  
 43 equipment, facilities, or other real or personal properties which  
 44 are necessary, convenient, or desirable appurtenances, \***[such as]**\*  
 45 \*including\*, but not limited to\*,\* streets, sewers, utilities, parks,  
 46 site preparation, landscaping, and such stores, offices, and \*such\*  
 47 other nonhousing facilities\*,\* such as administrative, community,  
 48 health, recreational, educational and welfare facilities as the au-  
 49 thority determines to be necessary, convenient or desirable appur-  
 49A tenances.

50 \***[h.]**\* \*g.\* “Municipality” means any \***[political subdivision]**\*  
 51 of the State other than a county or a school district]\* \*municipality  
 51A located within the county wherein the authority has been estab-  
 51B lished\*.

52 \***[i.]**\* \*h.\* “Mutual housing” means a housing project operated  
 53 or to be operated upon completion of construction or rehabilitation  
 54 exclusively for the benefit of the families of moderate income who  
 55 are entitled to occupancy by reason of ownership of stock in the  
 56 qualified housing sponsor, or \***[by reason of coownership of prem-]**\*  
 57 ises]\* \*as a coowner\* in a horizontal property regime pursuant  
 58 to the “Horizontal Property Act,” P. L. 1963, c. 168 (C. 46:8A-1  
 59 et seq.) \***[or]**\* \*or as a\* condominium \*unit owner\* pursuant to  
 60 the “Condominium Act,” P. L. 1969, c. 257 (C. 46:8B-1 et seq.);  
 61 provided, however, the authority may adopt rules and regulations  
 62 permitting a reasonable percentage of space in such project to be  
 62A rented for residential or for commercial use.

63 \***[j.]**\* \*i.\* “Project cost” means the sum total of all costs incurred  
 64 in the development of a housing project, which are approved by  
 65 the agency as reasonable and necessary, \***[which costs]**\* \*less any  
 66 and all net rents and other net revenues received from the opera-  
 67 tion of the real and personal property on the project site during  
 68 construction. Costs\* shall include, but are not necessarily limited  
 69 to\***[,]**\* \*:\* (1) cost of land acquisition and any buildings thereon,  
 70 (2) cost of site preparation, demolition and development, (3)  
 71 architect, engineer, legal, \***[agency]**\* \*authority\* and other fees  
 72 paid or payable in connection with the planning, execution and  
 73 financing of the project, (4) cost of necessary studies, surveys,  
 74 plans and permits, (5) insurance, interest, financing, tax and assess-  
 75 ment costs and other operating and carrying costs during con-

76 struction, (6) cost of construction, reconstruction, fixtures, and  
 77 equipment related to the real property, (7) cost of land improve-  
 78 ments, (8) necessary expenses in connection with initial occupancy  
 79 of the project, (9) a reasonable profit or fee to the builder and  
 80 developer, (10) an allowance established by the agency for working  
 81 capital and contingency reserves, and reserves for any anticipated  
 82 operating deficits during the first 2 years of occupancy, *\*and,\** (11)  
 83 the cost of such other items, including tenant relocation, as the  
 84 authority shall determine to be reasonable and necessary for the  
 84A development of the project\***[**, less any and all net rents and other  
 84B net revenues received from the operation of the real and personal  
 84C property on the project site during construction**]**.\*

85 All project costs shall be subject to approval and audit by the  
 86 authority. The authority may adopt rules and regulations specify-  
 87 ing in detail the types and categories of cost which shall be allowable  
 88 if actually incurred in the construction or reconstruction of a  
 89 housing project.

90 **\*[k.]\* \*j.\*** "Qualified housing sponsor" means\*.\* (1) any hous-  
 91 ing corporation qualified under the provisions of the "Limited-  
 92 Dividend Nonprofit Housing Corporations or Associations Law,"  
 93 P. L. 1949, c. 184 (C. 55:16-1 et seq.), (2) *\*any\** urban renewal  
 94 corporation or association qualified under the provisions of the  
 95 "Urban Renewal Corporation and Association Law of 1961,"  
 96 P. L. 1961, c. 40 (C. 40:55C-40 et seq.) or *\*any\** urban renewal  
 97 nonprofit corporation or association qualified under the provisions  
 98 of "Urban Renewal Nonprofit Corporation Law of 1965," P. L.  
 99 1965, c. 95 (C. 40:55C-77 et seq.) which has as one of its purposes  
 100 the construction, rehabilitation or operation of housing projects,  
 101 (3) any general corporation formed under the provisions of Title  
 102 14 of the Revised Statutes or Title 14A of the New Jersey Statutes  
 103 which has as one of its purposes the construction, rehabilitation or  
 104 operation of housing projects, (4) any corporation or association  
 105 organized not for profit under the provisions of Title 15 of the  
 106 Revised Statutes or any other law of this State which has as one of  
 107 its purposes the construction, rehabilitation or operation of housing  
 108 projects, (5) any horizontal property regime formed under the  
 109 "Horizontal Property Act," P. L. 1963, c. 168 (C. 46:8A-1 et seq.)  
 110 or any condominium formed under the "Condominium Act," P. L.  
 111 1969, c. 527 (C. 46:8B-1 et seq.), which has as one of its purposes  
 112 the construction, rehabilitation or operation of housing projects,  
 113 and (6) any individual or association approved by the **\*[agency]\***  
 114 *\*authority\** as qualified to own, construct, rehabilitate, operate,  
 115 manage and maintain, a housing project.

116 \***[l.]** \**k.*\* “Required minimum capital reserve” means the re-  
 117 serve amount required to be maintained in each housing finance  
 118 fund under the provisions of this act.

119 \***[m.]** \**l.*\* “Amortized value” means for securities purchased  
 120 at a premium above or a discount below par, the value as of any  
 121 given date obtained by dividing the total amount of the premium or  
 122 the discount at which such securities were purchased by the number  
 123 of days remaining to maturity on such securities at the time of  
 124 such purchase and by multiplying the amount so calculated by the  
 125 number of days having passed from the date of such purchase;  
 126 and (1) in the case of securities purchased at a premium, by de-  
 127 ducting the product thus obtained from the purchase price, and  
 128 (2) in the case of securities purchased at a discount, by adding  
 129 the product thus obtained to the purchase price.

130 \***[n.]** “Mortgage lender” means any bank or trust company, sav-  
 131 ings bank, national banking association, savings and loan associa-  
 132 tion, or building and loan association maintaining an office in the  
 133 State, or any insurance company authorized to transact business  
 134 in the State.

135 o. “New residential loan” means: (1) a loan made by a mortgage  
 136 lender or mortgage seller and secured by a mortgage constituting  
 137 a first lien upon real property (or a lease of the fee of real prop-  
 138 erty) located in the State and improved by a residential building  
 139 or unimproved if the proceeds of such loans shall be used for the  
 140 purpose of erecting a residential building thereon, or (2) a loan  
 141 made for the rehabilitation or improvement of a residence whether  
 142 or not secured by a mortgage; provided that such loan shall be  
 143 made from the proceeds of a loan made by the authority to such  
 144 mortgage lender or from the proceeds of a purchase of eligible  
 145 mortgages by the agency from such mortgage seller, as the case  
 146 may be, all pursuant to the act.

147 p. “Eligible loan” means: (1) a loan made or owned by a mort-  
 148 gage seller and secured by a mortgage on real property (or lease  
 149 of the fee of real property) located in the State and improved by  
 150 a residential building or unimproved if the proceeds of such loan  
 151 shall be used for the purpose of erecting a residential building  
 152 thereof or (2) a loan made for the rehabilitation or improvement  
 153 of a residence which is not secured by a mortgage provided that  
 154 such a loan satisfies authority regulations promulgated pursuant to  
 155 this act. Any undivided interest in a loan secured by a mortgage  
 156 shall qualify as an eligible loan.

157 q. “Mortgage seller” means any bank or trust company, savings  
 158 bank, national banking association, savings and loan association,

159 or building and loan association maintaining an office in the State,  
 160 or any insurance company or any mortgage banking firm or mort-  
 161 gage banking corporation authorized to transact business in the  
 162 State, or any agency or instrumentality of the United States or  
 163 the State or a political subdivision of the State, which is autho-  
 164 rized to make residential mortgage, rehabilitation, or home im-  
 165 provement loans.】\*

1 3. (New section) a. The authority, for the purpose of carrying  
 2 out the purposes of this act, may:

3 (1) Accept from qualified housing sponsors applications for  
 4 loans;

5 (2) Enter into agreements with qualified housing sponsors for  
 6 permanent loans and temporary loans or advances in anticipation  
 7 of such permanent loans for the construction or rehabilitation of  
 8 housing projects; and\*,\*

9 (3) Make permanent loans and temporary loans or advances  
 10 in anticipation of such permanent loans to qualified housing spon-  
 11 sors under the provisions of this act.

12 b. No application for a loan for the construction or rehabilita-  
 13 tion of a housing project to be located in any municipality shall  
 14 be processed unless there \*~~is already~~\* \*shall be\* filed with the  
 15 secretary of the authority \*prior to such application\* a certified  
 16 copy of a resolution adopted by said municipality reciting that  
 17 there is a need for \*low and\* moderate income housing projects in  
 18 said municipality.

1 4. (New section) Every application for a loan to a qualified  
 2 housing sponsor shall be made on forms furnished by the authority  
 3 and shall contain such information as the authority shall require.

1 5. (New section) In considering any application for a loan, the  
 2 authority shall give first priority to applications for loans for the  
 3 construction or rehabilitation of housing projects\*, *designed pri-*  
 4 *marily to serve families whose incomes do not exceed the median*  
 5 *for the standard metropolitan statistical area in which the project*  
 5A *is located, and wherein 10% or more units will be subsidized by, or*  
 5B *occupied by tenants whose rents will be subsidized by, any program*  
 5C *of housing assistance, and\** which will be a part of\*,\* or constructed  
 5D in connection with\*,\* an urban renewal program, and also shall  
 5E give consideration to:

6 a. The comparative need of the area to be served by the proposed  
 7 project for housing for families of \*low and\* moderate income\*,  
 7A *with particular emphasis on the needs of individuals and families*  
 7B *displaced or caused to be displaced by public or private action\**;

8 b. The ability of the applicant to construct, operate, manage and  
9 maintain the proposed housing project;

10 c. The existence of zoning or other regulations to protect ade-  
11 quately the proposed housing project against detrimental future  
12 uses which could cause undue depreciation in the value of the  
13 project;

14 d. The **\*[availability of]\*** *\*proximity of the proposed project*  
15 *to, and the accessibility of,\** adequate parks, recreational areas,  
16 utilities, schools, transportation and parking;

17 e. The **\*[availability of adequate, accessible]\*** *\*proximity of*  
18 *the proposed project to, and the accessibility of,\** places of *\*ad-*  
19 *equate\** employment *\*opportunities\** and\*,\*

20 f. Where applicable, the eligibility of the applicant to make pay-  
21 ments *\*in lieu of taxes\** to the municipality in which the housing  
22 project is located **\*[in lieu of local property taxes]\***.

1 6. (New section) Loans made by the authority shall be subject to  
2 the following terms and conditions:

3 a. The loan shall be for a period of time not in excess of 50 years  
4 as determined by the authority**[,]\* \***;

5 b. The amount of the loan shall not exceed 90% of the **\*[total]\***  
6 project cost as determined by the authority, except that **\*[as to]\***  
7 *\*in the case of\** projects to be owned, constructed, rehabilitated,  
8 operated, managed and maintained as mutual housing or by any  
9 corporation or association organized not for profit which has as  
10 one of its purposes the construction or rehabilitation of housing  
11 projects, the amount of the loan shall not exceed 100% of the  
12 **\*[total]\*** project cost as determined by the authority; provided,  
13 however, that any such loan shall be subject to an agreement be-  
14 tween the authority and any such corporation or association organ-  
15 ized not for profit or for mutual housing **\*[which will prohibit]\* \***,  
16 *prohibiting\** the transfer of ownership or management responsi-  
17 bilities by said corporation or association**[,]\*** at any time prior  
18 to repayment of at least 10% of the original loan, unless the transfer  
19 of ownership or management responsibilities is ordered by a court  
20 of competent jurisdiction to a qualified housing sponsor**[.]\* \***;

21 c. The interest rate on the loan shall be established by the au-  
22 thority at the lowest level consistent with the authority's cost of  
23 operation and its responsibilities to the holders of its bonds, bond  
24 anticipation notes and other obligations;

25 d. The loan shall be evidenced by a mortgage note or bond and by  
26 a mortgage which shall be a first lien on the project and which shall  
27 contain such terms and provisions and be in **\*[a form]\*** *\*such*  
28 *form, as\** approved by the authority. The authority shall require



29 the qualified housing sponsor receiving a loan or its contractor to  
 30 post labor and materials, and construction performance, surety  
 31 bonds in amounts related to the project cost as established by *rule*  
 32 *or* regulation,\* and to execute such other assurances and guar-  
 33 antees as the authority may deem necessary,\* and may require its  
 34 principals or stockholders to also execute such other assurances  
 35 and guarantees as the authority **[may]** *shall* deem neces-  
 35A sary**[.]** \* \* ,\*

36 e. The loan shall be subject to an agreement between the au-  
 37 thority and the qualified housing sponsor which will subject said  
 38 qualified housing sponsor and its principals or stockholders to  
 39 limitations established by the authority as to rentals and other  
 40 charges, builders' and developers' profits and fees, and the disposi-  
 41 tion of its property and franchises,\* to the extent more restrictive  
 42 limitations are not provided by the law under which the borrower  
 43 is incorporated or organized;

44 f. The loan shall be subject to an agreement between the au-  
 45 thority and the qualified housing sponsor limiting said qualified  
 46 housing sponsor, and its principals or stockholders, to a return of  
 47 8% per annum of its investment in any housing project assisted  
 48 with a loan from the authority. No qualified housing sponsor  
 49 which is permitted by the provisions of the law under which it is  
 50 organized or incorporated to earn a return on its investment, nor  
 51 any of the principals or stockholders of such qualified housing  
 52 sponsor, shall at any time earn, accept or receive a return greater  
 53 than 8% per annum of its investment in any housing project  
 54 assisted with a loan from the authority whether upon the comple-  
 55 tion of the construction or rehabilitation of such project, or upon  
 56 the operation thereof, or upon the sale, assignment or lease  
 57 of such project to any other person, association or corpora-  
 58 tion**[.]** \* \* ,\*

59 g. No loan shall be executed,\* except a loan made to a corpora-  
 60 tion or association organized not for profit which has as one of its  
 61 purposes the construction or rehabilitation of housing projects or  
 62 for mutual housing,\* unless the qualified housing sponsor  
 63 agrees:\* (1) to certify upon completion of project construction  
 64 or rehabilitation, subject to audit by the authority, either that the  
 65 **[actual]** project cost as defined **[herein]** *in this act* exceeded  
 66 the amount of the loan proceeds by 10% or more, or the amount by  
 67 which the loan proceeds 90% of the **[total]** project **[costs,]**  
 68 *cost;* and (2) to pay forthwith to the authority **[for application**  
 69 **to reduction of]** \* \* , *to be applied to reduce* the principal of the

70 loan, the amount, if any, of such excess loan proceeds, subject to  
 71 audit and determination by the authority. No loan shall be made  
 72 to a corporation or association organized not for profit or for  
 73 mutual housing unless ~~the corporation or association organized~~  
 74 ~~not for profit or for mutual housing~~ *it* agrees to certify the  
 75 ~~actual~~ project cost upon completion of the project, subject  
 76 to audit and determination by the authority, and further agrees  
 77 to pay forthwith to the authority, ~~for application to reduction~~  
 78 ~~of~~ *to be applied to reduce* the principal of the loan, the amount,  
 79 if any, by which the proceeds of the loan exceed the certified project  
 80 cost, subject to audit and determination by the authority. Not-  
 81 withstanding the provisions of this subsection, the authority may  
 82 accept, in lieu of any certification of project cost as provided herein,  
 83 such other assurances of the said project cost, in any form or man-  
 83A ner whatsoever, as will enable the authority to determine with  
 83B reasonable accuracy the amount of said project cost ~~.~~ *;* *and,*

84 h. No loan shall be made for the construction or rehabilitation  
 85 of a housing project for which tax exemption is granted by a  
 86 municipality unless such tax exemption remains in effect during  
 87 the entire term of the loan, unless a lesser period of tax exemption  
 88 is approved by the authority.

1 7. (New section) As a condition of the loan, the authority shall  
 2 have the power at all times during the construction and rehabilita-  
 3 tion of a housing project and the operation thereof:

4 a. To enter upon and inspect without prior notice any project,  
 5 including all parts thereof, for the purpose of investigating the  
 6 physical and financial condition thereof, and its construction,  
 7 rehabilitation, operation, management and maintenance, and to  
 8 examine all books and records with respect to capitalization, income  
 9 and other matters relating thereto and to make such charges as  
 10 may be required to cover the cost of such inspections and exami-  
 11 nations;

12 b. To order such alterations, changes or repairs as may be neces-  
 13 sary to protect the security of its investment in a housing project  
 14 or the health, safety, and welfare of the occupants thereof;

15 c. To order any managing agent, project manager or owner of  
 16 a housing project to do such acts as may be necessary to comply  
 17 with the provisions of all applicable laws or ordinances ~~or~~ *,*  
 18 *or of* any rule or regulation of the authority ~~or~~ *,* *or of* the  
 19 terms of any agreement concerning the said project *,* *or to refrain*  
 20 *from doing any acts in violation thereof,* and in this regard the

21 authority shall be a proper party to file a complaint and to prosecute  
 22 thereon for any violations of laws or ordinances as set forth herein;

23 d. To require the adoption and continuous use of uniform systems  
 24 of accounts and records for a project and to require all owners  
 25 or managers of same to file annual reports containing such infor-  
 26 mation and verified in such manner as the authority shall require,  
 27 and to file at such times and on such forms as it may prescribe,  
 28 reports and answers to specific inquiries required by the authority  
 29 to determine the extent of compliance with any agreement, the  
 30 terms of the loan, the provisions of this act **\*[and]\*** \*, *or* \* any  
 31 other applicable law; and\*,\*

32 e. To enforce, by court action if necessary, the terms and pro-  
 33 visions of any agreement between the authority and the qualified  
 34 housing sponsor and the terms of any agreement between the  
 35 qualified housing sponsor and any municipality granting tax ex-  
 36 emption, as to schedules of rental or carrying charges, income  
 37 limits as applied to tenants or occupants, or any other limitation  
 38 imposed upon the qualified housing sponsor **\*[as to financial**  
 39 **structure]\*** *\*concerning the finances\**, construction or operation of  
 39A the project**\*[;]\*** \*.\*

40 **\*[f.]\*** In the event of a violation by the qualified housing sponsor  
 41 of the terms of any agreement between the authority and the quali-  
 42 fied housing sponsor, or between the municipality granting tax ex-  
 43 emption and the qualified housing sponsor, or in the event of a  
 44 violation by the qualified housing sponsor of this act\*,\* or of the  
 45 terms of the mortgage loan agreement or other loan agreement\*,\*  
 46 or of any rules and regulations of the authority duly promulgated  
 47 pursuant to this act, the authority may remove any or all of the  
 48 existing officers and directors of such qualified housing sponsor  
 49 and appoint such person or persons **\*[who]\*** *\*whom\** the authority  
 50 in its sole discretion deems advisable, **\*[including]\*** *\*who may be\**  
 51 officers or employees of the authority\*,\* as new officers or directors  
 52 to serve in place of those removed. Officers or directors so  
 53 appointed need not be stockholders or meet other qualifications  
 54 which may be prescribed by the certificate of incorporation or by-  
 55 laws of such qualified housing sponsor. In the absence of fraud  
 56 or bad faith, officers or directors so appointed shall not be person-  
 57 ally liable for debts, obligations or liabilities of such qualified  
 58 housing sponsor. Officers or directors so appointed shall serve  
 59 only for a period coexistent with the duration of such violation  
 60 or until the authority is **\*[assured in a manner satisfactory to it]\***  
 61 *\*satisfied\** that such violation, or violations of a similar nature,

62 have not and will not reoccur. Officers or employees of the authority  
63 who are so appointed as officers or directors shall serve in such  
64 capacity without compensation, but shall be \***entitled to be**)\*  
65 reimbursed, if and as the certificate of incorporation or bylaws of  
66 such qualified housing sponsor may provide, for all necessary  
67 expenses incurred in the discharge of their duties as officers or  
68 directors so appointed of such qualified housing sponsor and \*for\*  
69 such other necessary expenses incurred in the discharge of their  
70 duties as officers or directors of such qualified housing sponsor as  
71 determined by the authority.

1 8. (New section) a. Admission to housing projects constructed or  
2 rehabilitated under this act shall be limited to families of *low and*  
3 moderate income whose gross aggregate family income at the time  
4 of admission does not exceed six times the annual rental or carrying  
5 charges, including the value or cost \***to them**)\* of heat, light,  
6 water, sewerage, parking facilities and cooking fuel, of the dwellings  
7 that may be furnished to such families, or seven times said charges  
8 if there are three or more dependents. There may be included  
9 in the carrying charges to any family for residence in any mutual  
10 housing project constructed or rehabilitated with a loan from  
11 the authority an amount equal to 6% of the original cash investment  
12 of the family in said mutual housing project and, to the extent  
13 authorized by the authority where not included in said carrying  
14 charges, the value or cost of repainting the apartment and re-  
15 placing any fixtures or appliances. Notwithstanding the provisions  
16 of this section, no family or individual shall be eligible for ad-  
17 mission to any housing project constructed or rehabilitated with  
18 a loan from the authority whose gross aggregate family income ex-  
19 ceeds \$32,100.00 as \***said sum may be**)\* adjusted from time to time  
20 by the authority, by rules or regulations promulgated hereunder,  
21 so as to reflect changes in any wage or salary indices for this State  
22 as determined and prepared by any department, division, office or  
23 agency of this State; provided however, that with respect to any  
24 project financed by an authority mortgage insured or guaranteed  
25 by the United States of America or any agency or instrumentality  
26 thereof, the authority may adopt the admission standards for such  
27 projects then currently utilized or required by the guarantor or  
28 insurer.

29 b. The authority shall by rules and regulations provide for the  
30 periodic examination of the income of any person or family re-  
31 siding in any housing project constructed or rehabilitated with a  
32 loan from the authority. In the event that the gross aggregate

33 family income of a family residing in any such housing project  
 34 increases\*,\* and the ratio *\*of such family income\** to the current  
 35 rental or carrying charges of the dwelling unit becomes greater  
 36 than the ratio prescribed for admission in subsection a. of this  
 37 section but **\*[is not]\*** *\*does not exceed by\** more than 25% **\*[above**  
 38 the family income so prescribed for admission to the project,]**\***  
 39 *\*the maximum family income permitted for admission to the project*  
 40 *specified in such subsection,\** the owner or managing agent of such  
 41 housing project shall permit the family to continue to occupy the  
 42 unit. The authority or **\*[(]\***\*,\* with the approval of the author-  
 43 ity**\*[)]\***\*,\* the qualified housing sponsor of any housing project  
 44 constructed or rehabilitated with a loan from the authority, may  
 45 terminate the tenancy or interest of any family residing in such  
 46 housing project whose gross aggregate family income **\*[exceeds**  
 47 25% of that prescribed herein and which]**\*** continues to exceed  
 48 **\*[the same]\*** *\*by more than 25% the maximum family income so*  
 49 *permitted\** for a period of 6 months or more; provided, that no  
 50 tenancy or interest of any such family in any such housing project  
 51 shall be terminated except upon reasonable notice and opportunity  
 52 to obtain suitable alternate housing, in accordance with rules and  
 53 regulations of the authority; provided further, that any such fam-  
 54 ily, with the approval of the authority, may be permitted to continue  
 55 to occupy the unit, subject to payment of a rent or carrying charge  
 56 surcharge to the qualified housing sponsor in accordance with a  
 57 schedule of surcharges fixed by the authority. Said qualified  
 58 housing sponsor shall pay such surcharge to the municipality  
 59 granting tax exemption, but only up to an amount that\*,\* to-  
 60 gether with payments made to the municipality in lieu of taxes  
 61 and for any land taxes\*,\* equals 25% of the total rents or carrying  
 61A charges of the housing project for the current and any prior years  
 61B that the project has been in operation. Any remainder of the sur-  
 61C charge, or the total surcharge if tax exemption has not been  
 61D granted, shall be paid to the authority.

62 c. Any family residing in a mutual housing project required to  
 63 remove from the project because of excessive income as herein  
 64 provided shall be discharged from liability on any note, bond or  
 65 other evidence of indebtedness relating thereto and shall be reim-  
 66 bursed, in accordance with the rules of the agency, for all sums  
 67 paid by such family to the qualified housing sponsor on account  
 68 of the purchase of stock or debentures as a condition of occupancy  
 69 or on account of the acquisition of title for such purpose.

1 9. (New section) The authority shall establish **\*[admission]\***  
 2 rules and regulations **\*[for]\*** *\*concerning admissions to\** any

3 housing project financed in whole or in part by loans authorized  
 4 hereunder which shall provide priority categories for persons  
 5 displaced *\*or caused to be displaced by public or private action or\**  
 6 by urban renewal projects, highway programs or other public  
 7 works, persons living in substandard housing, persons and families  
 8 who, by reason of family income, family size or disabilities have  
 9 special needs, elderly persons\*,\* and families living under condi-  
 10 tions violative of minimum health and safety standards.

1 10. (New section) The authority may institute any action or  
 2 proceeding against any qualified housing sponsor receiving a loan  
 3 under the provisions **\*[hereof]\*** *\*of this act\**, or owning any hous-  
 4 ing project hereunder\*,\* in any court of competent jurisdiction  
 5 **\*[in order]\*** to enforce the provisions of this act, or to foreclose  
 6 its mortgage, or to protect the public interest, the tenants, the  
 7 stockholders or creditors of such sponsor. In connection with any  
 8 such action or proceeding **\*[it]\*** *\*, the authority\** may apply for  
 9 the appointment of a receiver to take over, manage, operate and  
 10 maintain the affairs of such qualified housing sponsor\*,\* and the  
 11 authority through such agent as it shall designate is hereby author-  
 12 ized to accept appointment as receiver of any such sponsor when  
 12A so appointed by a court of competent jurisdiction.

13 The reorganization of any qualified housing sponsor shall be  
 14 subject to the supervision and control of the authority and no  
 15 such reorganization shall be had without the consent of the  
 16 authority. Upon any such reorganization the amount of capitali-  
 17 zation, including therein all stocks, income debentures and bonds  
 18 and other evidence of indebtedness\*,\* shall be such as is authorized  
 19 by the authority but not in excess of the fair value of the property  
 20 received.

1 11. (New section) In any foreclosure action involving a qualified  
 2 housing sponsor\*,\* other than a foreclosure action instituted by the  
 3 authority, the authority and the municipality in which any tax  
 4 exemption **\*[or abatement]\*** is provided **\*[such qualified housing**  
 5 **sponsor]\*** shall, in addition to other necessary parties, be made  
 6 parties defendant. The authority and the municipality shall take  
 7 all steps in such action necessary to protect the interest of the public  
 8 therein, and no costs shall be awarded against the authority or the  
 9 municipality.

10 Subject to the terms of any applicable agreement, contract or  
 11 other instrument entered into or obtained pursuant to section  
 12 **\*[25]\*** *\*23\** of this act, judgment of foreclosure shall not be  
 13 entered unless the court to which application therefor is made shall  
 14 be satisfied that the interest of the lienholder or holders cannot be

15 adequately secured or safeguarded except by the sale of the prop-  
16 erty; and in such proceeding the court shall be authorized to make  
17 an order increasing the rental or carrying charges to be charged for  
18 the housing accommodations in the housing project involved in such  
19 foreclosure, or appoint a member of the authority or any officer  
20 of the municipality in which any tax exemption \*~~or abatement~~\*  
21 with respect to the projects provided, as a receiver of the property,  
22 or grant such other and further relief as may be reasonable and  
23 proper; and in the event of a foreclosure or other judicial sale, the  
24 property shall be sold only to a qualified housing sponsor which will  
25 manage, operate and maintain the project subject to the provisions  
26 of this act, unless the court shall find that the interest and principal  
27 on the obligations secured by the lien which is the subject of fore-  
28 closure cannot be earned under the limitations imposed by the pro-  
29 visions of this act and that the proceeding was brought in good  
30 faith, in which event the property may be sold free of limitations  
31 imposed by this act or subject to such limitations as the court may  
32 deem advisable to protect the public interest.

1 12. (New section) In the event of a judgment against any  
2 qualified housing sponsor in any action not pertaining to the fore-  
3 closure of a mortgage, there shall be no sale of any of the real  
4 property included in any housing project \*~~hereunder~~\* of such  
5 qualified housing sponsor except upon 60 days' written notice to  
6 the authority. Upon receipt of such notice the authority shall take  
7 such steps as in its judgment may be necessary to protect the rights  
8 of all parties.

1 \*~~13.~~ (New section) a. The authority shall from time to time make  
2 loans to mortgage lenders so as to furnish, as rapidly as possible,  
3 funds to mortgage lenders for new residential loans.

4 b. The authority shall from time to time adopt, modify, amend  
5 or repeal rules and regulations governing the making of such loans  
6 to mortgage lenders and the application of the proceeds thereof,  
7 including rules and regulations as to any or all of the following:

8 (1) Procedures for the submission of requests or the invitation  
9 of proposals for loans;

10 (2) Standards and requirements as to allocations of loans among  
11 all or certain of the mortgage lenders or awards of loans and  
12 determining the amounts and interest rates thereof;

13 (3) Limitations or restrictions as to the number of family units,  
14 location or other qualifications or characteristics of residences to  
15 be financed by new residential loans;

16 (4) Restrictions as to the maturities and interest rates on new  
17 residential loans or the return realized therefrom by mortgage  
18 lenders;

19 (5) Requirements as to commitments by mortgage lenders with  
20 respect to new residential loans;

21 (6) Schedules of any fees and charges necessary to provide for  
22 expenses and reserves of the authority; and

23 (7) Any other matters related to the duties and the exercise of  
24 the powers of the authority under this section.

25 Such rules and regulations shall be designed to effectuate the  
26 general purposes of this act and the following specific objectives:

27 (i) the expansion of the supply of funds in the county available  
28 for new residential loans; (ii) the provision of the additional hous-  
29 ing needed to remedy the shortage of adequate housing in the  
30 county and eliminate the existence of a large number of sub-  
31 standard dwellings; and (iii) the effective participation by mort-  
32 gage lenders in the program authorized by the act and the restric-  
33 tion of the financial return and benefit thereto from such program  
34 to that necessary and reasonable to induce such participation.

35 c. Loans to mortgage lenders shall be general obligations of the  
36 respective mortgage lenders owing the same and shall bear such  
37 date or dates, shall mature at such time or times, shall be evidenced  
38 by such note, bond or other certificate of indebtedness, shall be  
39 subject to prepayment, and shall contain such other provisions  
40 consistent with this section, all as the authority shall by resolution  
41 determine.

42 d. Any other provision of this section to the contrary notwith-  
43 standing, the interest rate or rates and other terms of the loans to  
44 mortgage lenders made from the proceeds of any issue of bonds  
45 of the authority shall be at least sufficient so as to assure the pay-  
46 ment of said bonds and the interest thereon as the same become  
47 due from the amounts received by the authority in repayment of  
48 such loans and interest thereon.

49 e. The authority shall require as a condition of each loan to a  
50 mortgage lender that such mortgage lender thereafter proceed as  
51 promptly as practicable to make and disburse from such loan pro-  
52 ceeds, new residential loans in an aggregate principal amount equal  
53 to the amount of such loan.

54 f. The authority shall require that such loans to mortgage  
55 lenders shall be additionally secured as to payment of both prin-  
56 cipal and interest by a pledge of and lien upon collateral security  
57 in such amounts as the authority shall by resolution determine to  
58 be necessary to assure the payment of such loans and the interest



59 thereon as the same become due. Such collateral security shall  
60 consist of (1) direct obligations of, or obligations guaranteed by,  
61 the United States of America; (2) bonds, debentures, notes or  
62 other evidences of indebtedness, satisfactory to the authority,  
63 issued by any of the following Federal agencies: Bank for Coopera-  
64 tives, Federal Intermediate Credit Bank, Federal Home Loan Bank  
65 System, Export-Import Bank of Washington, Federal Land  
66 Banks, the Federal National Mortgage Association or the Govern-  
67 ment National Mortgage Association; (3) direct obligations of or  
68 obligations guaranteed by the State, obligations of governmental  
69 units of this State, including, but not limited to, capital notes,  
70 bond anticipation notes, tax anticipation notes and temporary notes  
71 or loan bonds, provided the obligations are rated as least A-1 by  
72 Moody's Bond Guide or AA by Standard and Poor's Bond Record  
73 or Survey; (4) mortgages insured or guaranteed by the United  
74 States of America or an instrumentality thereof as to payment of  
75 principal and interest; or (5) other mortgages secured by real  
76 estate on which there is located a one-to-four family dwelling, the  
77 collateral value of which shall be determined by regulations issued  
78 from time to time by the authority. The authority may require that  
79 such mortgages be insured by a mortgage guaranty insurance com-  
80 pany licensed to do business by the State of New Jersey. The  
81 authority may require that all collateral required to be maintained  
82 shall be deposited with the Federal Reserve Bank of New York,  
83 the Federal Reserve Bank of Philadelphia, the Federal Home Loan  
84 Bank of New York, as the case may be, or with any other banking  
85 institution located in the State or a contiguous state which is a  
86 member of the Federal Reserve System and has capital funds of  
87 not less than \$25,000,000.00. Such depository arrangement shall  
88 be subject to prior approval by the authority. In the absence of  
89 such depository arrangement, a mortgage lender shall upon receipt  
90 of the loan proceeds from the authority enter into an agreement  
91 with the authority containing such provisions as the authority shall  
92 deem necessary to adequately identify and maintain such collateral  
93 and service the same and shall provide that such mortgage lender  
94 shall hold such collateral as an agent for the authority and shall be  
95 held accountable as the trustee of an express trust for the applica-  
96 tion and disposition thereof and the income therefrom solely to the  
97 uses and purposes in accordance with the provisions of such agree-  
98 ment. A copy of each such agreement and any revisions or supple-  
99 ments thereto shall be filed with the Secretary of State and no  
100 further filing or other action under Title 12A, Commercial Trans-  
101 actions, of the New Jersey Statutes or any other law of the State

102 shall be required to perfect the security interest of the authority  
103 in such collateral or any additions thereto or substitutions therefor,  
104 and the lien and trust for the benefit of the authority so created  
105 shall be binding from and after the time made against all parties  
106 having claims of any kind in tort, contract, or otherwise against  
107 such mortgage lender. The authority may also establish such addi-  
108 tional requirements as it shall deem necessary with respect to the  
109 pledging, assigning, setting aside, or holding of such collateral and  
110 the making of substitutions therefor or additions thereto and the  
111 disposition of income and receipts therefrom.

112 g. The authority shall require the submission to it by each  
113 mortgage lender to which the authority has made a loan of  
114 evidence satisfactory to the authority of the making of new resi-  
115 dential loans as required by this section and prescribed by rules  
116 and regulations of the authority and in connection therewith may  
117 inspect the books and records of such mortgage lender.

118 h. The authority may require as a condition of any loans to  
119 mortgage lenders such representations and warranties as it shall  
120 determine to be necessary to secure such loans and carry out the  
121 purposes of the act.

122 i. All new residential loans made as required by this section  
123 shall comply with the applicable provisions of the laws of the State,  
124 and, where Federal law or the law of another jurisdiction govern  
125 the affairs of the mortgage lender, shall comply with applicable  
126 provisions of such law.

127 j. Compliance by any mortgage lender with the terms of this  
128 section and its undertaking to the authority with respect to the  
129 making of new residential loans may be enforced by decree of the  
130 Superior Court. The authority may require as a condition of any  
131 loan to any mortgage lender the consent of such mortgage lender  
132 to the jurisdiction of the Superior Court over any such proceeding.  
133 The authority may also require agreement by any mortgage lender,  
134 as a condition of the loan to such mortgage lender, to the payment  
135 of penalties to the authority for violation by the mortgage lender  
136 of any provision of this section or its undertaking to the authority  
137 with respect to the making of new residential loans, and such  
138 penalties shall be recoverable at the suit of the authority.

139 k. If at any time the authority shall determine that an adequate  
140 supply of funds exists in regular banking channels for new resi-  
141 dential loans, the authority shall discontinue the making of loans  
142 to mortgage lenders until such time as the authority may subse-  
143 quently determine that the supply of funds available for new resi-  
144 dential loans is again inadequate.】\*

1 \*¶14. (New section) In addition to the powers granted by the act,  
2 the agency shall have the further power:

3 a. To purchase or participate in the purchase, and to contract  
4 to purchase or participate in the purchase, of eligible loans owned  
5 by mortgage sellers and to enter into advance commitments to  
6 mortgage sellers for the purchase, or for participation in the pur-  
7 chase, of eligible loans, all subject to the applicable provisions of  
8 the act;

9 b. To sell eligible loans acquired by the authority at public or  
10 private sale and at such price or prices and upon such terms and  
11 conditions as shall be determined by the authority;

12 c. To enter into arrangements or agreements with mortgage  
13 sellers, which may be a part of any contract with the mortgage  
14 sellers for the purchase or participation in the purchase of eligible  
15 loans, containing such provisions as shall be determined by the  
16 authority to be necessary or appropriate to provide security for  
17 its bonds or notes, including but not limited to provisions requiring  
18 the repurchase of eligible loans or participations therein by the  
19 mortgage sellers at the option of the authority, payments of such  
20 premiums, fees, charges or other amounts by mortgage sellers to  
21 provide a reserve or escrow fund for the purposes, among others,  
22 of protecting against defaults with respect to eligible loans, and  
23 provisions for the guarantee by, or for recourse against, mortgage  
24 sellers with respect to defaults on eligible loans of the authority;

25 d. To enter into contracts for the servicing and custody of eligible  
26 loans of the agency by mortgage sellers, which contracts may pro-  
27 vide for the payment of the reasonable value of services rendered  
28 to the authority pursuant to such contracts;

29 e. To renegotiate, refinance or foreclose, or contract for the  
30 foreclosure of, any eligible loans in default; to waive any default  
31 or consent to the modification of the terms of any mortgage; to  
32 commence any action to protect or enforce any right conferred upon  
33 by any law, mortgage, insurance policy, contract or other agree-  
34 ment, and to bid for and to purchase such property at any fore-  
35 closure or at any other sale, or acquire or take possession of any  
36 such property; to operate, manage, lease, dispose of, and otherwise  
37 deal with such property; all in such manner as may be necessary  
38 to protect the interest of the authority and the holders of its bonds  
39 and notes;

40 f. To procure insurance against any default with respect to  
41 eligible loans in such amounts and from such insurers as may be  
42 necessary or desirable;

43 g. To establish, revise from time to time, charge and collect such  
 44 premiums, fees or other charges in connection with such purchase  
 45 of eligible loans from mortgage sellers, as the authority shall deter-  
 46 mine and to apply such premiums, fees or charges to such purposes  
 47 or deposit the same in such funds or reserves, as the authority shall  
 48 determine; and

49 h. To purchase or otherwise participate in the purchase of, or  
 50 enter into commitments or other contracts for such purchase or  
 51 participation, of eligible loans to persons and families of low and  
 52 moderate income and to provide subsidies or other reductions of  
 53 interest rates with respect to such loans.

54 "Persons and families of low and moderate income" means per-  
 55 sons and families, irrespective of race, creed, national origin or  
 56 sex, determined by the authority to require assistance through any  
 57 mortgage interest subsidy program or other special program  
 58 established by the authority therefor on account of personal or  
 59 family income not sufficient to afford adequate housing. In making  
 60 such determination the authority shall take into account the follow-  
 61 ing: (1) the amount of the total income of such persons and families  
 62 available for housing needs, (2) the size of the family, (3) the  
 63 cost and condition of housing facilities available, (4) the eligibility  
 64 of such persons and families to compete successfully in the normal  
 65 housing market and to pay the amounts at which private enterprise  
 66 is providing sanitary, decent and safe housing. In the case of  
 67 Federally subsidized mortgages with respect to which income limits  
 68 have been established by any agency of the Federal Government  
 69 having jurisdiction thereover for the purpose of defining eligibility  
 70 of low and moderate income families, the authority may determine  
 71 that the limits so established shall govern. In all other cases income  
 72 limits for the purpose of defining low or moderate income persons  
 73 shall be established by the authority in its rules and regulations.]\*

1 \*§15. (New section) a. The authority shall purchase eligible loans  
 2 from mortgage sellers within the county whenever it shall determine  
 3 that the supply of funds available in the county any particular  
 4 area or areas of the county or for persons or families of the  
 5 county of low or moderate income for residential loans is inadequate  
 6 and shall require such mortgage sellers to invest the proceeds  
 7 thereof as rapidly as possible in new residential loans, as provided  
 8 in the act, unless such eligible loans pursuant to a commitment  
 9 with the authority. The authority shall purchase such eligible  
 10 loans at such prices and upon such terms and conditions as it shall  
 11 determine.

12 b. The authority shall from time to time adopt, modify, amend  
13 or repeal rules and regulations governing the purchase of eligible  
14 loans from mortgage sellers, including, without limitation, rules  
15 and regulations as to any or all of the following:

16 (1) Procedures for the purchase of eligible loans by the authority,  
17 whether by auction, invitation of tenders, or negotiation;

18 (2) Standards and requirements as to allocations of purchases  
19 of eligible loans among all or certain of the mortgage sellers or  
20 among particular areas of the county;

21 (3) Limitations or restrictions as to the number of family units,  
22 income levels for owners or occupants, or location or other qualifica-  
23 tions or characteristics of residences to be financed by the new  
24 residential loans to be made by mortgage sellers from the proceeds  
25 of eligible loans or to be financed pursuant to commitments with  
26 mortgage sellers with respect to the origination of eligible loans;

27 (4) Restrictions as to the maturities and interest rates on such  
28 new residential loans or the return realized therefrom by the  
29 mortgage sellers;

30 (5) Standards and requirements for eligible loans which are not  
31 secured by a mortgage;

32 (6) Any other matters related to the duties and the exercise of  
33 the powers of the authority in connection with the purchase of  
34 eligible loans under the act.

35 c. Such rules and regulations and the terms and conditions for  
36 the purchase of eligible loans and for the making of new residential  
37 loans shall effectuate the general purposes of the act and the  
38 following specific objectives: (1) the expansion of the supply of  
39 funds in the county available for new residential loans; (2) the  
40 provision of the additional housing needed to remedy the shortage  
41 of adequate housing in the county and to eliminate the existence  
42 of a large number of substandard dwellings; and (3) the effective  
43 participation of mortgage sellers in the program authorized by  
44 this section and the restriction of the financial return and benefit  
45 thereto to that which is necessary to induce such participation.

46 d. The authority shall require as a condition of each purchase  
47 of eligible loans from a mortgage seller that such mortgage seller  
48 proceed as promptly as practicable to make and disburse from  
49 the proceeds thereof new residential loans in an aggregate principal  
50 amount equal, as nearly as practicable, to the amount of such  
51 proceeds from the purchase by the authority of eligible loans  
52 therefrom, provided that such requirements shall not apply if the  
53 eligible loans so purchased were originated pursuant to a commit-  
54 ment or other arrangement with the authority.

55 e. The authority shall require the submission to it by each  
56 mortgage seller from which the authority has purchased eligible  
57 loans evidence satisfactory to the authority of the making of new  
58 residential loans or the application of the proceeds from the pur-  
59 chase of eligible loans in accordance with commitments with the  
60 authority for the origination of such eligible loans by the mortgage  
61 seller, as may be appropriate and in connection therewith may,  
62 through its employees or agents, inspect the books and records  
63 of such mortgage seller.

64 f. The authority may require as a condition of any purchase  
65 of eligible loans from mortgage sellers such representations and  
66 warranties as it shall determine to be necessary in connection with  
67 such purchase and to carry out the purposes of the act.

68 g. All new residential loans made as required by this section  
69 shall comply as to the applicable provisions of the laws of the  
70 State, and, where Federal law or the law of another jurisdiction  
71 governs the affairs of the mortgage seller, shall comply with the  
72 applicable provisions of such law.

73 h. Compliance by any mortgage seller with the terms of its  
74 agreement with or undertaking to the authority with respect to  
75 the making of any new residential loans may be enforced by decree  
76 of the Superior Court. The authority may require as a condition  
77 of purchase of eligible loans from any mortgage seller the consent  
78 of such mortgage seller to the jurisdiction of the Superior Court  
79 over any such proceeding. The authority may also require agree-  
80 ment by any mortgage seller, as a condition of the authority's  
81 purchase of eligible loans from such mortgage seller, to the pay-  
82 ment of penalties to the authority for violation by the mortgage  
83 seller of its undertakings to the authority, and such penalties shall  
84 be recoverable at the suit of the authority.

85 i. Whenever any eligible loans purchased by the authority are  
86 to be held or serviced by a mortgage seller, a statement designating  
87 the eligible loan being so held or serviced and the mortgage seller  
88 so holding or servicing and setting forth the authority's interest  
89 in such eligible loan may be filed with the Secretary of State and  
90 no possession, further filing, or other action under Title 12A,  
91 Commercial Transactions, of the New Jersey Statutes or any other  
92 law of the State shall be required to perfect any security interest  
93 which may be deemed to have been created in favor of the authority.  
94 The mortgage seller shall, in any such case, be and be deemed to  
95 be the trustee of an express trust for the benefit of the authority  
96 in all matters relating to any such eligible loan.

97 j. Notwithstanding the provisions of section 213.1 of P. L. 1948,  
 98 c. 67 (C. 17:9A-213.1) or any other provision of law to the contrary  
 99 any mortgage seller may, in connection with the sale of eligible  
 100 loans to the authority pursuant to the act, enter into such arrange-  
 101 ments or agreements with the authority as are authorized under  
 102 and contemplated by the act, including, without limitation, pro-  
 103 visions, requiring the repurchase of eligible loans or participation  
 104 therein by the mortgage seller at the option of the authority, the  
 105 payment of such premiums, fees or charges or other amounts by  
 106 the mortgage seller to provide a reserve or escrow for the purposes,  
 107 among others, of protecting against defaults with respect to eligible  
 108 loans, and provisions for the guarantee by, or for recourse against,  
 109 the mortgage seller with respect to defaults on eligible loans of  
 110 the authority.】\*

1 \*【16.】\* \*13.\* (New section) a. The authority shall have the power  
 2 and is hereby authorized \*【from time to time】\* to issue\*, *from*  
 3 *time to time*\*, its bonds, bond anticipation notes and other notes  
 4 and obligations in such principal amounts as in the opinion of the  
 5 authority shall be necessary to provide sufficient funds for achiev-  
 6 ing any of its corporate purposes, including\*:\* the making of  
 7 mortgage loans \*【and loans to mortgage lenders, the purchase of  
 8 eligible loans from mortgage sellers】\*, the payment, funding or  
 9 refunding of the principal of, or interest or redemption premiums  
 10 on, any bonds, bond anticipation notes and other notes and obli-  
 11 gations issued by it whether \*【the bonds, bond anticipation notes  
 12 or other notes or obligations or interest to be funded or refunded  
 13 have or have not】\* \*or not such have\* become due\*【,】\* \*;\* the  
 14 establishment or increase of reserves to secure or to pay such bonds,  
 15 bond anticipation notes and other notes and obligations or interest  
 16 thereon, \*【or to provide, insure or otherwise protect against de-  
 17 faults on or prepayment of eligible loans, and】\* \*;\* *and*\* all costs  
 18 or expenses of the authority incident to and necessary or con-  
 19 venient to carry out its corporate purposes and powers.

20 b. Except as may be otherwise expressly provided in \*【the act  
 21 or by】\* \*this act or by resolution of\* the authority, every issue of  
 22 bonds, bond anticipation notes or other notes or obligations shall  
 23 be general obligations payable out of any moneys or revenues of  
 24 the authority, subject only to any agreements with the holders of  
 25 particular bonds, bond anticipation notes or other notes or obliga-  
 26 tions pledging any particular moneys or revenues. The authority  
 27 may issue such types of bonds, bond anticipation notes or other  
 28 notes or obligations as it may determine, including bonds, bond

29 anticipation notes or other notes or obligations as to which the  
 30 principal and interest are payable\*:\* (1) exclusively from the in-  
 31 come and revenues of the authority resulting from projects  
 32 financed\***【**, or loans to mortgage lenders made,**】**\* with the proceeds  
 33 of such bonds, bond anticipation notes or other notes or obligations  
 34 \***【**or from the payments on account of principal of and interest  
 35 on eligible loans purchased from mortgage sellers or other pre-  
 36 miums, fees or charges paid by such mortgage sellers**】**\*; (2) ex-  
 37 clusively from the income and revenues of the authority resulting  
 38 from certain projects, \***【**certain loans made to mortgage lenders or  
 39 purchases of certain eligible loans**】**\* whether or not such projects  
 40 were financed \***【**, such loans made or such eligible loans purchased**】**\*  
 41 in whole or in part from the proceeds of such bonds, bond antici-  
 42 pation notes or other notes or obligations; or\*,\* (3) from its  
 43 revenues generally. Any such bonds, bond anticipation notes or  
 44 other notes or obligations may be additionally secured by a pledge  
 45 of any grant, subsidy or contribution from the United States of  
 46 America or an agency or instrumentality thereof or the State or any  
 47 agency, instrumentality or political subdivision thereof, or any  
 47A person, firm or corporation or a pledge of any income or revenues,  
 47B funds or moneys of the authority from any source whatsoever.

48 c. Whether or not the bonds, bond anticipation notes and other  
 49 notes and obligations issued pursuant to this act are of such form  
 50 and character as to be negotiable instruments under the terms of  
 51 Title 12A, Commercial Transactions, New Jersey Statutes, such  
 52 bonds, bond anticipation notes and other notes and obligations  
 53 and any coupon thereof are hereby made negotiable instruments  
 54 within the meaning of and for all the purposes of said Title 12A,  
 55 subject only to the provisions of the bonds and notes for registra-  
 56 tion.

57 d. Bonds, bond anticipation notes or other notes or obligations  
 58 of the authority shall be authorized by resolution or resolutions  
 59 of the authority and may be issued in one or more series and shall  
 60 bear such date or dates, mature at such time or times\*,\* bear in-  
 61 terest at such rate or rates per annum or within such maximum rate,  
 62 be in such denomination or denominations, be in such form, either  
 63 coupon or registered, carry such conversion or registration priv-  
 64 ileges, have such rank or priority, be executed in such manner, be  
 65 payable from such sources in such medium of payment at such  
 66 place or places within or without this State, and be subject to such  
 67 terms of redemption (with or without premium) \*all\* as such  
 68 resolution or resolutions may \***【**provided**】**\* *provide*.\*



69 e. Bonds, bond anticipation notes or other notes or obligations  
 70 of the authority may be sold at public or private sale at such price  
 71 or prices and in such manner as the authority shall determine.  
 72 Every bond shall mature and be paid not later from the date thereof  
 73 than 50 years\***1**, in the case of bonds issued to finance housing proj-  
 74 ects, and 40 years, in the case of bonds issued to provide funds  
 75 for the making of loans to mortgage lenders or the purchase of  
 76 eligible loans from mortgage sellers**1**\*. Every note shall mature  
 77 and be paid not later than 5 years from the date thereof.

78 f. Bonds, bond anticipation notes and other notes and obliga-  
 79 tions of the authority issued under the provisions of this act shall  
 80 not be in any way a debt or liability of the State or of any political  
 81 subdivision thereof other than the authority and shall not create or  
 82 constitute any indebtedness, liability or obligation of the State or  
 83 of any political subdivision \***17**\* \*, *nor*\* be or constitute a pledge  
 84 of the faith and credit of the State or of any political subdivision\*;\*  
 85 but all such bonds, bond anticipation notes and other notes and obli-  
 86 gations, unless funded or refunded by bonds, bond anticipation notes  
 87 or other notes or obligations of the authority shall be payable solely  
 88 from revenues or funds pledged or available for their payment as  
 89 authorized in this act. Each bond, bond anticipation note or other  
 90 note or obligation shall contain on its face a statement to the effect  
 91 that the authority is obligated to pay the principal thereof or the  
 92 interest thereon only from the revenues or funds of the authority\*;\*  
 93 and that neither the State nor any political subdivision thereof is  
 94 obligated to pay such principal or interest\*;\* and that neither the  
 95 faith and credit nor the taxing power of the State or any political  
 96 subdivision thereof is pledged to the payment of the principal of  
 97 or the interest on such bonds, bond anticipation notes or other  
 98 notes or obligations.

99 g. All expenses incurred in carrying out the provisions of this  
 100 act shall be payable solely from revenues or funds provided or to  
 101 be provided under the provisions of this act\*;\* and nothing in this  
 102 act shall be construed to authorize the authority to incur indebted-  
 103 ness or liability on behalf of or payable by this State or any politi-  
 104 cal subdivision thereof.

1 \***17**.\* \*14.\* (New section) Any resolution or resolutions au-  
 2 thORIZING the issuance of bonds, bond anticipation notes or other  
 3 notes or obligations or any issue thereof may contain provisions,  
 4 except as expressly limited in this act\*;\* and except as otherwise  
 5 limited by subsisting agreements with the holders of bonds, bond

6 anticipation notes or other notes or obligations, which shall be a  
7 part of the contract with the holders thereof, as to the following:

8 a. The pledging of or creating a lien on, as security for the pay-  
9 ment of the principal and redemption price of and interest on any  
10 bonds, bond anticipation notes, or other notes or obligations of the  
11 authority or of any issue thereof, all or any part of the revenues  
12 or assets of the authority to which its right then exists or may  
13 thereafter come into existence, and the moneys derived therefrom,  
14 including\*,\* but not limited to\*,\* loans to qualified housing spon-  
15 sors, mortgages and other obligations securing same, the moneys  
16 received in payment of such loans and interest thereon, fees and  
17 charges payable from qualified housing sponsors, \***[the loans made**  
18 **to mortgage lenders pursuant to the act and the revenues therefrom**  
19 **and the rights and interests of the authority in and to any collateral**  
20 **securing such loans and the collections and proceeds therefrom,**  
21 **the eligible loans and all payments on account of principal and**  
22 **interest with respect thereto and all other premiums, fees and**  
23 **charges payable by mortgage sellers,]**\* all or any part of any  
24 money, funds or property held in trust or otherwise by others for  
25 the payment of \***[any such loans to mortgage lenders or such eli-**  
26 **gible loans, or]**\* any bonds, bond anticipation notes or other notes  
27 or obligations of the authority, and all or any part of the proceeds  
28 of any bonds, bond anticipation notes or other notes or obligations,  
29 and covenanting against pledging all or any part of such revenues,  
30 assets, moneys, funds or property, or against permitting or suffer-  
31 ing any lien thereon:

32 b. \***[Otherwise providing]**\* *\*Other provisions\** for the custody,  
33 collection, securing, investment and payment of any revenues,  
34 assets, moneys, funds or property of the authority or with respect  
35 to which the authority may have any rights or interest;

36 c. The use and disposition of the gross income from, and the  
37 payments of principal or interest received by the authority with  
38 respect to loans to qualified housing sponsors, \***[loans to mortgage**  
39 **lenders or eligible loans]**\* or any income or proceeds from invest-  
40 ments held by the authority or other income, revenues or receipts  
41 of the authority;

42 d. The establishment and setting aside of reserves or sinking  
43 funds, the making of charges and fees to provide for the same,  
44 and the regulation and disposition thereof;

45 e. The custody, application and disposition of the proceeds of  
46 any bonds, bond anticipation notes or other notes or obligations;

47 f. Limitations on the purpose to which the proceeds of sale of  
 48 bonds, bond anticipation notes or other notes or obligations may  
 49 be applied and pledging such proceeds to secure the payment of  
 50 the bonds, bond anticipation notes, or other notes or obligations,  
 51 or of any issue thereof;

52 g. Limitations on the issuance of additional bonds, bond antici-  
 53 pation notes or other notes or obligations, the terms upon which  
 54 additional bonds, bond anticipation notes or other notes or obliga-  
 55 tions may be issued and secured, and on the refunding or purchase  
 56 of outstanding bonds, bond anticipation notes or other notes or  
 57 obligations of the authority;

58 h. The rank or priority of any such bonds, bond anticipation notes  
 59 or other notes or obligations with respect to any lien or security  
 60 or as to the acceleration of the maturity of any such bonds, bond  
 61 anticipation notes or other notes or obligations;

62 i. The creation of special funds or moneys to be held in trust or  
 63 otherwise for operating expenses, payment or redemption of bonds,  
 64 bond anticipation notes or other notes or obligations, \***[reserves**  
 65 **against defaults or prepayments of eligible loans]**\* or for other  
 66 purposes **\*[and as to]**\*, *and provisions for* the use and disposi-  
 67 tion of the moneys held in such funds;

68 j. The procedure, if any, by which the terms of any contract or  
 69 covenant with or for the benefit of the holders of any bonds, bond  
 70 anticipation notes or other notes or obligations of the authority  
 71 may be amended or abrogated, the amount of bonds, bond antici-  
 72 pation notes or other notes or obligations the holders of which  
 73 must consent thereto, and the manner in which such consent may  
 74 be given;

75 k. The custody of any of its properties or investments, the safe-  
 76 keeping thereof, the insurance to be carried thereon, and the use  
 77 and disposition of insurance moneys;

78 l. The time or manner of enforcement or restraint from enforce-  
 79 ment of any rights of the authority arising by reason of or with  
 80 respect to nonpayment of principal or interest with respect to  
 81 loans to qualified housing sponsors, mortgages securing such  
 82 loans\***[**, loans to mortgage lenders or any rights to or security in-  
 83 terest in the collateral securing such loans or arising with respect  
 84 to the default with respect to any eligible loan]**]**;

85 m. **\*[Defining the]** \**The definition of those* acts or omissions  
 86 to act which shall constitute a default in the obligations and duties  
 87 of the authority and providing for the rights and remedies of the  
 88 holders of bonds, bond anticipation notes or other notes or obliga-

89 tions in the event of such default\***[.]**\* \*;\* provided, however, that  
90 such rights and remedies shall not be inconsistent with the general  
91 laws of the State and other provisions of the act;

92 n. The vesting in a trustee or trustees within or without the State  
93 of such property, rights, powers and duties in trust as the authority  
94 may determine, which may include any or all of the rights, powers  
95 and duties of any trustee appointed by the holders of any bonds,  
96 bond anticipation notes or other notes or obligations and limiting  
97 or abrogating the right of the holders of any bonds, bond antici-  
98 pation notes or other notes or obligations of the authority to  
99 appoint a trustee under this act or limiting the rights, powers and  
100 duties of such trustee;

101 o. Provision for a trust agreement by and between the authority  
102 and a corporate trustee which may be any trust company or bank  
103 having the powers of a trust company within the State, which  
104 agreement may provide for the pledging or assigning of any assets  
105 or income from assets to which or in which the authority has any  
106 rights or interest, and may further provide for such other rights  
107 and remedies exercisable by the trustee as may be proper for the  
108 protection of the holders of any bonds, bond anticipation notes  
109 or other notes or obligations of the authority and not otherwise in  
110 violation of law, and the said agreement may provide for the re-  
111 striction of the rights of any individual holder of bonds, bond  
112 anticipation notes or other notes or obligations of the authority.  
113 All expenses incurred in carrying out the provisions of such trust  
114 agreement may be treated as a part of the cost of operation of the  
115 authority. The trust agreement may contain any further provisions  
116 which are reasonable to delineate further the respective rights,  
117 duties, safeguards, responsibilities and liabilities of authority,  
118 individual and collective holders of bonds, bond anticipation notes  
119 and other notes or obligations of the authority, and the trustees;

120 p. \***[Appointing]**\* *The appointment of*\* and \***[providing]**\*  
121 *provisions*\* for the duties and obligations of a paying agent or  
122 paying agents or such other fiduciaries within or without the  
122A State;

123 q. Covenants to do or refrain from doing such acts and things as  
124 may be necessary or convenient or desirable in order to better  
125 secure any bonds, bond anticipation notes, or other notes or obli-  
126 gations of the authority, or which, in the discretion of the authority,  
127 will tend to make any bonds, bond anticipation notes or other notes  
128 or obligations to be issued more marketable\*,\* not withstanding  
129 that such covenants, acts or things may not be enumerated herein;

130 r. Any other matters \*~~of like or different character~~\* which in  
 131 any way affect the security or protection of the bonds, bond antici-  
 132 pation notes or other notes or obligations.

1 \*~~18.~~\* \*15.\* (New section) Any pledge of revenues, moneys,  
 2 funds or other property made by the authority shall be valid and  
 3 binding from the time when the pledge is made; the revenues,  
 4 moneys, funds or other property so pledged and thereafter received  
 5 by the authority shall immediately be subject to the lien of such  
 6 pledge without any physical delivery thereof or further act, and  
 7 the lien of any such pledge shall be valid and binding as against all  
 8 parties having claims of any kind in tort, contract or otherwise  
 9 against the authority, irrespective of whether such parties have  
 10 notice thereof. Neither the resolution nor any other instrument by  
 11 which a pledge is created need be filed or recorded except in the  
 12 records of the authority.

1 \*~~19.~~\* \*16.\* (New section) Neither the members of the author-  
 2 ity nor any person executing bonds, bond anticipation notes or  
 3 other notes or obligations issued pursuant to this act shall be liable  
 4 personally on such bonds, bond anticipation notes or other notes  
 5 or obligations by reason of the issuance thereof.

1 \*~~20.~~\* \*17.\* (New section) The authority shall have power to  
 2 purchase bonds, bond anticipation notes or other notes or obliga-  
 3 tions of the authority out of any funds available therefor. The  
 4 authority may hold, cancel or resell such bonds, bond anticipation  
 5 notes or other notes or obligations subject to and in accordance  
 6 with agreements with holders of its bonds, bond anticipation notes  
 7 and other notes or obligations.

1 \*~~21.~~\* \*18.\* (New section) a. The authority may create and  
 2 establish one or more special funds to be known as housing finance  
 3 funds and may pay into such housing finance funds\*:\* (1) any pro-  
 4 ceeds of the sale of the bonds, notes or other obligations to the  
 5 extent provided in the resolution of the authority authorizing the  
 6 issuance thereof\*~~,~~\*;\* (2) the moneys directed to be transferred  
 7 by the authority to such funds\*~~,~~ and\*~~,~~\*;\* and,\* (3) any other  
 8 moneys which may be made available to the authority for the pur-  
 9 poses of such funds from any other source or sources. The moneys  
 10 held in or credited to any housing finance fund established under  
 11 this act, except as hereinafter provided, shall be used solely for the  
 12 payment of the principal of and interest on bonds or other obli-  
 13 gations of the authority secured by such housing finance fund, as  
 14 the same mature, required payments to any sinking fund established  
 15 for the amortization of such bonds or other obligations (hereinafter

16 referred to as “sinking fund payments”), the purchase or re-  
 17 demption of such bonds or other obligations of the authority or  
 18 the payment of any redemption premium to be paid when such  
 19 bonds or other obligations are redeemed prior to maturity\*;\*  
 19A provided, however, that moneys in any such fund shall not  
 20 be withdrawn therefrom at any time in such amount as would  
 21 reduce the amount of such fund to less than the amount of principal  
 22 (including sinking fund payments) and interest maturing and be-  
 23 coming due in the succeeding calendar year on the bonds or other  
 24 obligations of the authority then outstanding and secured by such  
 25 housing finance fund (such amount being hereafter referred to as  
 26 the “required minimum capital reserve”), except for the purpose  
 27 of paying principal and interest on the bonds or other obligations  
 28 of the authority secured by such housing finance fund maturing and  
 29 becoming due and sinking fund payments for the payment of which  
 30 other moneys of the authority are not available. Any income or  
 31 interest earned by or increment to, any such housing finance fund  
 32 due to the investment thereof may be transferred to any other  
 33 fund or account of the authority to the extent it does not reduce the  
 34 amount of such housing finance fund below the required minimum  
 35 capital reserve. In computing the amount of any housing finance  
 36 fund for the purposes of this section, securities in which all or a  
 37 portion of such housing finance fund are invested shall be valued  
 38 \***[at par if purchased at par or, if purchased at other than par, at]**\*  
 39 \**at par, if purchased at par, or, if purchased at other than par, at*\*  
 39A amortized value.

40 b. The authority shall not issue bonds or other obligations at any  
 41 time \***[if]**\* \*when\* the maximum amount of principal (including  
 42 sinking fund payments) and interest maturing and becoming due  
 43 in the succeeding calendar year on the bonds or other obligations  
 44 outstanding and then to be issued and secured by a housing finance  
 45 fund will exceed the amount of such housing finance fund at the  
 46 time of issuance, unless the authority, at the time of issuance of  
 47 such bonds or other obligations, shall deposit in such housing  
 48 finance fund\*,\* from the proceeds of the bonds or other obligations  
 49 so to be issued or otherwise\*,\* and amount which\*,\* together with  
 50 the amount then in such housing finance fund, will be not less than  
 51 the required minimum capital reserve.

1 \***[22.]**\* \*19.\* (New section) The State of New Jersey does  
 2 hereby pledge to and covenant and agree with the holders of any  
 3 bonds, bond anticipation notes or other notes or obligations issued  
 4 pursuant to the authority of this act that the State will not limit or

1 \***[29.]**\* \*26.\* (New section) In order to carry out the purposes  
2 and provisions of this act, the authority in addition to any powers  
3 granted to it elsewhere in this act or the "county improvement  
4 authorities law," P. L. 1960, c. 183 (C. 40:37A-44 et seq.), shall have  
5 the following powers:

6 a. To conduct examinations and hearings and to hear testimony  
7 and take proof, under oath or affirmation, at public or private  
8 hearings, on any matter material for its information and necessary  
9 to carry out the provisions of this act;

10 b. To issue subpoenas requiring the attendance of witnesses and  
11 the production of books and papers pertinent to any hearing before  
12 such authority or before one or more of the members of the  
13 authority appointed by it to conduct such hearing;

14 c. To apply to any court, having territorial jurisdiction of the  
15 offense, to have punished for contempt any witness who refuses  
16 to obey a subpoena, or who refuses to be sworn or affirmed to  
17 testify, or who is guilty of any contempt after summons to appear;

18 d. To acquire by purchase, gift, foreclosure or condemnation  
19 any real or personal property, or any interest therein, to enter  
20 into any lease of property and to hold, sell, assign, lease, encumber,  
21 mortgage or otherwise dispose of any real or personal property,  
22 or any interest therein, or mortgage lien interest owned by it or  
23 under its control, custody or in its possession and release or  
24 relinquish any right, title, claim, lien, interest, easement or demand  
25 however acquired, including any equity or right of redemption, in  
26 property foreclosed by it and to do any of the foregoing by public  
27 or private sale, with or without public bidding, notwithstanding  
28 the provisions of any other law;

29 e. To adopt such rules and regulations as shall be expressly  
30 authorized by this act and such additional rules and regulations  
31 as shall be necessary or desirable to carry out the purposes of  
32 this act;

33 f. To borrow money or secure credit on a temporary, short-term,  
34 interim or on a long-term basis, and to issue negotiable bonds,  
35 bond anticipation notes or other notes or obligations and to provide  
36 for and secure the payment thereof and to provide for the rights  
37 of the holders thereof;

38 g. To make and enter into all contracts and agreements necessary  
39 or incidental to the performance of its duties and the execution  
40 of its powers under this act, including contracts or agreements  
41 with qualified financial institutions for the servicing and processing  
42 of mortgage loans pursuant to this act;

43 h. To do and perform any acts and things authorized by the act  
 44 under, through, or by means of its officers, agents or employees or  
 45 by contracts with any person, firm or corporation;

46 i. To finance by mortgage loans or otherwise the construction or  
 47 rehabilitation of housing projects and to make temporary loans  
 48 or advances in anticipation of permanent loans;

49 \***[j.]** \**j.*\* To make loans to mortgage lenders under terms and condi-  
 50 tions requiring the proceeds thereof to be used by such mortgage  
 51 lenders for the making of new residential loans, all subject to the  
 52 provisions of the act;**]**\*

53 \***[k.]** \**k.*\* To receive and accept aid or contributions from any  
 54 source of money, property, labor or other things of value, to be held,  
 55 used and applied to carry out the purposes of this act subject to such  
 56 conditions upon which such grants and contributions may be made,  
 57 including, but not limited to, gifts or grants from any department  
 58 or agency of the United States or this State for payment of rent  
 59 supplements or rental assistance to eligible families or for the  
 60 payment in whole or in part of the interest expense for a housing  
 61 project or for any other purpose consistent with this act;

62 \***[l.]** \**l.*\* To enter into agreements to pay annual sums in lieu  
 63 of taxes to any political subdivision of the State with respect to any  
 64 real property owned or operated directly by the authority for pur-  
 65 poses of this act;

66 \***[m.]** \**m.*\* To procure insurance against any loss in connection  
 67 with its property, operations and assets (including\***[**, mortgages,  
 68 mortgage loans, loans to mortgage lenders, and eligible**]** \**mort-*  
 69 *gages and*\* loans) in such amounts and from such insurers as it  
 69A deems desirable;

70 \***[n.]** \**n.*\* To the extent permitted under its contract with the  
 71 holders of bonds, bond anticipation notes and other notes or obliga-  
 72 tions of the authority, to consent to any modification with respect to  
 73 rate of interest, time and payment of any installment of principal  
 74 or interest, security or any other term of any mortgage, mortgage  
 75 loan, mortgage loan commitment, \***[**loan to any mortgage lender,  
 76 eligible loan,**]**\* contract or agreement of any kind to which the  
 77 authority is a party\***[.]**\* \*;

78 \***[o.]** \**o.*\* To the extent permitted under its contract with the  
 79 holders of bonds, bond anticipation notes and other notes or obliga-  
 80 tions, to enter into contracts with any qualified housing sponsor  
 81 containing provisions enabling the said qualified housing sponsor  
 82 to reduce the rental or carrying charges to persons unable to pay  
 83 the regular schedule of charges where by reason of other income or



84 payment from the authority, any department or agency of the  
85 United States or this State, such reductions can be made without  
86 jeopardizing the economic stability of the housing project;

87 \***[p.]**\* \*o.\* To establish and revise from time to time and charge  
88 and collect such fees and charges including\*,\* but not limited to\*,\*  
89 payment for all costs of financing by the authority, services, mort-  
90 gage insurance premiums, reserves against losses, reimbursement  
91 for advances made to the authority, as the authority shall deter-  
92 mine are reasonable to enable the authority, to the extent feasible  
93 to be self-sustaining;

94 \***[q.]**\* \*p.\* Subject to any agreement with holders of bonds,  
95 bond anticipation notes or other notes or obligations, to invest and  
96 reinvest any moneys of the authority not required for immediate  
97 use or disbursement, including proceeds from the sale of any bonds,  
98 bond anticipation notes or other notes or obligations and any  
99 moneys held in the housing finance funds, reserve funds or sinking  
100 funds, in such obligations, securities and other investments as the  
101 authority shall deem prudent;

102 \***[r.]**\* \*q.\* Subject to any agreement with the holders of bonds,  
103 bond anticipation notes or other notes or obligations, to purchase  
104 bonds, bond anticipation notes or other notes or obligations of the  
105 authority out of any funds or money of the authority available  
106 therefore, and to hold, cancel to resell such bonds, bond anticipation  
107 notes or other notes or obligations;

108 \***[s.]**\* \*r.\* To provide, contract or arrange for, where by reason  
109 of the financing arrangement review of the application and pro-  
110 posed construction of a project is required by or in behalf of any  
111 department or agency of the United States, consolidated processing  
112 of any such application or supervision to avoid duplication thereof  
113 by either undertaking the processing in whole or in part for any  
114 such department or agency or, in the alternative, delegating the  
115 processing in whole or in part to any such department or agency;

116 \***[t.]**\* \*s.\* To make mortgage loans and to participate with any  
117 department or agency of the United States, this State, a municipal-  
118 ity, or any banking institution, foundation, labor union, insurance  
119 company, trustee or fiduciary in a loan to a qualified housing spon-  
120 sor secured by a single participating mortgage or by separate mort-  
121 gages, the interest of each having equal priority as to lien in  
122 proportion to the amount of the loan so secured, but need not be  
123 equal as to interest rate, time or rate of amortization or otherwise  
124 and to undertake commitments to make such loans;

125 \***[u.]**\* \*t.\* To sell, at public or private sale, with or without  
 126 bidding, any mortgage or other obligation securing a mortgage  
 127 loan made by the authority;

128 \***[v.]**\* \*u.\* To make commitments to purchase, and to purchase,  
 129 service and sell, mortgages insured by any department or agency  
 130 of the United States, and to make loans directly upon the security  
 131 of any such mortgage;

132 \***[w.]**\* \*v.\* To provide qualified housing sponsors with such  
 133 advisory consultation, training and educational services as will  
 134 assist them to plan, construct, rehabilitate and operate housing  
 135 projects for moderate income families, including but not limited  
 136 to assistance in community development and organization, home  
 137 management and advisory services for the residents of the housing  
 138 projects, and to encourage community organizations to assist in  
 139 developing such projects;

140 \***[x.]**\* \*w.\* To encourage research in, and demonstration proj-  
 141 ects to develop\*,\* new and better techniques and methods for in-  
 142 creasing the supply of housing for moderate income families and  
 143 to engage in such research and demonstration projects and to re-  
 144 ceive and accept contributions, grants or aid, from any source,  
 145 public or private, including\*,\* but not limited to the United States  
 146 and this State, for carrying out this purpose;

147 \***[y.]**\* \*x.\* To provide to qualified housing sponsors through  
 148 mortgage loans or otherwise, financing or refinancing of fully com-  
 149 pleted, as well as partially completed, projects which may or may  
 150 not be occupied, provided that said projects meet all the require-  
 151 ments of the act; \*and,\*

152 \***[z.]** Subject to any agreement with holders of bonds, bond antici-  
 153 pation notes or other notes or obligations, to collect, enforce the  
 154 collection of, and foreclose on any collateral securing its loans to  
 155 mortgage lenders and acquire or take possession of such collateral  
 156 and sell the same at public or private sale, with or without bidding,  
 157 and otherwise deal with such collateral as may be necessary to  
 158 protect the interests of the authority therein; and**]**\*

159 \***[aa.]**\* \*y.\* To do any and all things necessary or convenient to  
 160 carry out its purposes and exercise the powers given and granted  
 161 in the act.

1 \***[30.]**\* \*27.\* (New section) All officers, departments, boards,  
 2 agencies, divisions and commissions of the State and county are  
 3 hereby authorized and empowered to render any and all of such ser-  
 4 vices to the authority as may be within the area of their respective  
 5 governmental functions as fixed or established by law, and as may

6 be requested by the authority. The cost and expense of any such  
7 services shall be met and provided for by the authority.

1 \***[31.]**\* \*28.\* (New section) No person shall be discriminated  
2 against, because of race, religious principles, color, national origin  
3 or ancestry, by the authority or any qualified housing sponsor or  
4 any agent or employee thereof in connection with any housing  
5 project or mortgage loan. Any person who shall be found guilty of  
6 violating the provisions of this section shall be a disorderly person  
7 and subject to a fine of not less than \$500.00 or more than \$2,500.00.

1 \***[32.]**\* \*29.\* (New section) The powers enumerated in this act  
2 shall be interpreted broadly to effectuate the purposes thereof and  
3 shall not be construed as a limitation of powers.

1 \***[33.]**\* \*30.\* (New section) If any clause, sentence, subdivision,  
2 paragraph, section or part of this act be adjudged to be unconsti-  
3 tutional or invalid, such judgment shall not affect, impair or in-  
4 validate the remainder thereof, but shall be confined in its operation  
5 to the clause, sentence, subdivision, paragraph, section or part  
6 thereof directly involved in the controversy in which said judgment  
7 shall have been rendered.

1 \***[34.]**\* \*31.\* Section 2 of P. L. 1960, c. 183 (C. 40:37A-45) is  
2 amended to read as follows:

3 2. As used in this act, unless a different meaning clearly appears  
4 from the context:

5 (a) "Authority" shall mean a public body created pursuant to  
6 this act;

7 (b) "Bond resolution" shall have the meaning ascribed thereto  
8 in section 16 of this act;

9 (c) "Bonds" shall mean bonds, notes or other obligations is-  
10 sued pursuant to this act;

11 (d) "Construct" and "construction" shall connote and include  
12 acts of clearance, demolition, construction, development or re-  
13 development, reconstruction, replacement, extension, improvement  
14 and betterment;

15 (e) "Cost" shall mean, in addition to the usual connotations  
16 thereof, the cost of planning, acquisition or construction of all  
17 or any part of any public facility or facilities of an authority  
18 and of all or any property, rights, easements, privileges, agree-  
19 ments and franchises deemed by the authority to be necessary or  
20 useful and convenient therefor or in connection therewith, includ-  
21 ing interest or discount on bonds, cost of issuance of bonds, archi-  
22 tectural, engineering and inspection costs and legal expenses, cost  
23 of financial, professional and other estimates and advice, organi-

24 zation, administrative, operating and other expenses of the au-  
 25 thority prior to and during such acquisition or construction, and  
 26 all such other expenses as may be necessary or incident to the  
 27 financing, acquisition, construction and completion of such public  
 28 facility or facilities or part thereof and the placing of the same  
 29 fully in operation or the disposition of the same, and also such  
 30 provision or reserves for working capital, operating, maintenance  
 31 or replacement expenses or for payment or security of principal  
 32 of or interest on bonds during or after such acquisition or con-  
 33 struction as the authority may determine, and also reimburse-  
 34 ments to the authority or any governmental unit or person of any  
 35 moneys theretofore expended for the purposes of the authority;

36 (f) The term "county" shall mean any county of any class of  
 37 the State, and the term "the county" shall mean the county which  
 38 created an authority pursuant to this act;

39 (g) "Development project" shall mean any lands, structures, or  
 40 property or facilities acquired or constructed or to be acquired  
 41 or constructed by an authority for the purposes of the authority  
 42 described in clause [(d)] (e) of section 11 of this act;

43 (h) "Facility charges" shall have the meaning ascribed to said  
 44 term in section 14 of this act;

45 (i) "Facility revenues" shall have the meaning ascribed to said  
 46 term in section 20(e) of this act;

47 (j) "Governing body" shall mean, in the case of a county, the  
 48 board of chosen freeholders, or *in the case of a county operating*  
 49 *under article 3\*[(, 4)]\* or 5 of the "Optional County Charter Law"*  
 50 *(P. L. 1972, c. 154; C. 40:41A-1 et seq.)\*[(, the board of chosen*  
 51 *holders and the executive officer of the county)]\* \*as defined there-*  
 52 *under\**, and, in the case of a municipality, the commission, council,  
 53 board or body, by whatever name it may be known, having charge  
 54 of the finances of the municipality;

55 (k) "Governmental unit" shall mean the United States of Amer-  
 56 ica or the State or any county or municipality or any subdivision,  
 57 department, agency, or instrumentality heretofore or hereafter  
 58 created, designated or established by or for the United States  
 59 of America or the State or any county or municipality;

60 (l) "Local bond law" shall mean chapter 2 of Title 40A, Mu-  
 61 nicipalities and Counties, of the New Jersey Statutes (N. J. S.)  
 62 as amended and supplemented;

63 (m) "Municipality" shall mean any city, borough, village, town,  
 64 or township of the State but not a county or a school district;

65 (n) "Person" shall mean any person, partnership, association,  
 66 corporation or entity other than a nation, State, county or munici-

67 pality or any subdivision, department, agency or instrumentality  
68 thereof;

69 (o) "Project" shall have the meaning ascribed to said term in  
70 section 16 of this act;

71 (p) "Public facility" shall mean any lands, structures, fran-  
72 chises, equipment, or other property or facilities acquired or con-  
73 structed or to be acquired or constructed by an authority for its  
74 purposes *or, to the extent authorized by section 11 (C. 40:37A-54)*  
75 *for governmental and nongovernmental purposes*, and either (i)  
76 operated or to be operated by the authority or by any governmental  
77 unit or person under a lease or other agreement by or with the  
78 authority or (ii) constituting a development project *or redevelop-*  
79 *ment project*;

80 (q) "Real property" shall mean lands within or without the  
81 State, above or below water, and improvements thereof or thereon,  
82 or any riparian or other rights or interests therein;

83 (r) "Garbage and solid wastes disposal system" shall mean the  
84 plants, structures and other real and personal property acquired,  
85 constructed or operated or to be acquired, constructed or operated  
86 by a county improvement authority, including incinerators, sanitary  
87 landfill facilities or other plants for the treatment and disposal of  
88 garbage, solid waste and refuse matter and all other real and per-  
89 sonal property and rights therein and appurtenances necessary or  
90 useful and convenient for the collection and treatment or disposal in  
91 a sanitary manner of garbage, solid waste and refuse matter (but  
92 not including sewage); \***[and]**\*

93 (s) "Garbage, solid waste or refuse matter" shall mean any  
94 refuse matter, trash or garbage from residences, hotels, apartments  
95 or any other public or private building but shall not include water-  
96 carried wastes or the kinds of wastes usually collected, carried  
97 away and disposed of by a sewerage system\***[.]**\* \*;\*

98 (t) "*Blighted, deteriorated or deteriorating area*" may include  
99 *an area determined by the municipality to be blighted in accord-*  
100 *ance with the provisions of P. L. 1949, c. 187 \*(C. 40:55-21.1 et*  
101 *seq.)\* and, in addition, areas which are determined by the munici-*  
102 *pality, pursuant to the same procedures as provided in said \***[chap-***  
103 *ter]\* *law\*, to be blighted, deteriorated or deteriorating because of*  
104 *structures or improvements which are dilapidated or characterized*  
105 *by disrepair, lack of ventilation or light or sanitary facilities, faulty*  
106 *arrangement, location, or design, or other unhealthful or unsafe*  
106A *conditions\****[.]**\* \*;\**

107 (u) "Redevelopment" may include planning, replanning, con-  
 108 servation, rehabilitation, clearance, development and redevelop-  
 109 ment; and the construction and rehabilitation and provision for  
 110 construction and rehabilitation of residential, commercial, indus-  
 111 trial, public or other structures and the grant or dedication or  
 112 rededication of spaces as may be appropriate or necessary in the  
 113 interest of the general welfare for streets, parks, playgrounds, or  
 114 other public purposes including recreational and other facilities  
 115 incidental or appurtenant thereto, in accordance with a redevelop-  
 116 ment plan approved by the governing body of a municipal-  
 116A ity\* [.] \* \* ;\*

117 (v) "Redevelopment plan" shall mean a plan as it exists from  
 118 time to time for the redevelopment of all or any part of a redevel-  
 119 opment area, which plan shall be sufficiently complete to indicate  
 120 such land acquisition, demolition and removal of structures, re-  
 121 development, improvements, conservation or rehabilitation as may  
 122 be proposed to be carried out in the area of the project, zoning and  
 123 planning changes, if any, land uses, maximum densities, building  
 124 requirements, the plan's relationship to definite local objectives re-  
 125 specting appropriate land uses, improved traffic, public transporta-  
 126 tion, public utilities, recreational and community facilities, and  
 127 other public improvements and provision for relocation of any  
 128 residents and occupants to be displaced in a manner which has been  
 129 or is likely to be approved by the Department of Community Af-  
 130 fairs pursuant to the "Relocation Assistance Law of 1967," P. L.  
 131 1967, c. 79 (C. 52:31B-1 et seq.) and the "Relocation Assistance  
 132 Act," P. L. 1971, c. 362 (C. 20:4-1 et seq.) and rules and regula-  
 133 tions pursuant thereto\* [.] \* \* ;\*

134 (w) "Redevelopment project" shall mean any undertakings and  
 135 activities for the elimination \* [ ( ] \* \* ,\* and for the prevention of  
 136 the development or spread\* [ ( ] \* \* ,\* of blighted, deteriorated, or  
 137 deteriorating areas and may involve any work or undertaking pur-  
 138 suant to a redevelopment plan; such undertaking may include\* :\*  
 139 (1) acquisition of real property and demolition, removal or reha-  
 140 bilitation of buildings and improvements thereon; (2) carrying  
 141 out plans for a program of voluntary repair and rehabilitation of  
 142 buildings or other improvements; and\* ,\* (3) installation, construc-  
 143 tion or reconstruction of streets, utilities, parks, playgrounds or  
 144 other improvements necessary for carrying out the objectives of  
 144A the redevelopment project\* [.] \* \* ;\*

145 (x) "Redeveloper" shall mean any person, firm, corporation or  
 146 public agency that shall enter into or propose to enter into a con-

147 tract with an authority for the redevelopment of an area or any  
 148 part thereof under the provisions of this act\***[.]**\* \*; and,\*

149 (y) "Redevelopment area" shall mean an area of a municipal-  
 150 ity which the governing body thereof finds is a blighted area whose  
 151 redevelopment is necessary to effectuate the public purposes de-  
 152 clared in this act. A redevelopment area may include lands, build-  
 153 ings, or improvements which of themselves are not detrimental  
 154 to the public health, safety or welfare, but whose inclusion is found  
 155 necessary, with or without change in their condition, for the effec-  
 156 tive redevelopment of the area of which they are a part.

1 \***[35.]**\* \*32.\* Section 11 of P. L. 1960, c. 183 (C. 40:37A-54)  
 2 is amended to read as follows:

3 11. The purposes of every authority shall be (a) provision  
 4 within the county of public buildings for use by the State, the  
 5 county, or any municipality in the county, or any two or more or  
 6 any subdivisions, departments, agencies or instrumentalities of  
 7 any of the foregoing, including buildings for use by any munici-  
 8 pality bordering on the Atlantic ocean as enlargements or parts  
 9 of or supplements to any municipal convention hall maintained by  
 10 it, (b) provision within the county of structures, franchises, equip-  
 11 ment and facilities for operation of public transportation or for  
 12 terminal purposes, including development and improvement of port  
 13 terminal structures, facilities and equipment for public use in  
 14 counties in, along or through which a navigable river flows, (c)  
 15 provision within the county of structures or other facilities used or  
 16 operated by the authority or any governmental unit in connection  
 17 with, or relative to development and improvement of, aviation for  
 18 military or civilian purposes, including research in connection  
 19 therewith, and including structures or other facilities for the accom-  
 20 modation of passengers, (d) provision within the county of a public  
 21 facility for a combination of governmental and nongovernmental  
 22 uses provided that not more than 50% of the usable space in any  
 23 such facility shall be made available for nongovernmental use under  
 24 a lease or other agreement by or with the authority, **[(d)]** (e)  
 25 acquisition of any real property within the county, with or without  
 26 the improvements thereof or thereon or personal property appur-  
 27 tenant or incidental thereto, from the United States of America  
 28 or any department, agency or instrumentality heretofore or here-  
 29 after created, designated or established by or for it, and the clear-  
 30 ance, development or redevelopment, improvement, use or dis-  
 31 position of the acquired lands and premises in accordance with  
 32 the provisions and for the purposes stated in this act, including

33 the construction, reconstruction, demolition, rehabilitation, con-  
 34 version, repair or alteration of improvements on or to said lands  
 35 and premises, and structures and facilities incidental to the fore-  
 36 going as may be necessary, convenient or desirable, **[(e)]** (f)  
 37 acquisition, construction, maintenance and operation of garbage  
 38 and solid waste disposal systems for the purpose of collecting and  
 39 disposing of garbage, solid waste or refuse matter, **[(f)]** (g) the  
 40 improvement, furtherance and promotion of the tourist industries  
 41 and recreational attractiveness of the county through the planning,  
 42 acquisition, construction, improvement, maintenance and operation  
 43 of facilities for the recreation and entertainment of the public,  
 44 which facilities may include, without being limited to, a center for  
 45 the performing and visual arts, (h) *provision of loans for the*  
 46 *construction, reconstruction, demolition, rehabilitation, conversion,*  
 47 *repair or alteration of buildings or facilities designed to provide*  
 48 *decent, safe and sanitary dwelling units for persons of low and*  
 49 *moderate income in need of housing, including land, equipment or*  
 50 *other real or personal properties which the authority determines*  
 51 *to be necessary, convenient or desirable appurtenances, all in ac-*  
 52 *cordance with the provisions of this act, as amended and supple-*  
 53 *mented, (i) planning, initiating and carrying out redevelopment*  
 54 *projects for the elimination, and for the prevention of the develop-*  
 55 *ment or spread, of blighted, deteriorated or deteriorating areas*  
 56 *and the disposition, for uses in accordance with the objectives of*  
 57 *the redevelopment project, of any property or part thereof acquired*  
 58 *in the area of such project, and **[(g)]** (j) any combination or com-*  
 59 *binations of the foregoing.*

1 \***[36.]**\* \*33.\* Section 12 of P. L. 1960, c. 183 (C. 40:37A-55) is  
 2 amended to read as follows:

3 12. Every authority shall be a public body politic and corporate  
 4 constituting a political subdivision of the State established as an  
 5 instrumentality exercising public and essential governmental func-  
 6 tions to provide for the public convenience, benefit and welfare  
 7 and shall have perpetual succession and, for the effectuation of its  
 8 purposes, have the following additional powers:

9 (a) To adopt and have a common seal and to alter the same at  
 10 pleasure;

11 (b) To sue and be sued;

12 (c) To acquire, hold, use and dispose of its facility charges and  
 13 other revenues and other moneys;

14 (d) To acquire, rent, hold, use and dispose of other personal  
 15 property for the purposes of the authority;



16 (e) Subject to the provisions of section 26 of this act, to acquire  
17 by purchase, gift, condemnation or otherwise, or lease as lessee, real  
18 property and easements or interests therein necessary or useful and  
19 convenient for the purposes of the authority, whether subject to  
20 mortgages, deeds of trust or other liens or otherwise, and to hold  
21 and to use the same, and to dispose of property so acquired no  
22 longer necessary for the purposes of the authority;

23 (f) Subject to the provisions of section 13 of this act, to lease to  
24 any governmental unit or person, all or any part of any public  
25 facility for such consideration and for such period or periods of  
26 time and upon such other terms and conditions as it may fix and  
27 agree upon;

28 (g) Subject to the provisions of section 13 of this act, to make  
29 agreements of any kind with any governmental unit or person for  
30 the use or operation of all or any part of any public facility for such  
31 consideration and for such period or periods of time and upon such  
32 other terms and conditions as it may fix and agree upon;

33 (h) To borrow money and issue negotiable bonds or notes or  
34 other obligations and provide for and secure the payment of any  
35 bonds and the rights of the holders thereof, and to purchase, hold  
36 and dispose of any bonds;

37 (i) To apply for and to accept gifts or grants of real or personal  
38 property, money, material, labor or supplies for the purposes of the  
39 authority from any governmental unit or person, and to make and  
40 perform agreements and contracts and to do any and all things  
41 necessary or useful and convenient in connection with the procur-  
42 ing, acceptance or disposition of such gifts or grants;

43 (j) To determine the location, type and character of any public  
44 facility and all other matters in connection with all or any part of  
45 any public facility which it is authorized to own, construct, establish,  
46 effectuate or control;

47 (k) To make and enforce bylaws or rules and regulations for the  
48 management and regulation of its business and affairs and for the  
49 use, maintenance and operation of any public facility, and to amend  
50 the same;

51 (l) To do and perform any acts and things authorized by this act  
52 under, through or by means of its own officers, agents and em-  
53 ployees, or by contracts with any governmental unit or person;

54 (m) To acquire, purchase, construct, lease, operate, maintain  
55 and undertake any project and to fix and collect facility charges for  
56 the use thereof;

57 (n) To mortgage, pledge or assign or otherwise encumber all or  
58 any portion of its revenues and other income, real and personal

59 property, project and facilities for the purpose of securing its  
 60 bonds, notes and other obligations or otherwise in furtherance of  
 61 the purpose of this act; **[and]**

62 *(o) To extend credit or make loans to redevelopers for the plan-*  
 63 *ning, designing, acquiring, constructing, reconstructing, improving,*  
 64 *equipping and furnishing any redevelopment project or redevelop-*  
 65 *ment work;*

66 *(p) To conduct examinations and investigations, hear testimony*  
 67 *and take proof, under oath at public or private hearings of any*  
 68 *material matter, require the attendance of witnesses and the pro-*  
 69 *duction of books and papers and issue commissions for the exam-*  
 70 *ination of witnesses who are out of the State, unable to attend, or*  
 71 *excused from attendance;*

72 *(q) To authorize a committee designated by it consisting of one*  
 73 *or more members, or counsel, or any officer or employee to conduct*  
 74 *any such investigation or examination, in which case such com-*  
 75 *mittee, counsel, officer or employee shall have power to administer*  
 76 *oaths, take affidavits and issue subpoenas or commissions; and\*,\**

77 **[(o)]** *(r) To enter into any and all agreements or contracts,*  
 78 *execute any and all instruments, and do and perform any and all*  
 79 *acts or things necessary, convenient or desirable for the purposes*  
 80 *of the authority or to carry out any power expressly given in this*  
 81 *act subject to P. L. 1971, c. 198 "Local Public Contracts Law"*  
 82 *(C. 40A:11-1 et seq.).*

1 **\*[37.]\*** *\*34.\** (New section) For purposes of the redevelopment  
 2 of blighted, deteriorated or deteriorating areas, and subject to the  
 3 provisions of this act, an authority may:

4 a. Acquire or contract to acquire from any person, firm or  
 5 corporation, public or private, by contribution, gift, grant, bequest,  
 6 devise, purchase, condemnation or otherwise, real or personal prop-  
 7 erty or any interest therein, including such property as it may  
 8 deem necessary or proper, although temporarily not required for  
 9 such purposes, in a redevelopment area and in any area designated  
 10 by the municipal governing body as necessary for carrying out the  
 11 relocation of the residents, industry and commerce displaced from  
 12 a redevelopment area;

13 b. Demolish, remove or rehabilitate buildings or other improve-  
 14 ments on any area acquired and install, construct or reconstruct  
 15 streets, facilities, utilities and site improvements essential to the  
 16 preparation of sites for use in accordance with the redevelopment  
 17 plan;

18 c. Relocate or arrange for the relocation of residents and occu-  
19 pants of an area;

20 d. Dispose of land so acquired \***[at its fair value]**\* for the uses  
21 specified in the redevelopment plan as determined by it to any  
22 person, firm, or corporation or to any public agency by sale, lease  
23 or exchange;

24 e. Request the municipal planning board, if any, to recommend  
25 and the municipal governing body pursuant to existing law to  
26 designate blighted areas in need of redevelopment and to make  
27 recommendations for such development;

28 f. Study the recommendations of the municipal planning board  
29 for redevelopment of any area and to make its own investigations  
30 and recommendations as to current trends in the municipality,  
31 blighted areas and blighting factors, to the governing body of the  
32 municipality thereon;

33 g. Publish and disseminate information;

34 h. Prepare or arrange by contract for preparation of plans by  
35 registered architects or licensed professional engineers or planners  
36 for the carrying out the redevelopment projects;

37 i. Arrange or contract with public agencies or redevelopers for  
38 the planning, replanning, conservation, rehabilitation, construction,  
39 or undertaking of any project, or redevelopment work; or any part  
40 thereof, to provide as part of any such arrangement or contract for  
41 extension of credit or making of loans to redevelopers to finance any  
42 project or redevelopment work, and to arrange or contract with  
43 public agencies for the opening, grading or closing of streets, roads,  
44 roadways, alleys, or other places or for the furnishing of facilities  
45 or for the acquisition by such agency of property options or prop-  
46 erty rights or for the furnishing of property or services in connec-  
47 tion with a redevelopment area;

48 j. Arrange or contract with a public agency, to the extent that it  
49 is within the scope of that agency's functions, to cause the services  
50 customarily provided by such other agency to be rendered for the  
51 benefit of the occupants of any redevelopment area, and to have  
52 such other agency provide and maintain parks, recreation centers,  
53 schools, sewerage, transportation, water and other municipal  
54 facilities adjacent to or in connection with redevelopment areas;

55 k. Enter upon any building or property in any redevelopment  
56 area in order to conduct investigations or make surveys, soundings  
57 or test borings necessary to carry out the purposes of this act;

58 l. Arrange or contract with a public agency for the relocation of  
59 residents, industry or commerce displaced from a redevelopment  
60 area;

61 m. Make (1) plans for carrying out a program of voluntary  
 62 repair and rehabilitation of buildings and improvements; and (2)  
 63 plans for the enforcement of laws, codes, and regulations relating  
 64 to the use of land and the use and occupancy of buildings and im-  
 65 provements, and to the compulsory repair, rehabilitation, demoli-  
 66 tion, or removal of buildings and improvements; and\*,\*

67 n. Develop, test, and report methods and techniques, and carry  
 68 out demonstrations and other activities, for the prevention and the  
 69 elimination of blight.

1 \***[38.]**\* \*35.\* Section 13 of P. L. 1960, c. 183 (C. 40:37A-56) is  
 2 amended to read as follows:

3 13. (1) Whenever an authority after investigation and study  
 4 shall plan to undertake any public facility or facilities (other than  
 5 a development project *or redevelopment project*) for the purposes  
 6 of the authority, the authority shall make to the governing body  
 7 of the county a detailed report dealing with the proposed public  
 8 facility or facilities. Notwithstanding any other provision of this  
 9 act, the authority shall not construct or acquire such public facility  
 10 or facilities (other than a development project *or redevelopment*  
 11 *project*), or make any lease or other agreement relating to use by  
 12 any governmental unit or person of all or any part of any such  
 13 public facility or facilities for a term in excess of 5 years, until  
 14 there has been filed with the authority a copy of a resolution  
 15 adopted by the governing body of the county, certified by its clerk,  
 16 describing such public facility or facilities in terms sufficient for  
 17 reasonable identification and consenting to the construction or  
 18 acquisition thereof by the authority or the making of such leases  
 19 or other agreements.

20 (2) Unless otherwise required by any agreement of the authority  
 21 with holders of its bonds, no authority shall sell any part of a  
 22 development project or make any lease or other agreement relating  
 23 to use by any governmental unit or person of said part for a term  
 24 in excess of 5 years (A) Until the Commissioner of **[**Conservation  
 25 and Economic Development**]** *Community Affairs* (hereinafter  
 26 called the "commissioner") has approved a plan (hereinafter  
 27 called, with respect to such part, the "development plan") pre-  
 28 pared by the authority which provides an outline for the develop-  
 29 ment of said part sufficient, in the opinion of the commissioner:  
 30 (i) to indicate its relationship to appropriate land uses in the area  
 31 and proper traffic, public transportation, public utility, recreational  
 32 and community facilities, and other public improvements, (ii) to  
 33 indicate proposed land uses and building requirements and re-  
 34 strictions in said part, and (iii) to provide reasonable assurance

35 that said part will not be in danger of becoming a blighted area  
 36 and will be developed in a manner reasonably designed in the public  
 37 interest to encourage industrial, commercial, residential or other  
 38 proper uses thereof or restore or increase employment oppor-  
 39 tunities for residents of the State; or (B) Unless such sale, lease or  
 40 other agreement, in the opinion of the authority, is necessary or  
 41 desirable in order to effectuate and carry out the said development  
 42 plan.

43 (3) Every authority shall have power, subject to the provisions  
 44 of paragraph (2) of this section, to sell or otherwise dispose of all  
 45 or any part of any development project or to lease the same to any  
 46 governmental unit or person or make agreements of any kind with  
 47 any governmental unit or person for the use or operation thereof,  
 48 for such consideration and for such period or periods of time and  
 49 upon such other terms and conditions as it may fix and agree upon.  
 50 In the exercise of such power, the authority may make any land  
 51 or structure in the development project available for use by private  
 52 enterprise or governmental units in accordance with the develop-  
 53 ment plan at its use value, being the value (whether expressed in  
 54 terms of rental or capital price) at which the authority determines  
 55 such land or structure should be made available in order that it  
 56 may be developed or used for the purpose or purposes specified in  
 57 such plan. In order to assure that land or other property included  
 58 in the development project is developed or used in accordance with  
 59 the development plan, the authority, upon the sale, lease or other  
 60 disposition of such land or property, shall obligate purchasers,  
 61 lessees or other users: (A) to use the land or property for the  
 62 purpose designated in such plan, (B) to begin the building or in-  
 63 stallation of their improvements or other property (if any), and  
 64 to complete the same, within such periods of time as the authority  
 65 may fix as reasonable, and (C) to comply with such other conditions  
 66 as are necessary or desirable to carry out the purposes stated in  
 67 this act. Any such obligations imposed on a purchaser of land shall  
 68 be covenants and conditions running with the land where the  
 69 authority so stipulates.

1 \***[39.]**\* \*36.\* (New section) No authority shall proceed with a  
 2 redevelopment plan unless: (a) the municipality has first deter-  
 3 mined that the area to which said plan refers is blighted, which  
 4 determination shall be made by the governing body of said munici-  
 5 pality as provided by P. L. 1949, c. 187 (C. 40:55-21.1 et seq.)  
 6 \***[and]**\* \*; and,\* (b) the governing body of the municipality has  
 7 first, by ordinance, approved a redevelopment plan after study and  
 8 recommendation of its planning board, if any, and finds that said

9 plan conforms to the definition of "redevelopment plan" in section  
10 2 of the "county improvement authorities law," P. L. 1960, c. 183  
11 (C. 40:37A-45).

1 \***[40.]**\* \*37.\* (New section) No municipality shall adopt a re-  
2 development plan until it first has been reviewed by the planning  
3 board, if there is a board in the municipality. The planning board  
4 shall be given an opportunity to make recommendations to the  
5 governing body in connection with said redevelopment plan. The  
6 redevelopment plan shall conform to the master plan or any part  
7 thereof which has been approved by the planning board. Said re-  
8 development plan, as finally approved by the governing body, shall  
9 control. In considering the plans originally submitted or recom-  
10 mended to it\*,\* the governing body shall have the power to ap-  
11 prove, disapprove or modify same.

1 \***[41.]**\* \*38.\* (New section) All agreements, leases, deeds and  
2 other instruments from or between the authority and to or with a  
3 redeveloper shall contain\*,\* without being limited to\*,\* the fol-  
4 lowing provisions\***[;]**\* \*.\* (a) a covenant running with the land  
5 to the effect that the land, and any buildings or improvements  
6 thereon, shall only be used for the purposes designated in the re-  
7 development plan; (b) a provision that the redeveloper shall be  
8 without power to sell, lease, or otherwise transfer the redevelop-  
9 ment area or project or any part thereof without the prior written  
10 consent of the authority; \***[(c)]**\* any lease to a redeveloper may  
11 provide that all improvements shall become the property of the  
12 authority. The execution of such a lease shall not impose upon the  
13 authority any liability for the financing, construction, management  
14 or operation of any redevelopment project, or any part thereof;  
15 **(d)]**\* \*and, (c)\* such other covenants, provisions and continuing  
16 controls as may be deemed necessary to effectuate the purposes  
17 of this act. *\*Any lease to a redeveloper may provide that all im-*  
18 *provements shall become the property of the authority. The exe-*  
19 *cutation of such a lease shall not impose upon the authority any*  
20 *liability for the financing, construction, management or operation*  
21 *of any redevelopment project, or any part thereof.\**

1 \***[42.]**\* \*39.\* (New section) If an authority shall undertake a  
2 redevelopment project and as a part of the project or in connection  
3 therewith any property owned or used by a public utility (as de-  
4 fined in R. S. 48:2-13) in furnishing any commodity or service which  
5 it is authorized by law to furnish, shall be removed, reconstructed,  
6 altered or relocated, the cost and expense of the removal, recon-  
7 struction, alteration or relocation of such property, including the  
8 cost of installing or replacing such property in a new location or

9 new locations, and the cost of any lands or any rights or interests  
10 in lands, and any other rights acquired to accomplish such removal,  
11 reconstruction, alteration or relocation of such property less the  
12 cost of any lands or any rights or interests in lands or any other  
13 rights of the public utility paid to the public utility in connection  
14 with the removal, reconstruction, alteration or relocation of such  
15 property, shall be paid by the authority and shall be included in the  
16 cost of the project. In case of the relocation of any such property  
17 the public utility owning or using the same, its successors and  
18 assigns, may maintain and operate such property, with the  
19 necessary appurtenances, in the new location or new locations,  
20 for as long a period and upon the same terms and conditions as it  
21 had the right to maintain and operate such property in its former  
22 location.

23 Every agreement entered into between an authority and any  
24 redeveloper for the undertaking of any redevelopment project or  
25 redevelopment work, or part thereof, shall include, and by this  
26 provision shall be deemed to include, even though omitted, a  
27 covenant, or agreement by the redeveloper that if as a part of the  
28 project or work, or in connection therewith, any property owned or  
29 used by a public utility (as defined in R. S. 48:2-13) in furnishing  
30 any commodity or service which it is authorized by law to furnish,  
31 shall be removed, reconstructed, altered or relocated, the cost and  
32 expense of the removal, reconstruction, alteration or relocation  
33 of such property, including the cost of installing or replacing such  
34 property in a new location or new locations, and the costs of any  
35 lands or any rights or interests in lands, and any other rights  
36 acquired to accomplish such removal, reconstruction, alteration or  
37 relocation, less the cost of any lands or any rights or interests in  
38 lands or any other rights of the public utility paid to the public  
39 utility in connection with the removal, reconstruction, alteration or  
40 relocation of such property, shall be paid by the redeveloper, party  
41 to such agreement, and shall be included in the cost of the project  
42 or work. In case of the relocation of any such property the public  
43 utility owning or using the same, its successors and assigns, may  
44 maintain and operate such property, with the necessary appur-  
45 tenances in the new location or new locations for as long a period  
46 and upon the same terms and conditions as it had the right to  
47 maintain and operate such property in its former location.

48 In the event that as part of the redevelopment project the au-  
49 thority has agreed to pay for any or all items of expense described  
50 in this section and has included the same in the cost of the project,  
51 then the authority and the redeveloper shall not be obligated to

52 include the cost of such work in any agreement with the redeveloper,  
 53 nor shall the redeveloper be obligated to pay for same. The pro-  
 54 visions of this section shall, however, be applicable with respect  
 55 to all items of public utilities relocation expense described in this  
 56 section\*,\* the responsibility for which the authority has not under-  
 57 taken as part of the redevelopment project and has not assumed  
 58 in any agreement with the redeveloper.

1 \***[43.]**\* \*40.\* Section 40 of P. L. 1960, c. 183 (C. 40:37A-83) is  
 2 amended to read as follows:

3 40. Every authority and every municipality in which any prop-  
 4 erty of the authority is located are hereby authorized and em-  
 5 powered to enter into agreements with respect to the payment by  
 6 the authority to such municipality of annual sums of money in  
 7 lieu of taxes on such property in such amounts as may be agreed  
 8 upon between the authority and the municipality, and each such  
 9 authority is empowered to make such payments and each such  
 10 municipality is empowered to accept such payments and to apply  
 11 them in the manner in which taxes may be applied in such munici-  
 12 pality; provided, however, that no such annual payment with  
 13 respect to any parcel of such property shall exceed the amount  
 14 to be derived by applying the current general tax rate for the  
 15 taxing district in which such property is located to the assessed  
 16 and taxable value of such property for the taxable year immediately  
 17 prior to the time of its acquisition by the authority. In the case of  
 18 a new facility constructed and owned by the authority, the author-  
 19 ity is empowered to enter into an agreement with the munici-  
 20 pality to make payments in lieu of taxes on such facility, so long  
 21 as such payments do not exceed the amount derived by applying  
 22 the current local purposes tax rate for such taxing district to the  
 23 actual cost of construction of the facility; provided, however, that  
 24 in the first through fourth year of such payments they shall not  
 25 exceed 40% of the amount so derived, in the fifth through eighth  
 26 year 50% of the amount so derived, in the ninth through twelfth  
 27 year 65% of the amount so derived, and in the thirteenth through  
 28 sixteenth year 80% of the amount so derived, until in the seven-  
 29 teenth year and all subsequent years the payments shall not exceed  
 30 the amount derived as hereinbefore described. *Notwithstanding*  
 31 *the aforesaid provisions of this section, whenever any person,*  
 32 *pursuant to subsection d. or i. of section 11 of this act*  
 33 *(C. 40:37A-54), shall occupy space within a public facility for a*  
 34 *nongovernmental use which is not itself tax exempt, whether as*  
 35 *lessee, vendee or otherwise, such person shall, as long as title*  
 36 *thereto shall remain in the authority, pay to the political subdivi-*



37 sion in which such facility is located a payment in lieu of taxes  
 38 which shall equal the taxes on real and personal property, including  
 39 water and sewer service charges or assessments, which such person  
 40 would have been required to pay had it been the owner of such  
 41 property or portion thereof during the period, and neither the  
 42 authority nor its projects, properties, money or bonds and notes  
 43 shall be obligated, liable or subject to lien of any kind for the en-  
 44 forcement, collection or payment thereof. Further notwithstanding  
 45 the aforesaid provisions of this section\*,\* during the time an  
 46 authority is managing, operating and maintaining real property  
 47 for a redevelopment project prior to actual rehabilitation, clear-  
 48 ance, development, or redevelopment of such property or sale, lease  
 49 or other disposal of such property pursuant to the provisions  
 50 hereof, it may pay to the municipality in which the real property  
 51 is situated out of the net income from the property, in lieu of taxes,  
 52 an annual service charge for municipal services supplied to said  
 53 property in an amount not exceeding the tax on the property for  
 54 the year it was acquired by the authority. The amount of such  
 55 annual service charge shall be as set forth in a written agreement  
 56 to be entered into between the municipality and the authority.

1 \*44. Section 6 of P. L. 1970, c. 38 (C. 17:1B-9) is amended to  
 2 read as follows:

3 6. (a) The agency shall from time to time make loans to mort-  
 4 gage lenders so as to furnish, as rapidly as possible, funds to  
 5 mortgage lenders for new residential loans.

6 (b) The agency shall from time to time adopt, modify, amend  
 7 or repeal rules and regulations governing the making of such loans  
 8 to mortgage lenders and the application of the proceeds thereof,  
 9 including rules and regulations as to any or all of the following:

10 (1) Procedures for the submission of requests or the invitation  
 11 of proposals for loans;

12 (2) Standards and requirements as to allocations of loans among  
 13 all or certain of the mortgage lenders or awards of loans and deter-  
 14 mining the amounts and interest rates thereof;

15 (3) Limitations or restrictions as to the number of family units,  
 16 location or other qualifications or characteristics of residences  
 17 to be financed by new residential loans;

18 (4) Restrictions as to the maturities and interest rates on new  
 19 residential loans or the return realized therefrom by mortgage  
 20 lenders;

21 (5) Requirements as to commitments by mortgage lenders with  
 22 respect to new residential loans;

23 (6) Schedules of any fees and charges necessary to provide  
24 for expenses and reserves of the agency; and

25 (7) Any other matters related to the duties and the exercise of  
26 the powers of the agency under this section.

27 Such rules and regulations shall be designed to effectuate the  
28 general purposes of this act and the following specific objectives:

29 (i) the expansion of the supply of funds in the State available for  
30 new residential loans; (ii) the provision of the additional housing  
31 needed to remedy the shortage of adequate housing in the State  
32 and eliminate the existence of a large number of substandard  
33 dwellings; and (iii) the effective participation by mortgage lenders  
34 in the program authorized by the act and the restriction of the  
35 financial return and benefit thereto from such program to that  
36 necessary and reasonable to induce such participation.

37 (c) Loans to mortgage lenders shall be general obligations of  
38 the respective mortgage lenders owing the same and shall bear  
39 such date or dates, shall mature at such time or times, shall be  
40 evidenced by such note, bond or other certificate of indebtedness,  
41 shall be subject to prepayment, and shall contain such other pro-  
42 visions consistent with this section, all as the agency shall by  
43 resolution determine.

44 (d) Any other provision of this section to the contrary notwith-  
45 standing, the interest rate or rates and other terms of the loans  
46 to mortgage lenders made from the proceeds of any issue of bonds  
47 of the agency shall be at least sufficient so as to assure the payment  
48 of said bonds and the interest thereon as the same become due from  
49 the amounts received by the agency in repayment of such loans  
50 and interest thereon.

51 (e) The agency shall require as a condition of each loan to a  
52 mortgage lender that such mortgage lender thereafter proceed as  
53 promptly as practicable to make and disburse from such loan  
54 proceeds, new residential loans in an aggregate principal amount  
55 equal to the amount of such loan.

56 (f) The agency shall require that such loans to mortgage  
57 lenders shall be additionally secured as to payment of both prin-  
58 cipal and interest by a pledge of and lien upon collateral security  
59 in such amounts as the agency shall by resolution determine to be  
60 necessary to assure the payment of such loans and the interest  
61 thereon as the same become due. Such collateral security shall  
62 consist of (i) direct obligations of, or obligations guaranteed by,  
63 the United States of America; (ii) bonds, debentures, notes or other  
64 evidences of indebtedness, satisfactory to the agency, issued by  
65 any of the following Federal agencies: Bank for Cooperatives,

66 Federal Intermediate Credit Bank, Federal Home Loan Bank Sys-  
67 tem, Export-Import Bank of Washington, Federal Land Banks, the  
68 Federal National Mortgage Association or the Government Na-  
69 tional Mortgage Association; (iii) direct obligations of or obliga-  
70 tions guaranteed by the State, obligations of governmental units  
71 of this State, including, but not limited to, capital notes, bond  
72 anticipation notes, tax anticipation notes and temporary notes or  
73 loan bonds, provided the obligations are rated at least A-1 by  
74 Moody's Bond Guide or AA by Standard and Poor's Bond Record  
75 or Survey; (iv) mortgages insured or guaranteed by the United  
76 States of America or an instrumentality thereof as to payment of  
77 principal and interest; or (v) other mortgages secured by real  
78 estate on which there is located a one-to-four family dwelling,  
79 the collateral value of which shall be determined by regulations  
80 issued from time to time by the agency. The agency may require  
81 that such mortgages be insured by a mortgage guaranty insurance  
82 company licensed to do business by the State of New Jersey. The  
83 agency may require that all collateral required to be maintained  
84 shall be deposited with the Federal Reserve Bank of New York,  
85 the Federal Reserve Bank of Philadelphia, the Federal Home Loan  
86 Bank of New York, as the case may be, or with any other banking  
87 institution located in the State or a contiguous state which is a  
88 member of the Federal Reserve System and has capital funds of  
89 not less than \$25,000,000.00. Such depository arrangements shall  
90 be subject to prior approval by the agency. In the absence of  
91 such depository arrangement a mortgage lender shall upon  
92 receipt of the loan proceeds from the agency enter into an agree-  
93 ment with the agency containing such provisions as the agency  
94 shall deem necessary to adequately identify and maintain such  
95 collateral and service the same and shall provide that such mort-  
96 gage lender shall hold such collateral as an agent for the agency  
97 and shall be held accountable as the trustee of an express trust for  
98 the application and disposition thereof and the income therefrom  
99 solely to the uses and purposes in accordance with the provisions of  
100 such agreement. A copy of each such agreement and any revisions  
101 or supplements thereto shall be filed with the Secretary of State  
102 and no further filing or other action under Title 12A, Commercial  
103 Transactions, of the New Jersey Statutes or any other law of the  
104 State shall be required to perfect the security interest of the agency  
105 in such collateral or any additions thereto or substitutions therefor,  
106 and the lien and trust for the benefit of the agency so created shall  
107 be binding from and after the time made against all parties  
108 having claims of any kind in tort, contract, or otherwise against

109 such mortgage lender. The agency may also establish such addi-  
110 tional requirements as it shall deem necessary with respect to the  
111 pledging, assigning, setting aside, or holding of such collateral and  
112 the making of substitutions therefor or additions thereto and the  
113 disposition of income and receipts therefrom.

114 (g) The agency shall require the submission to it by each mort-  
115 gage lender to which the agency has made a loan of evidence satis-  
116 factory to the agency of the making of new residential loans as  
117 required by this section and prescribed by rules and regulations  
118 of the agency and in connection therewith may inspect the books  
119 and records of such mortgage lender.

120 (h) The agency may require as a condition of any loans to  
121 mortgage lenders such representations and warranties as it shall  
122 determine to be necessary to secure such loans and carry out the  
123 purposes of the act.

124 (i) All new residential loans made as required by this section  
125 shall comply with the applicable provisions of the laws of the  
126 State, and, where Federal law or the law of another jurisdiction  
127 govern the affairs of the mortgage lender, shall comply with  
128 applicable provisions of such law.

129 (j) Compliance by any mortgage lender with the terms of this  
130 section and its undertaking to the agency with respect to the making  
131 of new residential loans may be enforced by decree of the Superior  
132 Court. The agency may require as a condition of any loan to any  
133 mortgage lender the consent of such mortgage lender to the juris-  
134 diction of the Superior Court over any such proceeding. The  
135 agency may also require agreement by any mortgage lender, as  
136 a condition of the loan to such mortgage lender, to the payment  
137 of penalties to the agency for violation by the mortgage lender of  
138 any provision of this section or its undertaking to the agency with  
139 respect to the making of new residential loans, and such penalties  
140 shall be recoverable at the suit of the agency.

141 (k) If at any time the agency shall determine that an adequate  
142 supply of funds exists in regular banking channels for new resi-  
143 dential loans, the agency shall discontinue the making of loans  
144 to mortgage lenders until such time as the agency may subsequently  
145 determine that the supply of funds available for new residential  
146 loans is again inadequate.

147 (l) *The agency shall from time to time assess the housing needs*  
148 *of any municipality which is experiencing housing shortages as*  
149 *a result of the authorization of casino gaming and shall address*  
150 *the findings of such assessments when planning its programs.\**

1     \*45. (New section) No county improvement authority shall enter  
2 into any contract or agreement to meet any deficiency in its rev-  
3 enues in order to meet debt services on bonds, notes, or any other  
4 financing obligations for one or more housing projects or develop-  
5 ments on any housing or mortgage financing, or for any operating  
6 or maintenance expenses of such authority for one or more housing  
7 projects or developments, unless the Director of the Division of  
8 Local Government Services, after reviewing such contract or agree-  
9 ment and the ability of any party to such contract or agreement  
10 to make any payments which may be required, shall give his ap-  
11 approval.\*

1     \***[44.]**\* \*46.\* This act shall take effect immediately.

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36 *thereto shall remain in the authority, pay to the political subdivi-*  
 37 *sion in which such facility is located a payment in lieu of taxes*  
 38 *which shall equal the taxes on real and personal property, including*  
 39 *water and sewer service charges or assessments, which such person*  
 40 *would have been required to pay had it been the owner of such*  
 41 *property or portion thereof during the period, and neither the*  
 42 *authority nor its projects, properties, money or bonds and notes*  
 43 *shall be obligated, liable or subject to lien of any kind for the en-*  
 44 *forcement, collection or payment thereof. Further notwithstanding*  
 45 *the aforesaid provisions of this section during the time an*  
 46 *authority is managing, operating and maintaining real property*  
 47 *for a redevelopment project prior to actual rehabilitation, clear-*  
 48 *ance, development, or redevelopment of such property or sale, lease*  
 49 *or other disposal of such property pursuant to the provisions*  
 50 *hereof, it may pay to the municipality in which the real property*  
 51 *is situated out of the net income from the property, in lieu of taxes,*  
 52 *an annual service charge for municipal services supplied to said*  
 53 *property in an amount not exceeding the tax on the property for*  
 54 *the year it was acquired by the authority. The amount of such*  
 55 *annual service charge shall be as set forth in a written agreement*  
 56 *to be entered into between the municipality and the authority.*

1 44. This act shall take effect immediately.

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#### STATEMENT

This bill is modeled after the statutes creating the Housing Finance Agency and the Mortgage Finance Agency. It grants to county improvement authorities, on a permissive basis, the power to undertake, housing programs in municipalities where the governing body has so requested. The housing would be sponsored by private developers, and would be available for low and moderate income families, the initial income limits, subject to cost of living adjustments, being set at \$32,100.00. The improvement authority would also be granted redevelopment powers, subject to the actions of the governing body and planning board of the municipality in promulgating a redevelopment plan.

The bill also includes a provision allowing improvement authorities to lease portions of public facilities for nongovernmental uses under certain circumstances, a provision originally contained in 1979 Senate Bill No. 1397.

The bill has been reviewed and endorsed by the Governor's Cabinet Committee on Atlantic City whose housing crises stimulated the concepts contained in the legislation.

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A3430 (1979)

SENATE COUNTY AND MUNICIPAL  
GOVERNMENT COMMITTEE

STATEMENT TO  
ASSEMBLY, No. 3430

STATE OF NEW JERSEY

DATED: JUNE 21, 1979

The purpose of Assembly 3430 is to afford the Atlantic County Improvement Authority powers to deal with the current housing crisis in Atlantic City. The bill has been recommended by the Governor's Cabinet Committee on Atlantic City, and is necessary to complete implementation of Assembly 3313, which would phase out the Atlantic City luxury tax and direct it from the city to a special fund to back County Improvement Authority bonds.

The bill accords all county improvement authorities certain powers, which would be in addition to the public facilities construction and public services powers they currently possess. The additional powers are: (1) to act as a housing finance agency to promote construction of low and moderate income housing; and, (2) to act as a redevelopment agency to plan and carry out the redevelopment of blighted areas.

The housing finance powers are modeled on the N. J. Housing Finance Agency. The powers could be exercised only on request of a municipality in the county. The housing projects would be sponsored by private developers, and only low and moderate income families with incomes not over \$32,100.00 would be permitted to reside there. The maximum income would be periodically adjusted for cost of living. Priority in admission would be given to families displaced by urban renewal, persons living in substandard or unhealthy housing, elderly persons and families with special needs. Sponsors' investment return would be limited to 8% annually.

The redevelopment powers are modeled on the powers granted to urban redevelopment and renewal corporations under the various Fox-Lance statutes. The county improvement authority is essentially permitted to act as a redevelopment agency within areas of a municipality determined to be blighted by the municipal governing body and planning board in its redevelopment plan. These powers, to be exercised in accordance with the municipal master plan, would provide the authority with the capability of demolishing and clearing sites and constructing the infrastructure (streets, sewers, etc.) necessary for housing and other projects.

The Senate Committee amendments, although numerous, are for the most part technical and clarifying in nature, and would not alter the purposes or provisions of the act.

The Senate committee also amended the bill, at the suggestion of Assemblyman Baer, to accord priority to applications for authority housing finance loans to projects designed primarily to serve families whose incomes do not exceed the median of the area in which the project is located, and in which the rents of 10% or more of the units would be subsidized by a program of housing assistance. The intent of the amendment is that these subsidy programs be of a substantial amount and of extended duration. Although the committee chose not to limit such subsidy programs to Federal programs, the intent is that all subsidy programs (including any State or local programs as may exist) be of similar character to Federal programs if they are to meet this priority criterion.

The Senate committee, also at the suggestion of Assemblyman Baer, amended the bill to assure that persons and families displaced or caused to be displaced by public or private action would be accorded priority for admission to housing projects financed by a county improvement authority under the bill.

At the suggestion of the Department of Treasury and the Mortgage Finance Agency, the Senate committee amended the bill to remove all of the mortgage finance powers from the bill. In lieu thereof the committee inserted a section in the bill amending the "Mortgage Finance Agency Act" (P. L. 1970, c. 38) requiring the Mortgage Finance Agency to periodically assess the housing needs of Atlantic City and to address such in planning its programs.

The committee, also at the suggestion of the Department of the Treasury, amended the bill to give the Director of Local Government Services approval over contracts and agreements entered into by county improvement authorities to meet deficiencies in the revenues with respect to housing projects or developments.

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FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JANUARY 3, 1980

PAT SWEENEY

Governor Brendan Byrne today signed two bills, which could facilitate construction of low and moderate income housing in Atlantic City.

This legislation shifts the "luxury tax" revenues from the city treasury to a special fund for the Atlantic County Improvement Authority. A companion bill also expands the powers of the Improvement Authority to promote housing construction.

Signing the legislation, Governor Byrne referred to A-3313 and its companion A-3430 as "extremely important in addressing the housing problems in Atlantic County. The advent of casino gambling has dramatically altered the social complexion of Atlantic City," he added. "These bills represent positive initiatives in dealing with the issue of housing in this resort city."

Both bills were sponsored by Assemblyman Michael J. Matthews (D-Atlantic).

A-3313 amends the Atlantic City Luxury Tax in the following manner:

-- Over a three-year period, the tax will be gradually reduced from five percent to three percent and the revenues diverted from the City Treasury to a special fund in the State Treasury dedicated solely to the support of Atlantic County Improvement Authority projects in Atlantic City.

-- During the same period the State sales tax will take effect in the city.

-more-

--The base for the luxury tax will be reduced to eliminate the tax on tobacco products and the package sale of alcoholic beverages.

The following chart sets forth the schedule of changes:

	For Atlantic City	For State	For ACIA
Through 6/30/80	5%	0	0
7/1/80 - 6/30/81	4%	1%	0
7/1/81 - 6/30/82	2%	5%	1%
on and after 7/1/82	0	5%	3%

The other bill, A-3430, expands the powers of the county improvement authorities.

This bill makes it possible, with the financing produced by A-3313, for the Atlantic County Improvement Authority to function in a manner similar to the State Housing Finance Agency. The bill permits the county improvement authority to grant loans for low and moderate income housing projects.

The housing will be sponsored by private developers and will be available for low and moderate income families. The initial income limits, subject to cost of living adjustments, are set at \$32,100.

The Improvement Authority will also be granted redevelopment powers, subject to the actions of the governing body and the planning board of the municipality in promulgating a redevelopment plan.

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