

LEGISLATIVE HISTORY CHECKLIST
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"Local Redevelopment and
Housing Law"

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LAWS OF: 1992

CHAPTER: 79

BILL NO: A1138

SPONSOR(S) Bassano

DATE INTRODUCED: March 23, 1992

COMMITTEE: **ASSEMBLY:** Housing

SENATE: Community Affairs

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denoted by asterisks

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SENATE: June 29, 1992

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FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

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VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

Report mentioned in statements:
974.90 New Jersey. County & Municipal Government Study Commission.
M996 Local redevelopment in New Jersey structuring a new
1987b partnership. January 1987.

[REDACTED] pp.52-61]

P.L.1992, CHAPTER 79, approved August 5, 1992
1992 Assembly No. 1138 (Third Reprint)

1 AN ACT concerning redevelopment and housing by municipal and
2 county governments, prescribing the powers, duties and
3 functions of those governments with respect to redevelopment
4 and housing functions, supplementing Title 40A of the New
5 Jersey Statutes, and amending P.L.1971, c.199, P.L.1975, c.291
6 2[and] ² P.L.1983, c.313 ², P.L.1991, c.431 and P.L.1991,
7 c.441².
8

9 BE IT ENACTED by the Senate and General Assembly of the
10 State of New Jersey:

11 1. (New section) This act shall be known and may be cited as
12 the "Local Redevelopment and Housing Law."

13 2. (New section) The Legislature hereby finds, determines and
14 declares:

15 a. There exist, have existed and persist in various communities
16 of this State conditions of deterioration in housing, commercial
17 and industrial installations, public services and facilities and
18 other physical components and supports of community life, and
19 improper, or lack of proper, development which result from
20 forces which are amenable to correction and amelioration by
21 concerted effort of responsible public bodies, and without this
22 public effort are not likely to be corrected or ameliorated by
23 private effort.

24 b. From time to time the Legislature has, by various
25 enactments, empowered and assisted local governments in their
26 efforts to arrest and reverse these conditions and to promote the
27 advancement of community interests through programs of
28 redevelopment, rehabilitation and incentives to the expansion and
29 improvement of commercial, industrial, residential and civic
30 facilities.

31 c. As a result of those efforts, there has grown a varied and
32 complex body of laws, all directed by diverse means to the
33 principal goal of promoting the physical development that will be
34 most conducive to the social and economic improvement of the
35 State and its several municipalities.

36 d. It is the intent of this act to codify, simplify and
37 concentrate prior enactments relative to local redevelopment and
38 housing, to the end that the legal mechanisms for such
39 improvement may be more efficiently employed.

40 3. (New section) As used in this act:

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AHD committee amendments adopted April 6, 1992.

² Senate SCD committee amendments adopted June 1, 1992.

³ Senate floor amendments adopted June 11, 1992.

1 "Bonds" means any bonds, notes, interim certificates,
2 debentures or other obligations issued by a municipality, county,
3 redevelopment entity, or housing authority pursuant to this act.

4 "Development" means the division of a parcel of land into two
5 or more parcels, the construction, reconstruction, conversion,
6 structural alteration, relocation, or enlargement of any building
7 or other structure, or of any mining, excavation or landfill, and
8 any use or change in the use of any building or other structure, or
9 land or extension of use of land, for which permission may be
10 required pursuant to the "Municipal Land Use Law," P.L.1975,
11 c.291 (C.40:55D-1 et seq.).

12 "Governing body" means the body exercising general legislative
13 powers in a county or municipality according to the terms and
14 procedural requirements set forth in the form of government
15 adopted by the county or municipality.

16 "Housing authority" means a housing authority created or
17 continued pursuant to this act.

18 "Housing project" means a project, or distinct portion of a
19 project, which is designed and intended to provide decent, safe
20 and sanitary dwellings, apartments or other living
21 accommodations for persons of low and moderate income; such
22 work or undertaking may include buildings, land, equipment,
23 facilities and other real or personal property for necessary,
24 convenient or desirable appurtenances, streets, sewers, water
25 service, parks, site preparation, gardening, administrative,
26 community, health, recreational, educational, welfare or other
27 purposes. The term "housing project" also may be applied to the
28 planning of the buildings and improvements, the acquisition of
29 property, the demolition of existing structures, the construction,
30 reconstruction, alteration and repair of the improvements and all
31 other work in connection therewith.

32 "Persons of low and moderate income" means persons or
33 families who are, in the case of State assisted projects or
34 programs, so defined by the Council on Affordable Housing in the
35 Department of Community Affairs, or in the case of federally
36 assisted projects or programs, defined as of "low and very low
37 income" by the United States Department of Housing and Urban
38 Development.

39 "Public body" means the State or any county, municipality,
40 school district, authority or other political subdivision of the
41 State.

42 "Public housing" means any housing for persons of low and
43 moderate income owned by a municipality, county, the State or
44 the federal government, or any agency or instrumentality thereof.

45 "Publicly assisted housing" means privately owned housing
46 which receives public assistance or subsidy, which may be grants
47 or loans for construction, reconstruction, conservation, or
48 rehabilitation of the housing, or receives operational or
49 maintenance subsidies either directly or through rental subsidies
50 to tenants, from a federal, State or local government agency or
51 instrumentality.

52 "Real property" means all lands, including improvements and
53 fixtures thereon, and property of any nature appurtenant thereto
54 or used in connection therewith, and every estate, interest and
55 right, legal or equitable, therein, including terms for years and

1 liens by way of judgment, mortgage or otherwise, and
2 indebtedness secured by such liens.

3 "Redeveloper" means any person, firm, corporation or public
4 body that shall enter into or propose to enter into a contract with
5 a municipality or other redevelopment entity for the
6 redevelopment or rehabilitation of an area in need of
7 redevelopment, or an area in need of rehabilitation, or any part
8 thereof, under the provisions of this act, or for any construction
9 or other work forming part of a redevelopment or rehabilitation
10 project.

11 "Redevelopment" means clearance, replanning, development
12 and redevelopment; the conservation and rehabilitation of any
13 structure or improvement, the construction and provision for
14 construction of residential, commercial, industrial, public or
15 other structures and the grant or dedication of spaces as may be
16 appropriate or necessary in the interest of the general welfare
17 for streets, parks, playgrounds, or other public purposes, including
18 recreational and other facilities incidental or appurtenant
19 thereto, in accordance with a redevelopment plan.

20 "Redevelopment agency" means a redevelopment agency
21 created pursuant to subsection a. of section 11 of P.L. , c.
22 (C.) (now pending in the Legislature as this bill) or
23 established heretofore pursuant to the "Redevelopment Agencies
24 Law," P.L.1949, c.306 (C.40:55C-1 et seq.), repealed by this act,
25 which has been permitted in accordance with the provisions of
26 this act to continue to exercise its redevelopment functions and
27 powers.

28 "Redevelopment area" or "area in need of redevelopment"
29 means an area determined to be in need of redevelopment
30 pursuant to sections 5 and 6 of P.L. , c. (C.) (now
31 pending in the Legislature as this bill) or determined heretofore
32 to be a "blighted area" pursuant to P.L.1949, c.187 (C.40:55-21.1
33 et seq.) repealed by this act, both determinations as made
34 pursuant to the authority of Article VIII, Section III, paragraph 1
35 of the Constitution. A redevelopment area may include lands,
36 buildings, or improvements which of themselves are not
37 detrimental to the public health, safety or welfare, but the
38 inclusion of which is found necessary, with or without change in
39 their condition, for the effective redevelopment of the area of
40 which they are a part.

41 "Redevelopment entity" means a municipality or an entity
42 authorized by the governing body of a municipality pursuant to
43 subsection c. of section 4 of P.L. , c. (C.) (now pending
44 in the Legislature as this bill) to implement redevelopment plans
45 and carry out redevelopment projects in an area in need of
46 redevelopment, or in an area in need of rehabilitation, or in both.

47 "Redevelopment plan" means a plan adopted by the governing
48 body of a municipality for the redevelopment or rehabilitation of
49 all or any part of a redevelopment area, or an area in need of
50 rehabilitation, which plan shall be sufficiently complete to
51 indicate its relationship to definite municipal objectives as to
52 appropriate land uses, public transportation and utilities,
53 recreational and municipal facilities, and other public
54 improvements; and to indicate proposed land uses and building
55 requirements in the redevelopment area or area in need of

1 rehabilitation, or both.

2 "Redevelopment project" means any work or undertaking
3 pursuant to a redevelopment plan; such undertaking may include
4 any buildings, land, including demolition, clearance or removal of
5 buildings from land, equipment, facilities, or other real or
6 personal properties which are necessary, convenient, or desirable
7 appurtenances, such as but not limited to streets, sewers,
8 utilities, parks, site preparation, landscaping, and administrative,
9 community, health, recreational, educational, and welfare
10 facilities.

11 "Rehabilitation" means an undertaking, by means of extensive
12 repair, reconstruction or renovation of existing structures, with
13 or without the introduction of new construction or the
14 enlargement of existing structures, in any area that has been
15 determined to be in need of rehabilitation or redevelopment, to
16 eliminate substandard structural or housing conditions and arrest
17 the deterioration of that area.

18 "Rehabilitation area" or "area in need of rehabilitation" means
19 any area determined to be in need of rehabilitation pursuant to
20 section 14 of P.L. , c. (C.) (now pending in the
21 Legislature as this bill).

22 4. (New section) In exercising the redevelopment and
23 rehabilitation functions provided for in this act:

24 a. A municipal governing body shall have the power to:

25 (1) Cause a preliminary investigation to be made pursuant to
26 subsection a. of section 6 of P.L. , c. (C.) (now pending
27 in the Legislature as this bill) as to whether an area is in need of
28 redevelopment;

29 (2) Determine pursuant to subsection b. of section 6 of P.L. ,
30 c. (C.) (now pending in the Legislature as this bill) that an
31 area is in need of redevelopment;

32 (3) Adopt a redevelopment plan pursuant to section 7 of
33 P.L. , c. (C.) (now pending in the Legislature as this
34 bill);

35 (4) Determine pursuant to section 14 of P.L. , c. (C.)
36 (now pending in the Legislature as this bill) that an area is in need
37 of rehabilitation.

38 b. A municipal planning board shall have the power to:

39 (1) Conduct, when authorized by the municipal governing body,
40 a preliminary investigation and hearing and make a
41 recommendation pursuant to subsection b. of section 6 of
42 P.L. , c. (C.) (now pending in the Legislature as this
43 bill) as to whether an area is in need of redevelopment;

44 (2) Make recommendations concerning a redevelopment plan
45 pursuant to subsection e. of section 7 of P.L. , c. (C.)
46 (now pending in the Legislature as this bill), or prepare a
47 redevelopment plan pursuant to subsection f. of that section.

48 (3) Make recommendations concerning the determination of an
49 area in need of rehabilitation pursuant to section 14 of P.L. ,
50 c. (C.) (now pending in the Legislature as this bill).

51 c. The municipality shall be responsible for implementing
52 redevelopment plans and carrying out redevelopment projects
53 pursuant to section 8 of P.L. , c. (C.) (now pending in
54 the Legislature as this bill). The municipality may execute these

1 responsibilities directly, or in addition thereto or in lieu thereof,
2 through either a municipal redevelopment agency, or a municipal
3 housing authority authorized to exercise redevelopment powers
4 pursuant to section 21 of P.L. , c. (C.) (now pending in
5 the Legislature as this bill), but there shall be only one
6 redevelopment entity responsible for each redevelopment
7 project. A county improvement authority authorized to
8 undertake redevelopment projects pursuant to the "county
9 improvement authorities law," P.L.1960, c.183 (C.40:37A-44 et
10 seq.) may also act as a redevelopment entity pursuant to this
11 act. The redevelopment entity, so authorized, may contract with
12 any other public body, in accordance with the provisions of
13 section 8 of P.L. , c. (C.) (now pending in the
14 Legislature as this bill), for the carrying out of a redevelopment
15 project or any part thereof under its jurisdiction.
16 Notwithstanding the above, the governing body of the
17 municipality may, by ordinance, change or rescind the designation
18 of the redevelopment entity responsible for implementing a
19 redevelopment plan and carrying out a redevelopment project and
20 may assume this responsibility itself, but only the redevelopment
21 entity authorized to undertake a particular redevelopment
22 project shall remain authorized to complete it, unless the
23 redevelopment entity and redeveloper agree otherwise, or unless
24 no obligations have been entered into by the redevelopment
25 entity with parties other than the municipality. This shall not
26 diminish the power of the municipality to dissolve a
27 redevelopment entity pursuant to section 24 of P.L. , c.
28 (C.) (now pending in the Legislature as this bill), and section
29 20 of the "Local Authorities Fiscal Control Law," P.L.1983, c.313
30 (C.40A:5A-20).

31 5. (New section) A delineated area may be determined to be
32 in need of redevelopment if, after investigation, notice and
33 hearing as provided in section 6 of P.L. , c. (C.) (now
34 pending in the Legislature as this bill), the governing body of the
35 municipality by resolution concludes that within the delineated
36 area any of the following conditions is found:

37 a. The generality of buildings are substandard, unsafe,
38 unsanitary, dilapidated, or obsolescent, or possess any of such
39 characteristics, or are so lacking in light, air, or space, as to be
40 conducive to unwholesome living or working conditions.

41 b. The discontinuance of the use of buildings previously used
42 for commercial, manufacturing, or industrial purposes; the
43 abandonment of such buildings; or the same being allowed to fall
44 into so great a state of disrepair as to be untenable.

45 c. Land that is owned by the municipality, the county, a local
46 housing authority, redevelopment agency or redevelopment
47 entity, or unimproved vacant land that has remained so for a
48 period of ten years prior to adoption of the resolution, and that
49 by reason of its location, remoteness, lack of means of access to
50 developed sections or portions of the municipality, or topography,
51 or nature of the soil, is not likely to be developed through the
52 instrumentality of private capital.

53 d. Areas with buildings or improvements which, by reason of
54 dilapidation, obsolescence, overcrowding, faulty arrangement or

1 design, lack of ventilation, light and sanitary facilities, excessive
2 land coverage, deleterious land use or obsolete layout, or any
3 combination of these or other factors, are detrimental to the
4 safety, health, morals, or welfare of the community.

5 e. A growing lack or total lack of proper utilization of areas
6 caused by the condition of the title, diverse ownership of the real
7 property therein or other conditions, resulting in a stagnant or
8 not fully productive condition of land potentially useful and
9 valuable for contributing to and serving the public health, safety
10 and welfare.

11 f. Areas, in excess of five contiguous acres, whereon buildings
12 or improvements have been destroyed, consumed by fire,
13 demolished or altered by the action of storm, fire, cyclone,
14 tornado, earthquake or other casualty in such a way that the
15 aggregate assessed value of the area has been materially
16 depreciated.

17 2g. In any municipality in which an enterprise zone has been
18 designated pursuant to the "New Jersey Urban Enterprise Zones
19 Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the
20 actions prescribed in that act for the adoption by the
21 municipality and approval by the New Jersey Urban Enterprise
22 Zone Authority of the zone development plan for the area of the
23 enterprise zone shall be considered sufficient for the
24 determination that the area is in need of redevelopment pursuant
25 to sections 5 and 6 of P.L. , c. (C.) (now pending in the
26 Legislature as this bill) for the purpose of granting tax
27 exemptions within the enterprise zone district pursuant to the
28 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption
29 of a tax abatement and exemption ordinance pursuant to the
30 provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The
31 municipality shall not utilize any other redevelopment powers
32 within the urban enterprise zone unless the municipal governing
33 body and planning board have also taken the actions and fulfilled
34 the requirements prescribed in P.L. , c. (C.) (now
35 pending in the Legislature as this bill) for determining that the
36 area is in need of redevelopment or an area in need of
37 rehabilitation and the municipal governing body has adopted a
38 redevelopment plan ordinance including the area of the enterprise
39 zone.²

40 6. (New section) a. No area of a municipality shall be
41 determined a redevelopment area unless the governing body of
42 the municipality shall, by resolution, authorize the planning board
43 to undertake a preliminary investigation to determine whether
44 the proposed area is a redevelopment area according to the
45 criteria set forth in section 5 of P.L. , c. (C.) (now
46 pending in the Legislature as this bill). Such determination shall
47 be made after public notice and public hearing as provided in
48 subsection b. of this section. ¹, except that in any case in which
49 the governing body determines that there is an obvious and
50 compelling need to take prompt and effective action to check the
51 development of such conditions as are described in section 5 of
52 P.L. , c. (C.) (now pending in the Legislature as this
53 bill), the governing body may, after consultation with the
54 planning board, draw up a plan of redevelopment for adoption by

1 ordinance pursuant to section 7 of P.L. , c. (C.) (now
2 pending in the Legislature as this bill), which ordinance shall
3 contain a statement of findings that the area proposed for
4 redevelopment is a redevelopment area within the criteria of
5 section 5 of P.L. , c. (C.) (now pending in the
6 Legislature as this bill); and in such case the requirements of
7 notice and public hearing in the adoption of an ordinance shall
8 supersede and be deemed equivalent to the procedural
9 requirements set forth in subsection b. of this section; but in any
10 other case the] The¹ governing body of a municipality shall assign
11 the conduct of the investigation and hearing to the planning board
12 of the municipality.

13 b. (1) Before proceeding to a public hearing on the matter, the
14 planning board shall prepare a map showing the boundaries of the
15 proposed redevelopment area and the location of the various
16 parcels of property included therein. There shall be appended to
17 the map a statement setting forth the basis for the investigation.

18 (2) The planning board shall specify a date for and give notice
19 of a hearing for the purpose of hearing persons who are interested
20 in or would be affected by a determination that the delineated
21 area is a redevelopment area.

22 (3) The hearing notice shall set forth the general boundaries of
23 the area to be investigated and state that a map has been
24 prepared and can be inspected at the office of the municipal
25 clerk. A copy of the notice shall be published in a newspaper of
26 general circulation in the municipality once each week for two
27 consecutive weeks, and the last publication shall be not less than
28 ten days prior to the date set for the hearing. A copy of the
29 notice shall be mailed at least ten days prior to the date set for
30 the hearing to the last owner, if any, of each parcel of property
31 within the area according to the assessment records of the
32 municipality. A notice shall also be sent to all persons at their
33 last known address, if any, whose names are noted on the
34 assessment records as claimants of an interest in any such
35 parcel. The assessor of the municipality shall make a notation
36 upon the records when requested to do so by any person claiming
37 to have an interest in any parcel of property in the municipality.
38 The notice shall be published and mailed by the municipal clerk,
39 or by such clerk or official as the planning board shall otherwise
40 designate. Failure to mail any such notice shall not invalidate
41 the investigation or determination thereon.

42 (4) At the hearing, which may be adjourned from time to time,
43 the planning board shall hear all persons who are interested in or
44 would be affected by a determination that the delineated area is
45 a redevelopment area. All objections to such a determination and
46 evidence in support of those objections, given orally or in writing,
47 shall be received and considered and made part of the public
48 record.

49 (5) After completing its hearing on this matter, the planning
50 board shall recommend that the delineated area, or any part
51 thereof, be determined, or not be determined, by the municipal
52 governing body to be a redevelopment area. After receiving the
53 recommendation of the planning board, the municipal governing
54 body may adopt a resolution determining that the delineated

1 area, or any part thereof, is a redevelopment area. The
2 determination, if supported by substantial evidence, shall be
3 binding and conclusive upon all persons affected by the
4 determination. Notice of the determination shall be served,
5 within 10 days after the determination, upon each person who
6 filed a written objection thereto and stated, in or upon the
7 written submission, an address to which notice of determination
8 may be sent.

9 (6) If written objections were filed in connection with the
10 hearing, the municipality shall, for 45 days next following its
11 determination to which the objections were filed, take no further
12 action to acquire any property by condemnation within the
13 redevelopment area.

14 (7) If a person who filed written objection to a determination
15 by the municipality pursuant to this subsection shall, within
16 45 days after the adoption by the municipality of the
17 determination to which the person objected, apply to the Superior
18 Court, the court may grant further review of the determination
19 by procedure in lieu of prerogative writ; and in any such action
20 the court may make any incidental order that it deems proper.

21 c. An area determined to be in need of redevelopment
22 pursuant to this section shall be deemed to be a "blighted area"
23 for the purposes of Article VIII, Section III, paragraph 1 of the
24 Constitution. If an area is determined to be a redevelopment
25 area and a redevelopment plan is adopted for that area in
26 accordance with the provisions of this act, the municipality is
27 authorized to utilize all those powers provided in section 8 of
28 P.L. , c. (C.) (now pending in the Legislature as this
29 bill).

30 7. (New section) a. No redevelopment project shall be
31 undertaken or carried out except in accordance with a
32 redevelopment plan adopted by ordinance of the municipal
33 governing body, upon its finding that the specifically delineated
34 project area is located in an area in need of redevelopment or in
35 an area in need of rehabilitation, or in both, according to criteria
36 set forth in section 5 or section 14 of P.L. , c. (C.) (now
37 pending in the Legislature as this bill), as appropriate.

38 The redevelopment plan shall include an outline for the
39 planning, development, redevelopment, or rehabilitation of the
40 project area sufficient to indicate:

41 (1) Its relationship to definite local objectives as to
42 appropriate land uses, density of population, and improved traffic
43 and public transportation, public utilities, recreational and
44 community facilities and other public improvements.

45 (2) Proposed land uses and building requirements in the project
46 area.

47 (3) Adequate provision for the temporary and permanent
48 relocation, as necessary, of residents in the project area,
49 including an estimate of the extent to which decent, safe and
50 sanitary dwelling units affordable to displaced residents will be
51 available to them in the existing local housing market.

52 (4) An identification of any property within the redevelopment
53 area which is proposed to be acquired in accordance with the
54 redevelopment plan.

1 (5) Any significant relationship of the redevelopment plan to
2 (a) the master plans of contiguous municipalities, (b) the master
3 plan of the county in which the municipality is located, and (c)
4 the State Development and Redevelopment Plan adopted pursuant
5 to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et
6 al.).

7 b. A redevelopment plan may include the provision of
8 affordable housing in accordance with the "Fair Housing Act,"
9 P.L.1985, c.222 ²[(C.52:27D-311 et seq.)] (C.52:27D-301 et al.)²
10 and the housing element of the municipal master plan.

11 c. The redevelopment plan shall describe its relationship to
12 pertinent municipal development regulations as defined in the
13 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).
14 The redevelopment plan shall supersede applicable provisions of
15 the development regulations of the municipality or constitute an
16 overlay zoning district within the redevelopment area. When the
17 redevelopment plan supersedes any provision of the development
18 regulations, the ordinance adopting the redevelopment plan shall
19 contain an explicit amendment to the zoning district map
20 included in the zoning ordinance. The zoning district map as
21 amended shall indicate the redevelopment area to which the
22 redevelopment plan applies. Notwithstanding the provisions of
23 the "Municipal Land Use Law" P.L.1975, c.291 (C.40:55D-1
24 et seq.) or of other law, no notice beyond that required for
25 adoption of ordinances by the municipality shall be required for
26 the hearing on or adoption of the redevelopment plan or
27 subsequent amendments thereof.

28 d. All provisions of the redevelopment plan shall be either
29 substantially consistent with the municipal master plan or
30 designed to effectuate the master plan; but the municipal
31 governing body may adopt a redevelopment plan which is
32 inconsistent with or not designed to effectuate the master plan
33 by affirmative vote of a majority of its full authorized
34 membership with the reasons for so acting set forth in the
35 redevelopment plan.

36 e. Prior to the adoption of a redevelopment plan, or revision or
37 amendment thereto, the planning board shall transmit to the
38 governing body, within 45 days after referral, a report containing
39 its recommendation concerning the redevelopment plan ¹;
40 provided, however, that such referral to the planning board shall
41 not be required in any case where, as authorized in situations of
42 obvious and compelling necessity under the provisions of
43 subsection a. of section 6 of P.L. , c. (C.) (now pending
44 in the Legislature as this bill), the redevelopment plan and
45 determination that an area is in need of redevelopment have been
46 included in the same ordinance after prior consultation with the
47 planning board¹. This report shall include an identification of
48 any provisions in the proposed redevelopment plan which are
49 inconsistent with the master plan and recommendations
50 concerning these inconsistencies and any other matters as the
51 board deems appropriate. The governing body, when considering
52 the adoption of a redevelopment plan or revision or amendment
53 thereof, shall review the report of the planning board and may
54 approve or disapprove or change any recommendation by a vote

1 of a majority of its full authorized membership and shall record
2 in its minutes the reasons for not following the
3 recommendations. Failure of the planning board to transmit its
4 report within the required 45 days shall relieve the governing
5 body from the requirements of this subsection with regard to the
6 pertinent proposed redevelopment plan or revision or amendment
7 thereof. Nothing in this subsection shall diminish the
8 applicability of the provisions of subsection d. of this section with
9 respect to any redevelopment plan or revision or amendment
10 thereof.

11 f. The governing body of a municipality may direct the
12 planning board to prepare a redevelopment plan or an amendment
13 or revision to a redevelopment plan for a designated
14 redevelopment area. After completing the redevelopment plan,
15 the planning board shall transmit the proposed plan to the
16 governing body for its adoption. The governing body, when
17 considering the proposed plan, may amend or revise any portion
18 of the proposed redevelopment plan by an affirmative vote of the
19 majority of its full authorized membership and shall record in its
20 minutes the reasons for each amendment or revision. When a
21 redevelopment plan or amendment to a redevelopment plan is
22 referred to the governing body by the planning board under this
23 subsection, the governing body shall be relieved of the referral
24 requirements of subsection e. of this section.

25 8. (New section) Upon the adoption of a redevelopment plan
26 pursuant to section 7 of P.L. . c. (C.) (now pending in
27 the Legislature as this bill), the municipality or redevelopment
28 entity designated by the governing body may proceed with the
29 clearance, replanning, development and redevelopment of the
30 area designated in that plan. In order to carry out and effectuate
31 the purposes of this act and the terms of the redevelopment plan,
32 the municipality or designated redevelopment entity may:

33 a. Undertake redevelopment projects, and for this purpose
34 issue bonds in accordance with the provisions of section 29 of
35 P.L. . c. (C.) (now pending in the Legislature as this
36 bill).

37 b. Acquire property pursuant to subsection i. of section 22 of
38 P.L. . c. (C.) (now pending in the Legislature as this
39 bill).

40 c. Acquire, by condemnation, any land or building which is
41 necessary for the redevelopment project, pursuant to the
42 provisions of the "Eminent Domain Act of 1971," P.L.1971, c.361
43 (C.20:3-1 et seq.).

44 d. Clear any area owned or acquired and install, construct or
45 reconstruct streets, facilities, utilities, and site improvements
46 essential to the preparation of sites for use in accordance with
47 the redevelopment plan.

48 e. Prepare or arrange by contract for the provision of
49 professional services and the preparation of plans by registered
50 architects, licensed professional engineers or planners, or other
51 consultants for the carrying out of redevelopment projects.

52 f. Arrange or contract with public agencies or redevelopers for
53 the planning, replanning, construction, or undertaking of any
54 project or redevelopment work, or any part thereof; negotiate

1 and collect revenue from a redeveloper to defray the costs of the
2 redevelopment entity, including where applicable the costs
3 incurred in conjunction with bonds, notes or other obligations
4 issued by the redevelopment entity, and to secure payment of
5 such revenue; as part of any such arrangement or contract,
6 provide for extension of credit, or making of loans, to
7 redevelopers to finance any project or redevelopment work, or
8 upon a finding that the project or redevelopment work would not
9 be undertaken but for the provision of financial assistance, or
10 would not be undertaken in its intended scope without the
11 provision of financial assistance, provide as part of an
12 arrangement or contract for capital grants to redevelopers; and
13 arrange or contract with public agencies or redevelopers for the
14 opening, grading or closing of streets, roads, roadways, alleys, or
15 other places or for the furnishing of facilities or for the
16 acquisition by such agency of property options or property rights
17 or for the furnishing of property or services in connection with a
18 redevelopment area.

19 g. Lease or convey property or improvements to any other
20 party pursuant to this section, without public bidding and at such
21 prices and upon such terms as it deems reasonable, provided that
22 the lease or conveyance is made in conjunction with a
23 redevelopment plan, notwithstanding the provisions of any law,
24 rule, or regulation to the contrary.

25 h. Enter upon any building or property in any redevelopment
26 area in order to conduct investigations or make surveys, sounding
27 or test borings necessary to carry out the purposes of this act.

28 i. Arrange or contract with a public agency for the relocation,
29 pursuant to the "Relocation Assistance Law of 1967," P.L.1967,
30 c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act,"
31 P.L.1971, c.362 (C.20:4-1 et seq.), of residents, industry or
32 commerce displaced from a redevelopment area.

33 j. Make, consistent with the redevelopment plan: (1) plans for
34 carrying out a program of voluntary repair and rehabilitation of
35 buildings and improvements; and (2) plans for the enforcement of
36 laws, codes, and regulations relating to the use and occupancy of
37 buildings and improvements, and to the compulsory repair,
38 rehabilitation, demolition, or removal of buildings and
39 improvements.

40 k. Request that the planning board recommend and governing
41 body designate particular areas as being in need of redevelopment
42 or rehabilitation in accordance with the provisions of this act and
43 make recommendations for the redevelopment or rehabilitation
44 of such areas.

45 l. Study the recommendations of the planning board or
46 governing body for redevelopment of the area.

47 m. Publish and disseminate information concerning any
48 redevelopment area, plan or project.

49 n. Do all things necessary or convenient to carry out its
50 powers.

51 9. (New section) a. All agreements, leases, deeds and other
52 instruments from or between a municipality or redevelopment
53 entity and to or with a redeveloper shall contain a covenant
54 running with the land requiring that the owner shall construct

1 only the uses established in the current redevelopment plan; a
2 provision requiring the redeveloper to begin the building of the
3 improvements for those uses within a period of time which the
4 municipality or redevelopment entity fixes as reasonable; a
5 provision that the redeveloper shall be without power to sell,
6 lease or otherwise transfer the redevelopment area or project, or
7 any part thereof, without the written consent of ²the²
8 municipality or redevelopment entity; a provision that upon
9 completion of the required improvements, the conditions
10 determined to exist at the time the area was determined to be in
11 need of redevelopment shall be deemed to no longer exist, and
12 the land and improvements thereon shall no longer be subject to
13 eminent domain as a result of those determinations; and any
14 other covenants, provisions and continuing controls as may be
15 deemed necessary to effectuate the purposes of this act. The
16 aforesaid covenants, provisions and controls shall be deemed
17 satisfied upon termination of the agreements and covenants
18 entered into by the redeveloper to construct the improvements
19 and to perform the redevelopment. The rights of any third party
20 acquired prior to termination of the agreements, including, but
21 not limited to, any tax exemption or abatement granted pursuant
22 to law, shall not be negatively affected by termination and
23 satisfaction of the covenants.

24 b. A lease to a redeveloper may provide that all improvements
25 shall become the property of the municipality or redevelopment
26 entity. The execution of a lease with that provision shall not
27 impose upon the municipality or redevelopment entity any
28 liability for the financing, construction, management or operation
29 of any redevelopment project, or any part thereof.

30 10. (New section) Whenever a redevelopment entity which has
31 acquired by purchase or condemnation real property for any
32 project or for the widening of existing roads, streets, parkways,
33 avenues or highways or for construction of new roads, streets,
34 parkways, avenues or highways to any project or partly for such
35 purposes and partly for other municipal or county purposes, shall
36 determine that it is necessary that any tracks, pipes, mains,
37 conduits, cables, wires, towers, poles and other equipment and
38 appliances (herein called "public utility facilities") of any public
39 utility as defined in R.S.27:7-1 in, on, along, over or under the
40 project or real property, should be relocated in, or removed from,
41 that project or real property, the public utility owning or
42 operating the public utility facilities shall relocate or remove the
43 same in accordance with the order of the redevelopment entity;
44 provided, however, that the cost and expenses of relocation or
45 removal, including the cost of installing the public utility
46 facilities in a new location, or new location, and the cost of any
47 lands, or any rights or interest in lands, or any other rights
48 acquired to accomplish the relocation or removal, less the cost of
49 any lands or any rights or interest in lands or any other rights of
50 the public utility paid to the public utility in connection with the
51 relocation or removal, shall be ascertained and paid by the
52 redevelopment entity making such order. In case of any such
53 relocation or removal of public utility facilities, the public
54 utility, its successors or assigns, may maintain and operate such

1 facilities, with the necessary appurtenances, in the new location
2 or new locations, for as long a period, and upon the same terms
3 and conditions, as it had the right to maintain and operate the
4 public utility facilities in their former location or locations.

5 11. (New section) a. The governing body of a municipality
6 may, by ordinance, create a body corporate and politic to be
7 known as the ". Redevelopment Agency," inserting the
8 name of the municipality creating the agency. The agency shall
9 be an instrumentality of the municipality creating it. A
10 redevelopment agency shall be created pursuant to the
11 procedures of the "Local Authorities Fiscal Control Law,"
12 P.L.1983, c.313 (C.40A:5A-1 et seq.).

13 There shall be seven commissioners of a redevelopment
14 agency. The commissioners shall be appointed by the governing
15 body, in the manner generally required for appointments by the
16 form of government under which the municipality is governed.
17 Commissioners shall each serve for a term of 5 years; except that
18 the first of these appointees shall be designated to serve for the
19 following terms: one for a term of 1 year, one for a term of 2
20 years, two for terms of 3 years, one for a term of 4 years, and
21 two for terms of 5 years. No more than two commissioners shall
22 be officers or employees of the municipality. Each commissioner
23 shall hold office for the term of his appointment and until his
24 successor shall have been appointed and qualified. Any vacancy
25 occurring in the office of commissioner, from any cause, shall be
26 filled in the same manner as the original appointment, but for the
27 unexpired term.

28 The municipal governing body may provide by ordinance that
29 not more than two of the commissioners shall be members of the
30 governing body. A commissioner who is a member of the
31 governing body shall serve for a term of one year. That
32 ordinance shall provide for the terms of the other commissioners
33 to be appointed to staggered terms in substantial accord with the
34 provisions of this section.

35 Any redevelopment agency created pursuant to the
36 "Redevelopment Agencies Law," P.L.1949, c.306 (C.40:5E-1
37 et seq.) and in existence until the repeal of that law by this act,
38 shall continue notwithstanding that repeal, but shall exercise its
39 powers pursuant to the provisions of this act. The five
40 commissioners appointed by the governing body of the
41 municipality shall continue in office until the terms for which
42 they were appointed expire and their successors are appointed
43 and qualified. The terms of those agency commissioners who
44 were appointed by the mayor or the Commissioner of the
45 Department of Community Affairs shall cease and determine
46 90 days after the effective date of this act.

47 b. A certificate of the appointment or reappointment of each
48 commissioner shall be filed with the clerk, and that certificate
49 shall be conclusive evidence of the due and proper appointment of
50 that commissioner. A commissioner shall receive no
51 compensation for his services, but shall be entitled to
52 reimbursement for actual expenses necessarily incurred in the
53 discharge of the duties of commissioner, including travel
54 expenses. The powers of the agency shall be vested in the

1 commissioners thereof in office from time to time. Four
2 commissioners shall constitute a quorum for the purpose of
3 conducting business and exercising powers and all other purposes.
4 Action may be taken by the agency upon the affirmative vote of
5 the majority, but not less than four of the commissioners present,
6 unless in any case the bylaws of the agency shall require a larger
7 number. The agency shall select a chairman and a vice chairman
8 from among the commissioners, and it shall employ an executive
9 director, who shall be its secretary.

10 c. No commissioner or employee of an agency shall acquire
11 any interest, direct or indirect, in a redevelopment project or in
12 any property included or planned to be included in a project, nor
13 shall he have any interest, direct or indirect, in any contract or
14 proposed contract for materials and services to be furnished or
15 used in connection with a project. If any commissioner or
16 employee of an agency owns or controls an interest, direct or
17 indirect, in any property included or planned to be included in a
18 project, he shall immediately disclose the same in writing to the
19 agency and the disclosure shall be entered upon the minutes of
20 the agency. Failure so to disclose such an interest shall
21 constitute misconduct in office. A commissioner or employee
22 required by this subsection to make a disclosure shall not
23 participate in any action by the agency affecting the property
24 with respect to which disclosure is required. For inefficiency or
25 neglect of duty or misconduct in office a commissioner may be
26 removed by the municipality by which he was appointed; but a
27 commissioner may be removed only after he has been given a
28 copy of the charges at least 10 days prior to the hearing thereon
29 and has had the opportunity to be heard in person or by counsel.
30 In the event of a removal of a commissioner, a record of the
31 proceedings, together with the charges and findings thereon, shall
32 be filed in the office of the clerk of the municipality.

33 12. (New section) The executive director of a redevelopment
34 agency shall have attained a degree from an accredited four year
35 college or university in a public administration, social science or
36 other appropriate program, and shall have at least five years'
37 experience in public administration, public finance, realty, or
38 similar professional employment. A master's degree in an
39 appropriate program may substitute for two years of that
40 experience. ³The executive director holding that position at the
41 time this act becomes effective, possessing the required work
42 experience and holding appropriate certification from the
43 National Association of Housing and Redevelopment Officials, or
44 equivalent certification from a nationally recognized professional
45 association in the housing and redevelopment field, shall not be
46 required to meet the educational requirement, except as
47 otherwise provided in section 45 of P.L. , c. (C.) (now
48 pending before the Legislature as this bill) and shall be deemed
49 qualified for continued employment as executive director of the
50 agency in which he holds that post and eligible for equivalent
51 employment in any other local redevelopment agency in this
52 State.³ The executive director shall serve at the pleasure of the
53 commissioners of the agency, and may be relieved of his duties
54 only after 120 days' notice. The redevelopment agency may

1 provide that the executive director shall be the appointing
2 authority for all or any portion of the employees of the agency.
3 The executive director shall assign and supervise employees in
4 the performance of their duties. If the municipality which
5 established the redevelopment agency has adopted the provisions
6 of Title 11A of the New Jersey Statutes, the executive director
7 shall be in the unclassified service of civil service, and all other
8 employees shall be in the classified service of civil service,
9 except as may be otherwise provided by that title. A
10 redevelopment agency may adopt the provisions of Title 11A of
11 the New Jersey Statutes separately from the establishing
12 municipality.

13 13. (New section) All applications for development or
14 redevelopment of a designated redevelopment area or portion of
15 a redevelopment area shall be submitted to the municipal
16 planning board for its review and approval in accordance with the
17 requirements for review and approval of subdivisions and site
18 plans as set forth by ordinance adopted pursuant to the
19 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).

20 14. (New section) a. A delineated area may be determined to
21 be in need of rehabilitation if the governing body of the
22 municipality determines by resolution that there exist in that
23 area conditions such that (1) a significant portion of structures
24 therein are in a deteriorated or substandard condition, (2) there is
25 a continuing pattern of vacancy, abandonment or underutilization
26 of properties in the area, with a persistent arrearage of property
27 tax payments thereon, and (3) a program of rehabilitation, as
28 defined in section 3 of P.L. , c. (C.) (now pending
29 before the Legislature as this bill), may be expected to prevent
30 further deterioration and promote the overall development of the
31 community. Where warranted by consideration of the overall
32 conditions and requirements of the community, a finding of need
33 for rehabilitation may extend to the entire area of a
34 municipality. Prior to adoption of the resolution, the governing
35 body shall submit it to the municipal planning board for its
36 review. Within 45 days of its receipt of the proposed resolution,
37 the municipal planning board shall submit its recommendations
38 regarding the proposed resolution, including any modifications
39 which it may recommend, to the governing body for its
40 consideration. Thereafter, or after the expiration of the 45 days
41 if the municipal planning board does not submit
42 recommendations, the governing body may adopt the resolution,
43 with or without modification.

44 b. A delineated area shall be deemed to have been determined
45 to be an area in need of rehabilitation in accordance with the
46 provisions of this act if it has heretofore been determined to be
47 an area in need of rehabilitation pursuant to P.L.1975, c.104
48 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or
49 P.L.1979, c.233 (C.54:4-3.121 et seq.).

50 15. (New section) In accordance with the provisions of a
51 redevelopment plan adopted pursuant to section 7 of P.L. , c.
52 (C.) (now pending in the Legislature as this bill), a
53 municipality or redevelopment entity may proceed with
54 clearance, replanning, conservation, development, redevelopment

1 and rehabilitation of an area in need of rehabilitation. With
2 respect to a redevelopment project in an area in need of
3 rehabilitation, the municipality or redevelopment entity, upon the
4 adoption of a redevelopment plan for the area, may perform any
5 of the actions set forth in section 8 of P.L. , c. (C.)
6 (now pending in the Legislature as this bill), except that with
7 respect to such a project the municipality shall not have the
8 power to take or acquire private property by condemnation in
9 furtherance of a redevelopment plan, unless: a. the area is within
10 an area determined to be in need of redevelopment pursuant to
11 this act; or b. exercise of that power is authorized under any
12 other law of this State.

13 16. (New section) a. In order to carry out the housing
14 purposes of this act, a municipality, county, or housing authority
15 may exercise the following powers, in addition to those set forth
16 in section 22 of P.L. , c. (C.) (now pending in the
17 Legislature as this bill):

18 (1) Plan, construct, own, and operate housing projects;
19 maintain, reconstruct, improve, alter, or repair any housing
20 project or any part thereof; and for these purposes, receive and
21 accept from the State or federal government, or any other
22 source, funds or other financial assistance;

23 (2) Lease or rent any dwelling house, accommodations, lands,
24 buildings, structures or facilities embraced in any housing
25 project; and pursuant to the provisions of this act, establish and
26 revise the rents and charges therefor;

27 (3) Acquire property pursuant to subsection i. of section 22 of
28 P.L. , c. (C.) (now pending in the Legislature as this bill)

29 (4) Acquire, by condemnation, any land or building which is
30 necessary for the housing project, pursuant to the provisions of
31 the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1
32 et seq.);

33 (5) Issue bonds in accordance with the provisions of section 29
34 of P.L. , c. (C.) (now pending in the Legislature as this
35 bill);

36 (6) Cooperate with any other municipality, private, county,
37 State or federal entity to provide funds to the municipality or
38 other governmental entity and to homeowners, tenant
39 associations, private, non-profit or private developers to acquire,
40 construct, rehabilitate or operate publicly assisted housing, and
41 to provide rent subsidies for persons of low and moderate income,
42 including the elderly, pursuant to applicable State or federal
43 programs;

44 (7) Encourage the use of demand side subsidy programs such as
45 certificates and vouchers for low-income families and promote
46 the use of project based certificates which provide subsidies for
47 units in newly constructed and substantially rehabilitated
48 structures, and of tenant based certificates which subsidize rent
49 in existing units;

50 (8) Cooperate with any State or federal entity to secure
51 mortgage assistance for any person of low or moderate income;

52 (9) Provide technical assistance and support to non-profit
53 organizations and private developers interested in constructing
54 low and moderate income housing;

1 (10) If it owns and operates public housing units, provide to the
2 tenants public safety services, including protection against drug
3 abuse, and social services, including counseling and financial
4 management, in cooperation with other agencies;

5 (11) Provide emergency shelters, transitional housing and
6 supporting services to homeless families and individuals.

7 b. All housing projects, programs and actions undertaken
8 pursuant to this act shall accord with the housing element of the
9 master plan of the municipality within which undertaken, and
10 with any fair share housing plan filed by the municipality with the
11 Council on Affordable Housing, based upon the council's criteria
12 and guidelines, pursuant to the "Fair Housing Act," P.L.1985,
13 c.222 ²[(C.52:27D-301 et seq.)] (C.52:27D-301 et al.)², whether
14 or not the municipality has petitioned for substantive
15 certification of the plan.

16 17. (New section) a. Except as provided in subsection b. of
17 this section, the governing body of any county or municipality
18 may, by ordinance, or by resolution in the case of a county whose
19 charter does not provide for the adoption of ordinances, create a
20 body corporate and politic to be known as the "Housing Authority
21 of . . .," inserting the name of the county or municipality. The
22 authority shall constitute an agency and instrumentality of the
23 municipality or county creating it. A housing authority shall be
24 created ¹[purusant] pursuant¹ to the procedures of the "Local
25 Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et
26 seq.). The authority shall consist of seven members, of whom
27 five shall be appointed by the governing body of the county or
28 municipality, as the case may be, ¹[and two] one¹ by the mayor
29 or other chief executive officer of the municipality, or in the
30 case of a county by the director of the board of chosen
31 freeholders or by the chief executive officer of the county if the
32 county's charter provides for such an officer ¹, and one by the
33 Commissioner of Community Affairs¹. The members shall serve
34 for terms of five years and until their respective successors have
35 been appointed and qualified; except that of the five members
36 first appointed by the governing body one shall be appointed for a
37 term of one year, one for a term of two years, one for a term of
38 three years, one for a term of four years and one for a term of
39 five years. All appointments shall be subject to and made in the
40 manner required by the law under which the county or
41 municipality is governed. Vacancies shall be filled in the same
42 manner as the original appointments were made, but for the
43 unexpired term. If a vacancy is not filled by the governing body
44 or chief executive officer within 90 days of the occurrence of the
45 vacancy, the Commissioner of the Department of Community
46 Affairs shall notify the governing body or chief executive officer
47 of his intent to fill the vacancy if it is not filled in 30 days. If
48 the vacancy is not filled within that 30 day period, the
49 commissioner may appoint a member for the unexpired term.

50 ²[In any county or municipality which has heretofore created a
51 housing authority pursuant to R.S.55:14A-4, the members of the
52 authority who were appointed by the governing body and the chief
53 executive officer of the county or municipality and who are in
54 office upon the effective date of this act shall continue in office

1 until the expiration of the terms for which they are appointed and
2 qualified in accordance with the terms of this act; and the terms
3 of those members who were appointed by the Public Housing and
4 Development Authority in the Department of Community Affairs
5 shall cease and determine, and no further appointments to the
6 authority shall be made by that officer.]²

7 ³In any county or municipality which has heretofore created a
8 housing authority pursuant to R.S.55:14A-4, the members of the
9 authority who were appointed by the governing body and the chief
10 executive officer of the county or municipality and who are in
11 office upon the effective date of this act shall continue in office
12 until the expiration of the terms for which they are appointed and
13 qualified in accordance with the terms of this act.³

14 b. No municipality which has been included with its consent
15 within the area of operation of a county housing authority shall
16 thereafter create a municipal housing authority. Where there is
17 no housing authority in existence in any municipality of a county,
18 the governing body of that county may create a housing
19 authority, and thereafter no municipality within that county shall
20 create an authority without the consent of the county governing
21 body and the county housing authority.

22 c. A county may provide such publicly assisted housing
23 programs as it chooses anywhere within the county; but it may
24 provide such programs in municipalities which are within the area
25 of operation of a county or municipal housing authority only after
26 adoption of a resolution of the housing authority consenting
27 thereto.

28 d. No more than one member of a housing authority may be an
29 officer or employee of the municipality or county by which the
30 authority is created. A certificate of the appointment or
31 reappointment of any member shall be filed with the clerk of the
32 municipality or the county, as the case may be, and that
33 certificate shall be conclusive evidence of the due and proper
34 appointment of that member. A member of an authority shall
35 receive no compensation for his services, but shall be entitled to
36 reimbursement for actual expenses necessarily incurred in the
37 discharge of the duties of membership, including travel expenses.
38 The powers of the authority shall be vested in the members
39 thereof in office from time to time. Four members shall
40 constitute a quorum of the authority for the purpose of
41 conducting its business and exercising its powers and all other
42 purposes. Action may be taken by the authority upon the
43 affirmative vote of the majority, but not less than four of the
44 members present, unless in any case the bylaws of the authority
45 shall require a larger number. The authority shall select a
46 chairman and a vice-chairman from among its members, and shall
47 employ an executive director, who shall be its secretary.

48 e. No member or employee of an authority shall acquire any
49 interest, direct or indirect, in any housing project or in any
50 property included or planned to be included in such a project, nor
51 shall he have any interest, direct or indirect, in any contract or
52 proposed contract for materials and services to be furnished or
53 used in connection with any housing project. If any member or
54 employee of an authority owns or controls an interest, direct or

1 indirect, in any property included or planned to be included in a
2 housing project he shall immediately disclose the same in writing
3 to the authority and the disclosure shall be entered upon the
4 minutes of the authority. Failure ²[so]² to disclose such an
5 interest shall constitute misconduct in office. A member or
6 employee required by this subsection to make such a disclosure
7 shall not participate in any action by the authority affecting the
8 property with respect to which such disclosure is required. For
9 inefficiency or neglect of duty or misconduct in office a member
10 of an authority may be removed by the governing body or officer
11 by which he was appointed; but a member may be removed only
12 after he has been given a copy of the charges at least 10 days
13 prior to a hearing thereon and has had the opportunity to be heard
14 in person or by ¹[council] counsel¹. In the event of a removal of
15 any member of an authority a record of the proceedings, together
16 with the charges and findings thereon, shall be filed in the office
17 of the clerk of the county or municipality.

18 18. (New section) The executive director of a housing
19 authority shall have attained a degree from an accredited four
20 year college or university in a public administration, social
21 science, or other appropriate program, and shall have at least
22 five years' experience in public administration, public finance,
23 realty, or similar professional employment. A master's degree in
24 an appropriate program may substitute for two years of that
25 experience. ²The executive director holding that position at the
26 time this act becomes effective, possessing the required work
27 experience and holding certification as a Public Housing Manager
28 (PHM) from the National Association of Housing and
29 Redevelopment Officials, or equivalent certification from a
30 nationally recognized professional association in the housing and
31 redevelopment field, shall not be required to meet the
32 educational requirement, except as otherwise provided in section
33 45 of P.L. , c. (C.) (now pending before the Legislature
34 as this bill) and shall be deemed qualified for continued
35 employment as executive director of the authority in which he
36 holds that post and eligible for equivalent employment in any
37 other local public housing authority in this State.²

38 The executive director shall serve at the pleasure of the
39 members of the authority, and may be relieved of his duties only
40 after 120 days' notice. The authority may provide that the
41 executive director shall be the appointing authority for all or any
42 portion of the employees of the authority. The executive
43 director shall assign and supervise employees in the performance
44 of their duties. If the county or municipality which established
45 the housing authority has adopted the provisions of Title 11A of
46 the New Jersey Statutes, the executive director shall be in the
47 unclassified service of civil service, and all other employees shall
48 be in the classified service of civil service, except as may be
49 otherwise provided by that title. A housing authority may adopt
50 the provisions of Title 11A of the New Jersey Statutes separately
51 from the establishing county or municipality.

52 19. (New section) a. It is hereby declared to be the policy of
53 this State that each municipality, county, or housing authority
54 providing public housing pursuant to this act shall manage and

1 operate its housing projects in an efficient manner so as to enable
 2 it to fix the rentals for dwelling accommodations at the lowest
 3 possible rates consistent with providing decent, safe and sanitary
 4 dwelling accommodations; and that no municipality, county, or
 5 housing authority shall construct or operate any such project for
 6 profit or as a source of revenue to the municipality or county. To
 7 this end, a municipality, county, or housing authority shall fix the
 8 rentals for dwellings in its projects at no higher rates than it shall
 9 find to be necessary in order to project revenues which, together
 10 with all other available moneys, revenues, income and receipts of
 11 the municipality, county, or housing authority, will be sufficient
 12 to:

13 (1) pay, as the same become due, the principal of and interest
 14 upon the bonds of the authority or the bonds of the municipality
 15 or county issued pursuant to section 29 or section 37 of P.L. ,
 16 c. (C. ,) (now pending in the Legislature as this bill);

17 (2) meet the cost of, and provide for, maintaining and
 18 operating the projects, including the cost of any insurance, and
 19 the administrative expenses of the municipality, county or
 20 housing authority; and

21 (3) create during not less than six years immediately
 22 succeeding its issuance of any bonds, and thereafter maintain, a
 23 reserve sufficient to meet the largest principal and interest
 24 payments which will be due on those bonds in any one year
 25 thereafter.

26 b. In the operation or management of housing projects a
 27 municipality, county or housing authority shall at all times
 28 observe the following duties with respect to rentals and tenant
 29 selection:

30 (1) It may rent or lease the dwelling accommodations therein
 31 only to persons of low and moderate income and at rentals within
 32 the financial reach of such persons.

33 (2) It may rent or lease to a tenant dwelling accommodations
 34 consisting of a ¹[number of] a room or ¹rooms¹, but no greater
 35 number, which it deems of such size, location and dimensions as¹
 36 necessary to provide safe and sanitary accommodations to the
 37 proposed occupants thereof, without overcrowding¹, in
 38 accordance with the standards for use and occupancy of space as
 39 set forth in the State Housing Code adopted pursuant to P.L.1971,
 40 c.224 (C.2A:42-86 et seq.)¹.

41 (3) It shall adopt income standards for selecting tenants which
 42 are consistent with applicable State or federal law.

43 c. Notwithstanding any provisions of this section, a
 44 municipality, county or housing authority may agree to conditions
 45 as to tenant eligibility or preference required by the federal
 46 government ¹or State government¹ pursuant to ¹applicable¹
 47 federal ¹or State¹ law in any contract with the municipality,
 48 county, or housing authority for financial assistance.

49 20. (New section) The municipality, county or housing
 50 authority shall establish rules and regulations concerning
 51 admissions to any housing project which shall provide priority
 52 categories for persons displaced or caused to be displaced by
 53 public action or by redevelopment projects, highway programs or
 54 other public works; persons living in ¹[substandard]¹ housing

1 ¹found to be "substandard" within the meaning of P.L.1966, c.168
2 (C.2A:42-74 et seq.) or P.L.1971, c.224 (C.2A:42-85 et seq.), or
3 otherwise violative of minimum health and safety standards¹;
4 persons and families who, by reason of family income, family size
5 or disabilities have special needs; ¹and¹ elderly persons¹; and
6 families living under conditions violative of minimum health and
7 safety standards¹.

8 21. (New section) A municipality may authorize its municipal
9 housing authority to act as a redevelopment entity under this
10 act. An authorization made after the effective date of this act
11 shall be subject to prior review and approval pursuant to the
12 "Local Authorities Fiscal Control Law," P.L.1983, c.313
13 (C.40A:5A-1 et seq.). In a municipality where a municipal
14 housing authority has been authorized pursuant to section 4 of
15 P.L.1949, c.300 (C.55:14A-34), repealed by this act, to function
16 as a redevelopment agency, that housing authority shall, upon
17 taking effect of this act, continue to exercise those functions,
18 but shall exercise all powers, duties and functions relative to
19 redevelopment projects in the manner provided for a
20 redevelopment entity under this act. When acting in its capacity
21 as a municipal redevelopment entity, a municipal housing
22 authority shall, in acquiring property and undertaking and
23 financing redevelopment projects, act as an instrumentality of
24 the municipal government as provided for in this act.

25 22. (New section) A municipality, county, redevelopment
26 agency, or housing authority is authorized to exercise all those
27 public and essential governmental functions necessary or
28 convenient to effectuate the purposes of this act, including the
29 following powers which shall be in addition to those otherwise
30 granted by this act or by other law:

31 a. To sue and be sued; to have a seal and to alter the same at
32 pleasure; to have perpetual succession; to make ¹[an] ¹and¹
33 execute ¹[contacts] ¹contracts¹ and ¹[others] ¹other¹ instruments
34 necessary and convenient to the ¹[exercise] ¹exercise¹ of the
35 powers of the agency or authority; and to make and from time to
36 time amend and repeal bylaws, rules and regulations, not
37 inconsistent with this act, to carry into effect its powers and
38 purposes.

39 b. Pursuant to an adopted cash management plan, invest any
40 funds held in reserve or sinking funds, or any funds not required
41 for immediate disbursement, in property or securities in which
42 governmental units may legally invest funds subject to their
43 control; to purchase its bonds at a price not more than the
44 principal amount thereof and accrued interest, all bonds so
45 purchased to be cancelled.

46 c. Borrow money and receive grants and loans from any source
47 for the financing of a redevelopment project or housing project.

48 d. Invest in an obligee the right in the event of a default by
49 the agency to foreclose and take possession of the project
50 covered by the mortgage or apply for the appointment of ¹[an] ¹a¹
51 receiver.

52 e. Invest in a trustee or trustees or holders of bonds the right
53 to enforce the payment of the bonds or any covenant securing or
54 relating to the bonds, which may include the right, in the event of

1 the default, to take possession and use, operate and manage any
2 project or part thereof, and to collect the rents and revenues
3 arising therefrom and to dispose of the moneys in accordance
4 with the agreement of the authority with the trustee.

5 f. Provide for the refunding of any of its bonds, by the
6 issuance of such obligations, in such manner and form, and upon
7 such terms and conditions, as it shall deem in the best interests
8 of the public.

9 g. Consent to the modification of any contract, bond
10 indenture, mortgage or other instrument entered into by it.

11 h. Pay or compromise any claim arising on, or because of any
12 agreement, bond indenture, mortgage or instrument.

13 i. Acquire or contract to acquire from any person, firm, or
14 corporation, public or private, by contribution, gift, grant,
15 bequest, devise, purchase, or otherwise, real or personal property
16 or any interest therein, including such property as it may deem
17 necessary or proper, although temporarily not required for such
18 purposes, in a redevelopment area or in any area designated by
19 the governing body as necessary for carrying out the relocation of
20 the residents, industry and commerce displaced from a
21 redevelopment area.

22 j. Subordinate, waive, sell, assign or release any right, title,
23 claim, lien or demand however acquired, including any equity or
24 right of redemption, foreclosure, sell or assign any mortgage held
25 by it, or any interest in real or personal property; and purchase at
26 any sale, upon such terms and at such prices as it determines to
27 be reasonable, and to take title to the property, real, personal, or
28 mixed, so acquired and similarly to sell, exchange, assign, convey
29 or otherwise dispose of any property.

30 k. Complete, administer, operate, obtain and pay for insurance
31 on, and maintain, renovate, repair, modernize, lease or otherwise
32 deal with any property.

33 l. Employ or retain consulting and other attorneys, planners,
34 engineers, architects, managers and financial experts and other
35 employees and agents of a permanent or temporary nature as may
36 be necessary, determine their qualifications, duties and
37 compensation, and delegate to one or more of its agents or
38 employees such powers and duties as it deems proper. For such
39 legal services as may be required, a redevelopment agency or
40 housing authority may call upon the chief law officers of the
41 municipality or county, as the case may be, or may employ its
42 own counsel and legal staff.

43 m. Arrange or contract with a public agency, to the extent
44 that it is within the scope of that agency's functions, to cause
45 the services customarily provided by such other agency to be
46 rendered for the benefit of the occupants of any redevelopment
47 area or housing project, and have such other agency provide and
48 maintain parks, recreation centers, schools, sewerage,
49 transportation, water and other municipal facilities adjacent to
50 or in connection with a redevelopment area or project.

51 n. Conduct examinations and investigations, hear testimony
52 and take proof, under oath at public or private hearings of any
53 material matter, compel witnesses and the production of books
54 and papers and issue commissions for the examination of

1 witnesses who are out of State, unable to attend, or excused from
2 attendance; authorize a committee designated by it consisting of
3 one or more members, or counsel, or any officer or employee to
4 conduct the examination or investigation, in which case it may
5 authorize in its name the committee, counsel, officer or
6 employee to administer oaths, take affidavits and issue subpoenas
7 or commissions.

8 o. Make and enter into all contracts and agreements necessary
9 or incidental to the performance of the duties authorized in this
10 act.

11 23. (New section) Each redevelopment agency and housing
12 authority shall be subject to the provisions of the "Local
13 Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1
14 et seq.), and, except as specifically provided in this act, to the
15 provisions of the "Local Public Contracts Law," P.L.1971, c.198
16 (C.40A:11-1 et seq.).

17 24. (New section) A municipality or county may dissolve its
18 redevelopment agency or housing authority by ordinance, or by
19 resolution in the case of a county whose charter does not provide
20 for the adoption of ordinances, and transfer all the agency's or
21 authority's assets, liabilities and responsibilities to itself in
22 accordance with the provisions of section 20 of the "Local
23 Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-20).

24 25. (New section) All expenditures by a redevelopment agency
25 or housing authority, including its debt payments, shall be
26 consistent with its annual budget, which shall be transmitted to
27 the governing body and chief executive officer of the
28 municipality or county which created the redevelopment agency
29 or housing authority.

30 26. (New section) Each redevelopment entity shall:

31 a. As part of its annual budget, submit to the municipality an
32 estimate of all income and expenses for each redevelopment
33 project, which shall include all its indebtedness including
34 payments necessary to meet interest and principal payments on
35 bonds issued pursuant to this act.

36 b. File with the municipality a detailed report of all its
37 transactions, including a statement of all revenues and
38 expenditures, without exception, at monthly, quarterly, or annual
39 intervals as the municipality may prescribe.

40 27. (New section) a. The governing body of any municipality
41 which has established a redevelopment entity may order the
42 redevelopment agency, or any officer or employee thereof, to do
43 such acts as may be necessary to comply with the provisions of
44 any redevelopment plan approved by the governing body or to
45 refrain from doing any acts in violation thereof, and may require
46 the redevelopment entity to file, at such time and in such manner
47 as the governing body may prescribe, reports and answers to
48 specific questions concerning projects.

49 b. The governing body of any county or municipality which has
50 established a housing authority may require the authority to file,
51 at such time and in such manner as the governing body may
52 prescribe, reports and answers to specific questions concerning
53 projects.

54 c. Nothing in this section shall limit the executive powers of

1 the mayor regarding municipal agencies in municipalities
2 governed by a mayor-council plan of government under the
3 "Optional Municipal Charter Law," P.L.1950, c.210 (C.40:69A-1
4 et seq.), or of the county executive in counties governed by a
5 county executive form of government under the "Optional County
6 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.).

7 28. (New section) No ordinance, amendment or revision of a
8 ordinance, or resolution under this act shall be submitted to or
9 adopted by initiative or referendum, notwithstanding any other
10 law to the contrary.

11 29. (New section) a. Bonds and notes issued by a
12 redevelopment agency or housing authority pursuant to this act
13 shall be authorized by resolution of the housing authority or
14 redevelopment agency and may be issued in one or more series
15 and shall be sold in any one of the following manners: (1) at public
16 sale at not less than par after advertisement in a newspaper of
17 general circulation in the municipality or county and in a
18 financial paper published in the city of Philadelphia,
19 Pennsylvania, or the city of New York, New York, one week prior
20 to the sale; (2) at private sale without advertisement at not less
21 than par to a municipality, county, the State or federal
22 government; (3) at public sale to any willing buyer at less than
23 par and at private sale to any willing buyer without
24 advertisement at par or less than par, upon application to and
25 prior approval of the Local Finance Board in the Department of
26 Community Affairs.

27 b. Bonds issued pursuant to this act by a county or
28 municipality shall be authorized by ordinance adopted in the
29 manner prescribed by the "Local Bond Law," N.J.S.40A:2-1
30 et seq. except as provided in section 32 of P.L. , c. (C.)
31 (now pending in the Legislature as this bill).

32 c. Bonds issued to finance redevelopment projects may be
33 secured by the assets and revenues of such projects. A
34 municipality or redevelopment entity financing redevelopment
35 projects through the issuance of bonds may pledge the property
36 and revenues of those projects, or any of them, for repayment of
37 those bonds, and shall pay such rate of interest thereon as the
38 municipal governing body may deem for the best interest of the
39 municipality.

40 d. Bonds issued to finance housing projects may be secured by
41 the assets and revenues of those housing projects or by
42 contractual agreements with the Federal government. A
43 municipality, county, or housing authority financing housing
44 projects through the issuance of bonds may pledge the property
45 and revenues of those projects, or any of them, for the repayment
46 of those bonds, and shall pay such rate of interest thereon as the
47 county or municipal governing body, as the case may be, may
48 deem for the best interest of the county or municipality.

49 e. Whenever a municipality or county shall, pursuant to this
50 act, issue notes for a period not exceeding five years, the
51 municipality or county may sell the notes at private sale without
52 advertisement at not less than par.

53 30. (New section) a. A redevelopment agency or housing
54 authority shall have the power and is hereby authorized to issue,

1 from time to time, its bonds, bond anticipation notes and other
2 notes and obligations in such principal amounts as in its opinion
3 shall be necessary to provide sufficient funds for achieving any of
4 its corporate purposes, including, but not limited to: the making
5 of mortgage loans, the payment, funding or refunding of the
6 principal of, or interest or redemption premiums on, any bonds,
7 bond anticipation notes and other notes and obligations issued by
8 it whether or not such have become due; the establishment or
9 increase of reserves to secure or to pay such bonds, bond
10 anticipation notes and other notes and obligations or interest
11 thereon; and all costs or expenses incident to and necessary or
12 convenient to carry out its corporate purposes and powers.

13 b. A redevelopment agency or housing authority may issue
14 such bonds, bond anticipation notes or other notes or obligations
15 as it may determine, including bonds, bond anticipation notes or
16 other notes or obligations as to which the principal and interest
17 are payable: (1) exclusively from the income and revenues of the
18 redevelopment agency or housing authority resulting from
19 projects financed with the proceeds of such bonds, bond
20 anticipation notes or other notes or obligations; (2) exclusively
21 from the income and revenues of the redevelopment agency or
22 housing authority resulting from certain projects, whether or not
23 such projects were financed in whole or in part from the proceeds
24 of such bonds, bond anticipation notes or other notes or
25 obligations; or, (3) from its revenues generally. Any bonds, bond
26 anticipation notes or other notes or obligations may be
27 additionally secured by a pledge of any grant, subsidy or
28 contribution from the United States of America or an agency or
29 instrumentality thereof or the State or any agency,
30 instrumentality or political subdivision thereof, or any person,
31 firm or corporation or a pledge of any income or revenues, funds
32 or moneys of the redevelopment agency or housing authority from
33 any source whatsoever.

34 c. Whether or not the bonds, bond anticipation notes and other
35 notes and obligations issued pursuant to this act are of such form
36 and character as to be negotiable instruments under the terms of
37 Title 12A, Commercial Transactions, New Jersey Statutes, such
38 bonds, bond anticipation notes and other notes and obligations and
39 any coupon thereof are hereby made negotiable instruments
40 within the meaning of and for all the purposes of Title 12A,
41 subject only to the provisions of the bonds and notes for
42 registration.

43 d. Bonds, bond anticipation notes and other notes and
44 obligations of a redevelopment agency or housing authority issued
45 under the provisions of this act shall not be in any way a debt or
46 liability of the State or of any political subdivision thereof other
47 than the redevelopment agency or housing authority and shall not
48 create or constitute any indebtedness, liability or obligation of
49 the State or of any political subdivision, nor be or constitute a
50 pledge of the faith and credit of the State or of any political
51 subdivision; but all such bonds, bond anticipation notes and other
52 notes and obligations, unless funded or refunded by bonds, bond
53 anticipation notes or other notes or obligations of the
54 redevelopment agency or housing authority shall be payable from

1 revenues or funds pledged or available for their payment as
2 authorized in this act. Each bond, bond anticipation note or other
3 note or obligation shall contain on its face a statement to the
4 effect that the redevelopment agency or housing authority is
5 obligated to pay the principal thereof or the interest thereon only
6 from the revenues or funds of the redevelopment agency or
7 housing authority, and that neither the State nor any political
8 subdivision thereof is obligated to pay such principal or interest,
9 and that neither the faith and credit nor the taxing power of the
10 State or any political subdivision thereof is pledged to the
11 payment of the principal of or the interest on such bonds, bond
12 anticipation notes or other notes or obligations.

13 e. All expenses incurred in carrying out the provisions of this
14 act shall be payable solely from revenues or funds provided or to
15 be provided under the provisions of this act, and nothing in this
16 act shall be construed to authorize a redevelopment agency or
17 housing authority to incur indebtedness or liability on behalf of or
18 payable by this State or any political subdivision thereof.

19 31. (New section) Any bond resolution of a redevelopment
20 agency or housing authority providing for or authorizing the
21 issuance of any bonds may contain provisions, and such authority,
22 in order to secure the payment of such bonds and in addition to
23 its other powers, shall have power by provision in such bond
24 resolution to covenant and agree with the several holders of such
25 bonds, as to:

26 a. The custody, security, use, expenditure or application of the
27 proceeds of the bonds;

28 b. The construction and completion, or replacement, of any
29 project;

30 c. The use, regulation, operation, maintenance, insurance or
31 disposition of any project, or restrictions on the exercise of the
32 powers of the authority to dispose, or to limit or regulate the use,
33 of any project;

34 d. Payment of the principal of or interest on the bonds, or any
35 other obligations, and the sources and methods thereof, the rank
36 or priority of bonds or obligations as to any lien or security, or
37 the acceleration of the maturity of bonds or obligations;

38 e. The use and disposition of any moneys of the redevelopment
39 agency or housing authority, including project revenues;

40 f. Pledging, setting aside, depositing or trusteeing all or any
41 part of the revenues or other moneys of the redevelopment
42 agency or housing authority to secure the payment of the
43 principal of or interest on the bonds or any other obligations or
44 the payment of expenses of operation or maintenance of any
45 project, and the powers and duties of any trustee with regard
46 thereto;

47 g. The setting aside out of the project revenues or other
48 moneys of the redevelopment agency or housing authority of
49 reserves and sinking funds, and the source, custody, security,
50 regulation, application and disposition thereof;

51 h. Determination or definition of the project revenues or of
52 the expenses of operation and maintenance of a project;

53 i. The rents, rates, fees, or other charges in connection with,
54 or for the use of services of, or otherwise relating to any project,

1 including any parts thereof theretofore constructed or acquired
2 and any parts, extensions, replacements or improvements thereof
3 thereafter constructed or acquired, and the fixing, establishment,
4 collection and enforcement of the same, the amount or amounts
5 of project revenues to be produced thereby, and the disposition
6 and application of the amounts charged or collected;

7 j. The assumption or payment or discharge of any
8 indebtedness, liens or other claims relating to any part of any
9 project or any obligations having or which may have a lien on any
10 part of the project revenues:

11 k. Limitations on the issuance of additional bonds or any other
12 obligations or on the incurrence of indebtedness of the
13 redevelopment agency or housing authority;

14 l. Limitations on the powers of the redevelopment agency or
15 housing authority to construct, acquire or operate any structures,
16 facilities or properties which may compete or tend to compete
17 with any of its projects;

18 m. Vesting in a trustee or trustees within or without the State
19 such property, rights, powers and duties in trust as the
20 redevelopment agency or housing authority may determine which
21 may include any or all of the rights, powers and duties of the
22 trustee appointed by the holders of bonds pursuant to this act,
23 and limiting or abrogating the right of such holders to appoint a
24 trustee pursuant to this act or limiting the rights, duties and
25 powers of such trustee;

26 n. Payment of the costs or expenses incident to the
27 enforcement of the bonds or of the provisions of the bond
28 resolution or of any covenant or agreement of the redevelopment
29 agency or housing authority with the holders of bonds;

30 o. The procedure, if any, by which the terms of any covenant
31 or agreement with, or duty to, the holders of bonds may be
32 amended or abrogated, the amount of bonds the holders of which
33 must consent thereto, and the manner in which such consent may
34 be given or evidenced; or

35 p. Any other matter or course of conduct which, by recital in
36 the bond resolution, is declared to further secure the payment of
37 the principal of or interest on bonds and to be part of any
38 covenant or agreement with the holders of bonds.

39 All provisions of the bond resolution and all covenants and
40 agreements shall constitute valid and legally binding contracts
41 between the redevelopment agency or housing authority and the
42 several holders of the bonds, regardless of the time of issuance of
43 such bonds, and shall be enforceable by any such holder or holders
44 by appropriate action or proceeding in any court of competent
45 jurisdiction, including a proceeding in lieu of prerogative writ.

46 32. (New section) a. If the bond resolution of a
47 redevelopment agency or housing authority authorizing or
48 providing for the issuance of a series of its bonds shall provide in
49 substance that the holders of the bonds of such series shall be
50 entitled to the benefits of this section, then if there shall be a
51 default in the payment of principal of or interest on any bonds of
52 such series after the same shall become due, whether at maturity
53 or upon call for redemption, and default shall continue for a
54 period of 30 days, or if the redevelopment agency or housing

1 authority shall fail or refuse to comply with any of the provisions
2 of this act, or shall fail or refuse to carry out and perform the
3 terms of any contract with the holders of the bonds, and failure
4 or refusal shall continue for a period of 30 days after written
5 notice to the redevelopment agency or housing authority of its
6 existence and nature, the holders of 25% in aggregate principal
7 amount of the bonds of such series then outstanding by
8 instrument or instruments filed in the office of the Secretary of
9 State and proved or acknowledged in the same manner as a deed
10 to be recorded, may appoint a trustee to represent the holders of
11 the bonds of such series for the purposes provided in this section.

12 b. The trustee may, and upon written request of the holders of
13 25% in aggregate principal amount of the bonds of such series
14 then outstanding shall, in his or its own name:

15 (1) By any action or proceeding, enforce all rights of the
16 holders of such bonds, including the right to require the
17 redevelopment agency or housing authority to charge and collect
18 charges adequate to carry out any contract as to, or pledge of,
19 project revenues, and to require the authority to carry out and
20 perform the terms of any contract with the holders of such bonds
21 or its duties under this act;

22 (2) Bring an action upon all or any part of such bonds or
23 interest coupons or claims appurtenant thereto;

24 (3) By action, require the redevelopment agency or housing
25 authority to account as if it were the trustee of an express trust
26 for the holders of such bonds;

27 (4) By action, enjoin any acts or things which may be unlawful
28 or in violation of the rights of the holders of such bonds; or

29 (5) Declare all such bonds due and payable, whether or not in
30 advance of maturity, upon 30 days' prior notice in writing to the
31 redevelopment agency or housing authority and, if all defaults
32 shall be made good, then with the consent of the holders of 25%
33 of the principal amount of such bonds then outstanding, annul
34 such declaration and its consequences.

35 c. The trustee shall, in addition to the foregoing, possess all of
36 the powers necessary for the exercise of the functions
37 specifically set forth herein or incident to the general
38 representation of the holders of bonds of such series in the
39 enforcement and protection of their rights.

40 d. In any action or proceeding by the trustee, reasonable fees,
41 counsel fees and expenses of the trustee and of the receiver, if
42 any, appointed pursuant to this act, shall, if allowed by the court,
43 constitute taxable costs and disbursements, and all costs and
44 disbursements, allowed by the court, shall be a first charge upon
45 any charges and revenues of the redevelopment agency or housing
46 authority pledged for the payment or security of bonds of such
47 series.

48 33. (New section) If the bond resolution of a redevelopment
49 agency or housing authority authorizing or providing for the
50 issuance of a series of its bonds shall provide in substance that
51 the holders of the bonds of such series shall be entitled to the
52 benefits of section 32 of P.L. , (C.) (now pending in the
53 Legislature as this bill) and shall further provide in substance that
54 a trustee appointed pursuant to that section or having the powers

1 of such a trustee shall have the powers provided by this section,
2 then the trustee, whether or not all of the bonds of such series
3 shall have been declared due and payable, shall be entitled to the
4 appointment of a receiver of the project or projects of the
5 redevelopment agency or housing authority, and such receiver
6 may enter upon and take possession of the project or projects
7 and, subject to any pledge or contract with the holders of bonds
8 of the redevelopment agency or housing authority, shall take
9 possession of all moneys and other property derived from or
10 applicable to the acquisition, construction, operation,
11 maintenance or reconstruction of the project or projects and
12 proceed in a commercially feasible manner with such acquisition,
13 construction, operation, maintenance or reconstruction which the
14 redevelopment agency or housing authority is under any
15 obligation to do, and operate, maintain and reconstruct the
16 project or projects and fix, charge, collect, enforce and receive
17 the charges and all revenues thereafter arising subject to any
18 pledge thereof or contract with the holders of bonds relating
19 thereto and perform the public duties and carry out the contracts
20 and obligations of the redevelopment agency or housing authority
21 in the same manner as the agency or authority itself might do and
22 under the direction of the court.

23 34. (New section) All property of a redevelopment agency or
24 housing authority shall be exempt from levy and sale by virtue of
25 an execution, and no execution or other judicial process shall
26 issue against the same, nor shall any judgment against a
27 redevelopment agency or housing authority be a charge or lien
28 upon its property; provided, that nothing herein contained shall
29 apply to or limit the rights of the holder of any bonds to pursue
30 any available remedy for the enforcement of any pledge or lien
31 given by a redevelopment agency or housing authority.

32 35. (New section) Notwithstanding any restriction contained
33 in any other law, the State and all public officers, municipalities,
34 counties, political subdivisions and public bodies, and agencies
35 thereof, all banks, trust companies, savings banks and
36 institutions, building and loan associations, savings and loan
37 associations, investment companies, and other persons carrying
38 on a banking business, all insurance companies, insurance
39 associations and other persons carrying on an insurance business
40 and all executors, administrators, guardians, trustees and other
41 fiduciaries, may legally invest any sinking funds, money or other
42 funds belonging to them or within their control in any bonds
43 issued pursuant to this act and such bonds shall be authorized
44 security for any and all public deposits.

45 36. (New section) All projects and all other properties of a
46 redevelopment agency or housing authority are hereby declared
47 to be public property of a political subdivision of the State and
48 devoted to an essential public and governmental function and
49 purpose and shall be exempt from all taxes and special
50 assessments of the State or any subdivision thereof. All bonds
51 issued pursuant to this act are declared to be issued by a political
52 subdivision of this State and for an essential public and
53 governmental purpose and to be a public instrumentality and such
54 bonds, and the interest thereon and the income therefrom, and all

1 charges, funds, revenues and other moneys pledged or available to
2 pay or secure the payment of such bonds, or interest thereon,
3 shall at all times be exempt from taxation except for transfer,
4 inheritance and estate taxes and taxes on transfers by or in
5 contemplation of death.

6 37. (New section) a. Any municipality or county may incur
7 indebtedness, borrow, appropriate and expend money and issue its
8 negotiable bonds or other obligations for the purpose of aiding
9 any housing authority with respect to any housing project which is
10 located within its jurisdiction and as to which the State or federal
11 government shall have contracted to furnish financial assistance.

12 b. Any municipality or county may incur indebtedness,
13 borrow, appropriate and expend money and issue its negotiable
14 bonds or other obligations for the purpose of aiding any
15 redevelopment entity with respect to any redevelopment project
16 which is located within its jurisdiction.

17 c. The bonds or other obligations of any municipality or county
18 issued pursuant to this section shall be authorized by ordinance
19 adopted pursuant to the "Local Bond Law," N.J.S.40A:2-1 et seq.,
20 except that: (1) the ordinance may be adopted notwithstanding
21 the provisions of N.J.S.40A:2-6 and, subject to the provision of
22 paragraph e. of this section, bonds or other obligations may be
23 authorized and issued notwithstanding any debt or other limit
24 prescribed by that law; (2) the ordinance may be adopted
25 notwithstanding the provisions of N.J.S.40A:2-11 and no down
26 payment will be required; (3) the bonds or other obligations shall
27 mature in annual installments commencing not more than two and
28 ending not more than 40 years from the date of issuance; and (4)
29 the ordinance need set forth only a brief and general description
30 of the location and designation of the housing or redevelopment
31 project with respect to which the bonds or other obligations are
32 authorized, the amount of the appropriation made thereby, the
33 maximum amount of bonds or other obligations to be issued
34 pursuant thereto, and the rate or maximum rate of interest the
35 bonds or obligations shall bear. The bonds or other obligations
36 may be subject to redemption prior to maturity, with or without
37 premium, at such times and on such terms and conditions as may
38 be provided by resolution of the governing body adopted prior to
39 their issuance, and all matters relating to the bonds or obligations
40 and those matters required to be stated in the ordinance may be
41 performed or determined by resolution or resolutions of the
42 governing body adopted prior to their issuance.

43 d. Any bonds or other obligations, issued or authorized
44 pursuant to paragraph b. of this section by a municipality or
45 county for the purpose of providing cash to meet cash
46 grant-in-aid requirements of a redevelopment entity or of a
47 municipality exercising directly the powers conferred by this act
48 with respect to a redevelopment project located within that
49 municipality, and as to which the Federal government shall have
50 contracted to furnish financial assistance, shall be deductible
51 from the gross debt of the municipality or county on any debt
52 statement filed in accordance with the "Local Bond Law."
53 (N.J.S.40A:2-1 et seq.). Any bonds or other obligations issued or
54 authorized pursuant to paragraph b. of this section by any

1 municipality for the purpose of providing funds to enable any
2 housing authority, redevelopment entity or municipality
3 exercising directly the powers conferred by this act to extend
4 credit or make loans to redevelopers pursuant to section 8 of
5 P.L. , c. (C.) (now pending in the Legislature as this
6 bill) shall be deductible from the gross debt of the municipality
7 for a period from the date of adoption of the ordinance until
8 1 year after the completion of construction or rehabilitation of
9 the project or until the end of the fifth fiscal year commencing
10 subsequent to the date of adoption of the ordinance, whichever
11 period is shorter. The municipality shall file with the Local
12 Finance Board a certified copy of the ordinance as introduced,
13 and a request that the board determine by resolution on the basis
14 of a project report whether the project will generate revenues
15 annually for the municipality from rental payments, loan
16 repayments, real property taxes, including payments in lieu of
17 taxes, income from the investment or proceeds of obligations
18 authorized by the ordinance and other sources, direct or indirect,
19 including like revenues generated from related projects, that the
20 Local Finance Board finds justifiable in its discretion, in an
21 amount equal to or exceeding the annual debt service
22 requirement for the obligations for that fiscal year, or in the
23 subsequent fiscal year if the municipality is not required to make
24 payments of principal of or interest on obligations issued for that
25 purpose in a particular fiscal year. If the board determines
26 affirmatively, it shall endorse its approval on the certified copy
27 of the ordinance. If, within 60 days of the request and filing, the
28 board determines negatively as to the matters described above, it
29 shall disapprove the ordinance, endorse that disapproval on the
30 certified copy and deliver to the municipality a statement of its
31 reasons therefor.

32 e. If it appears from the supplemental debt statement filed
33 pursuant to N.J.S.40A:2-10 with respect to an ordinance adopted
34 pursuant to this act, which relates to a housing project, or a
35 redevelopment project the bonds or other obligations for which
36 are not deductible from the gross debt pursuant to subsection d.
37 of this section, that the percentage of net debt as stated there in
38 exceeds the limit prescribed by N.J.S.40A:2-8, the ordinance
39 shall not take effect unless there shall be endorsed upon a
40 certified copy thereof, as adopted, the approval of the Local
41 Finance Board of the Division of Local Government Services in
42 the Department of Community Affairs. A certified copy of that
43 ordinance shall, upon introduction, be filed with the Local
44 Finance Board together with such statements and information
45 with respect thereto and regarding the financial condition of the
46 municipality as the board may prescribe. The board shall cause
47 its approval to be endorsed upon the certified copy if it shall be
48 satisfied, and shall record upon its minutes its estimates that: (1)
49 the amounts to be expended by the municipality or county for
50 such project are not unreasonable or exorbitant; (2) issuance of
51 the bonds or obligations will not materially impair the credit of
52 the municipality or county or substantially reduce its ability
53 during the ensuing 10 years to pay punctually the principal and
54 interest of its debts and supply essential public improvements and

1 services; and, (3) taking into consideration trends in population
2 and in values and uses of the property and in needs for essential
3 public improvements, the percentage of net debt of the
4 municipality or county, computed as provided in the "Local Bond
5 Law," N.J.S.40A:2-1 et seq., will at some date within 10 years be
6 either less than the debt limit prescribed by that law or less than
7 the percentage appearing from the supplemental debt statement.
8 If the Local Finance Board within 60 days after the filing of the
9 certified copy shall not be satisfied as to the matters described
10 above, it shall disapprove the ordinance, endorse that disapproval
11 on the certified copy and deliver to the municipality or county a
12 statement of its reasons therefor.

13 f. Any municipality or county may issue its negotiable notes,
14 at public or private sale, in anticipation of the issuance of bonds
15 authorized by it pursuant to this section after the ordinance has
16 taken effect and may, from time to time, renew those notes in
17 accordance with the provisions of the "Local Bond Law,"
18 N.J.S.40:2-1 et seq.

19 g. All bonds and notes issued pursuant to this section shall be
20 direct obligations of the municipality or county issuing them and,
21 unless payment is otherwise made or provided for, a tax
22 sufficient in an amount to pay the principal and interest on such
23 bonds and notes shall be levied and collected by the municipality
24 or county in the year in which the same shall become due and
25 payable. The bonds and notes may contain a recital that they are
26 issued pursuant to this act in the manner or mode of procedure
27 prescribed by law, and those recitals shall be conclusive evidence
28 of their validity and of the regularity of their issuance.

29 h. The powers conferred by this section shall be in addition to
30 the powers conferred by any other law, and bonds or other
31 obligations may be issued hereunder for the purposes herein
32 provided, notwithstanding that other law may provide for the
33 issuance of bonds or obligations for like purposes.

34 i. The Local Finance Board shall, by regulation, provide for the
35 budgetary treatment of moneys borrowed by a county or
36 municipality on behalf of a redevelopment entity or housing
37 authority, stating those provisions of chapter 4 of Title 40A of
38 the New Jersey Statutes which are or are not to apply.

39 38. (New section) Any municipality or county may cooperate
40 with any other public body, as authorized in the "Interlocal
41 Services Act," P.L.1973, c.208 (C.40:8A-1 et seq.), in the
42 planning, undertaking and carrying out of redevelopment or
43 housing projects.

44 39. (New section) For the purpose of aiding and co-operating
45 in the planning, undertaking, construction or operation of housing
46 or redevelopment projects located within the area in which it is
47 authorized to act, any public body may, upon such terms, with or
48 without consideration, as it may determine:

49 a. Dedicate, sell, convey or lease any of its property to a
50 municipality or county, housing authority, redevelopment entity
51 or the federal government;

52 b. Cause parks, playgrounds, recreational, community,
53 educational, water, sewer or drainage facilities, or any other
54 works which it is otherwise empowered to undertake, to be

1 furnished adjacent to or in connection with housing or
2 redevelopment projects;

3 c. Furnish, dedicate, close, pave, install, grade, plan or replan
4 streets, roads, roadways, alleys, sidewalks, or other places which
5 it is otherwise empowered to undertake;

6 d. Plan or replan, zone or rezone any land within the
7 jurisdiction of that public body, make exceptions from
8 development regulations and ordinances, and change its map;

9 e. Enter into agreements, which may extend over any period,
10 notwithstanding any provision or rule of law to the contrary, with
11 a housing authority or redevelopment entity or the federal
12 government respecting action to be taken by such public body
13 pursuant to any of the powers granted by this act. If at any time
14 title to, or possession of, any project is held by any public body or
15 governmental agency authorized by law to engage in the
16 development or administration of public housing or
17 redevelopment projects, including the federal government, the
18 provisions of the agreements shall inure to the benefit of and may
19 be enforced by that public body or governmental agency;

20 f. Do any and all things necessary or convenient to aid and
21 co-operate in the planning, undertaking, construction or
22 operation of housing or redevelopment projects;

23 g. Cause services to be furnished to a housing authority or
24 redevelopment entity of the character which the public body is
25 otherwise empowered to furnish;

26 h. Enter into agreements with a housing authority or
27 redevelopment entity respecting the exercise by such public body
28 of its powers, relating to the repair, elimination or closing of
29 unsafe, insanitary, or unfit dwellings;

30 i. Purchase or legally invest in any of the bonds of a housing
31 authority or redevelopment entity and exercise all of the rights
32 of any holder of such bonds;

33 j. Incur the entire expense of any public improvements made
34 by the public body in exercising the powers herein granted.

35 k. Grant, sell, convey or lease any of its property, including
36 real property already devoted to a public use, whether held in a
37 proprietary or governmental capacity, to a housing authority or
38 redevelopment entity; provided, that the public body making the
39 grant or lease determines that the premises are no longer
40 required for the public purposes to which the property is devoted,
41 and that it is in the public interest so to grant, sell, convey, or
42 lease the property.

43 Notwithstanding any other law to the contrary, any grant, sale,
44 conveyance, lease or agreement provided for in this section may
45 be made by a public body without appraisal, public notice,
46 advertisement or bidding.

47 40. (New section) In connection with any housing project
48 located wholly or partly within the area in which it is authorized
49 to act, a public body may agree with a housing authority,
50 redevelopment agency, redevelopment entity or the federal
51 government that a certain sum, in no event to exceed the amount
52 equal to 10% of the amount received ²by² that authority, agency,
53 entity or government in the form of shelter rents, or that no sum,
54 shall be paid by that authority, agency, entity or government in

1 lieu of taxes for any year or period of years.

2 41. (New section) Any municipality or county located in whole
3 or in part within the area of operation of a housing authority or a
4 redevelopment entity shall have the power from time to time to
5 lend or donate money or make capital grants or periodic subsidies
6 to the authority or entity, or to agree to take such action. The
7 housing authority or redevelopment entity, when it has the money
8 available therefor, shall make reimbursements for all loans made
9 to it.

10 42. (New section) A municipality or county may create an
11 advisory council to advise it regarding housing or redevelopment
12 matters.

13 43. (New section) Any municipality, county, redevelopment
14 entity or housing authority utilizing the powers authorized herein
15 shall submit an annual report to the Commissioner of Community
16 Affairs indicating the name, location and size of all projects
17 under its management.

18 44. (New section) The Commissioner of Community Affairs
19 shall be the chief advocate of the State in working with the
20 federal Department of Housing and Urban Development to
21 promote the redevelopment and housing purposes of this act.

22 The Commissioner of Community Affairs is authorized to hold
23 an annual Redevelopment and Housing Congress to review current
24 developments in redevelopment and housing occurring throughout
25 the State.

26 ¹45. (New Section) The Commissioner of Community Affairs
27 shall prescribe and enforce standards for the curriculum and
28 administration of a course of study as he deems appropriate, the
29 object of which shall be to assist members and executive
30 directors of local housing authorities and municipal
31 redevelopment agencies to acquire the knowledge and skills
32 necessary to oversee and administer the operations of such
33 authorities or agencies in accordance with current law and in the
34 best interests of the citizens served by such authorities. The
35 commissioner shall adopt the standards by administrative rule,
36 pursuant to the provisions of the "Administrative Procedure
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

38 The course shall consist of instruction in the principles of
39 housing and redevelopment, which may include, but not be limited
40 to, construction management and code compliance, financial
41 management and public administration, and such other topics as
42 the commissioner may deem appropriate. The commissioner shall,
43 to the greatest extent possible, cooperate with organizations of
44 housing authority representatives and redevelopment agency
45 representatives, and shall consult with Rutgers, the State
46 University, and other educational institutions in establishing the
47 standards for the curriculum and administration of the course of
48 study, as provided above.¹

49 ¹46. (New section) a. Any person serving as a member of a
50 housing authority or a redevelopment agency on or after the
51 effective date of the rules adopted pursuant to section 45 of
52 P.L. , c.)(C.)(now pending in the Legislature as this
53 bill) shall satisfactorily complete the course of study prescribed
54 by the commissioner within one year following the date of

1 appointment or the effective date of the rules, whichever is
2 later, or shall be deemed to have resigned his position effective
3 at the end of that period of time.

4 Notwithstanding the provisions of this section, a person serving
5 as a member of a housing authority or redevelopment agency on
6 the effective date of the rules adopted pursuant to section 45 of
7 this act may continue to serve to the end of his appointed term
8 even if the remaining period in that term exceeds one year and
9 the member does not satisfactorily complete the prescribed
10 course of study within that time. However, such a member shall
11 not be eligible for reappointment to membership on the housing
12 authority or redevelopment agency.

13 b. Any person serving as the executive director of a housing
14 authority or redevelopment agency on or after the effective date
15 of the rules adopted pursuant to section 45 of P.L. , c.
16 (C.)(now pending in the Legislature as this bill) shall
17 satisfactorily complete the course of study prescribed by the
18 commissioner within two years after the effective date of the
19 rules or the effective date of his appointment, whichever is later,
20 or shall be deemed to have resigned his position effective at the
21 end of that period of time.¹

22 ¹47. (New section) Commencing one year after the effective
23 date of P.L. , c (C.)(now pending in the Legislature as
24 this bill), a person appointed as executive director of a housing
25 authority or redevelopment agency shall satisfactorily complete
26 the course of study prescribed by the commissioner within two
27 years of the date of appointment, and at least one half of the
28 requisite courses shall be satisfactorily completed within one
29 year of appointment. A person who fails to meet these
30 requirements shall be deemed to have resigned the position
31 effective at the end of the first year or second year of
32 appointment, as appropriate.¹

33 ¹48. (New section) The commissioner may waive the course
34 requirements set forth in sections 46 and 47 of P.L. , c.
35 (C.)(now pending in the Legislature as this bill) for any
36 person whom the commissioner determines to be qualified to
37 serve as a member or executive director of a housing authority or
38 redevelopment agency by reason of adequate and equivalent
39 training or professional experience, or a combination thereof.
40 The commissioner may extend credit toward completion of the
41 course requirements for equivalent or nearly equivalent courses
42 completed by an individual under the sponsorship of a professional
43 organization.¹

44 ¹[45.] 49.¹ (New section) The Commissioner of Community
45 Affairs shall promulgate rules and regulations to effectuate the
46 provisions of this act. The Local Finance Board shall adopt rules
47 and regulations to effectuate the fiscal and financial controls set
48 forth in the act.

49 ¹[46.] 50.¹ Section 76 of P.L. '975, c.291 (C.40:55D-89) is
50 amended to read as follows:

51 76. Periodic examination. The governing body shall, at least
52 every six years, provide for a general reexamination of its master
53 plan and development regulations by the planning board, which
54 shall prepare and adopt by resolution a report on the findings of

1 such reexamination, a copy of which report and resolution shall
2 be sent to the county planning board and the municipal clerk of
3 each adjoining municipality. The first such reexamination shall
4 have been completed by August 1, 1982. The next reexamination
5 shall be completed by August 1, 1988. Thereafter, a
6 reexamination shall be completed at least once every 6 years
7 from the previous reexamination.

8 The reexamination report shall state:

9 a. The major problems and objectives relating to land
10 development in the municipality at the time of the adoption of
11 the last reexamination report.

12 b. The extent to which such problems and objectives have been
13 reduced or have increased subsequent to such date.

14 c. The extent to which there have been significant changes in
15 the assumptions, policies, and objectives forming the basis for the
16 master plan or development regulations as last revised, with
17 particular regard to the density and distribution of population and
18 land uses, housing conditions, circulation, conservation of natural
19 resources, energy conservation, collection, disposition, and
20 recycling of designated recyclable materials, and changes in
21 State, county and municipal policies and objectives.

22 d. The specific changes recommended for the master plan or
23 development regulations, if any, including underlying objectives,
24 policies and standards, or whether a new plan or regulations
25 should be prepared.

26 e. The recommendations of the planning board concerning the
27 incorporation of redevelopment plans adopted pursuant to the
28 "Local Redevelopment and Housing Law," P.L. _____,
29 c. _____ (C. _____) (now pending in the Legislature as
30 ²[this bill] Senate Bill No. 617 of 1992 or Assembly Bill No. 1138
31 of 1992² into the land use plan element of the municipal master
32 plan, and recommended changes, if any, in the local development
33 regulations necessary to effectuate the redevelopment plans of
34 the municipality.

35 (cf: P.L.1987, c.102, s.29)

36 ¹[47.] 51.1 Section 13 of P.L.1971, c.199 (C.40A:12-13) is
37 amended to read as follows:

38 13. Sales of real property, capital improvements or personal
39 property; exceptions; procedure. Any county or municipality may
40 sell any real property, capital improvement or personal property,
41 or interests therein, not needed for public use, as set forth in the
42 resolution or ordinance authorizing the sale, other than county or
43 municipal lands, real property otherwise dedicated or restricted
44 pursuant to law, and, except as otherwise provided by law, all
45 such sales shall be made by one of the following methods:

46 (a) By open public sale at auction to the highest bidder after
47 advertisement thereof in a newspaper circulating in the
48 municipality or municipalities in which the lands are situated, by
49 two insertions at least once a week during two consecutive
50 weeks, the last publication to be not earlier than seven days prior
51 to such sale. In the case of public sales, the governing body may
52 by resolution fix a minimum price or prices, with or without the
53 reservation of the right to reject all bids where the highest bid is
54 not accepted. Notice of such reservation shall be included in the

1 advertisement of the sale and public notice thereof shall be given
2 at the time of sale. Such resolution may provide, without fixing a
3 minimum price, that upon the completion of the bidding, the
4 highest bid may be accepted or all the bids may be rejected. The
5 invitation to bid may also impose restrictions on the use to be
6 made of such real property, capital improvement or personal
7 property, and any conditions of sale as to buildings or structures,
8 or as to the type, size, or other specifications of buildings or
9 structures to be constructed thereon, or as to demolition, repair,
10 or reconstruction of buildings or structures, and the time within
11 which such conditions shall be operative, or any other conditions
12 of sale, in like manner and to the same extent as by any other
13 vendor. Such conditions shall be included in the advertisement,
14 as well as the nature of the interest retained by the county or
15 municipality. Such restrictions or conditions shall be related to a
16 lawful public purpose and encourage and promote fair and
17 competitive bidding of the county or municipality and shall not,
18 in the case of a municipality, be inconsistent with or impose a
19 special or higher standard than any zoning ordinance or building,
20 plumbing, electrical, or similar code or ordinance then in effect
21 in the municipality.

22 In any case in which a county or municipality intends to retain
23 an estate or interest in any real property, capital improvement or
24 personal property, in the nature of an easement, contingent or
25 reversionary, the invitation to bid and the advertisement required
26 herein shall require each bidder to submit one bid under each
27 Option A and Option B below.

28 (1) Option A shall be for the real property, capital
29 improvement or personal property subject to the conditions or
30 restrictions imposed, or interest or estate retained, which the
31 county or municipality proposes to retain or impose.

32 (2) Option B shall be for the real property, capital
33 improvement or personal property to be sold free of all such
34 restrictions, conditions, interests or estates on the part of the
35 county or municipality.

36 The county or the municipality may elect or reject either or
37 both options and the highest bid for each. Such acceptance or
38 rejection shall be made not later than at the second regular
39 meeting of the governing body following the sale, and, if the
40 governing body shall not so accept such highest bid, or reject all
41 bids, said bids shall be deemed to have been rejected. Any such
42 sale may be adjourned at the time advertised for not more than
43 one week without readvertising.

44 (b) At private sale, when authorized by resolution, in the case
45 of a county, or by ordinance, in the case of a municipality, in the
46 following cases:

47 (1) A sale to any political subdivision, agency, department,
48 commission, board or body corporate and politic of the State of
49 New Jersey or to an interstate agency or body of which the State
50 of New Jersey is a member or to the United States of America or
51 any department or agency thereof.

52 (2) A sale to a person submitting a bid pursuant to subsection
53 (a) of this section, where all bids have been rejected, provided
54 that the terms and price agreed to shall in no event be less than

1 the highest bid rejected, and provided further that the terms and
2 conditions of sale shall remain identical.

3 (3) A sale by any county or municipality, when it has or shall
4 have conveyed its right, title and interest in any real property,
5 capital improvement or personal property not needed for public
6 use, and it was assumed and intended that there should be
7 conveyed a good and sufficient title in fee simple to said real
8 property, capital improvement or personal property, free of all
9 encumbrances and the full consideration has been paid therefor,
10 and it shall thereafter appear that the title conveyed was
11 insufficient or that said county or municipality at the time of
12 said conveyance was not the owner of some estate or interest in
13 said real property, capital improvement or personal property or
14 of some encumbrances thereon, and the county or municipality
15 shall thereafter acquire a good and sufficient title in fee simple,
16 free of all encumbrances of said real property, capital
17 improvement or personal property or shall acquire such
18 outstanding estate or interest therein or outstanding
19 encumbrance thereon and said county or municipality, by
20 resolution of the governing body and without the payment of any
21 additional consideration, has deemed to convey or otherwise
22 transfer to said purchaser, his heirs or assigns, such
23 after-acquired title, or estate or interest in, or encumbrance
24 upon, such real property, capital improvement or personal
25 property to perfect the title or interest previously conveyed.

26 (4) A sale of an easement upon any real property previously
27 conveyed by any county or municipality may be made when the
28 governing body of any county, by resolution, or any municipality,
29 by ordinance, has elected to release the public rights in the
30 nature of easements, in, on, over or under any real property
31 within the county or the municipality, as the case may be, upon
32 such terms as shall be agreed upon with the owner of such lands,
33 if the use of such rights is no longer desirable, necessary or
34 required for public purposes.

35 (5) A sale to the owner of the real property contiguous to the
36 real property being sold; provided that the property being sold is
37 less than the minimum size required for development under the
38 municipal zoning ordinance and is without any capital
39 improvement thereon; except that when there is more than one
40 owner with real property contiguous thereto, said property shall
41 be sold to the highest bidder from among all such owners. Any
42 such sale shall be for not less than the fair market value of said
43 real property.

44 In the case of any sale of real property hereafter made
45 pursuant to subsection (b) of this section, in no event shall the
46 price agreed upon with the owner be less than the difference
47 between the highest bid accepted for the real property subject to
48 easements (Option A) and the highest bid rejected for the real
49 property not subject to easements (Option B). After the adoption
50 of the resolution or ordinance, and compliance by the owner of
51 said real property with the terms thereof, said real property shall
52 be free, and entirely discharged of and from such rights of the
53 public and of the county or municipality, as the case may be, but
54 no such release shall affect the right of lawful occupancy or use

1 of any such real property by any municipal or private utility to
2 occupy or use any such real property lawfully occupied or used by
3 it.

4 A list of the property so authorized to be sold, pursuant to
5 subsection (b) of this section, together with the minimum prices,
6 respectively, as determined by the governing body, shall be
7 included in the resolution or ordinance authorizing the sale, and
8 said list shall be posted on the bulletin board or other conspicuous
9 space in the building which the governing body usually holds its
10 regular meetings, and advertisement thereof made in a newspaper
11 circulating in the municipality or municipalities in which the real
12 property, capital improvement or personal property is situated,
13 within five days following enactment of said resolution or
14 ordinance. Offers for any or all properties so listed may
15 thereafter be made to the governing body or its designee for a
16 period of 20 days following the advertisement herein required, at
17 not less than said minimum prices, by any prospective purchaser,
18 real estate broker, or other authorized representative. In any
19 such case, the governing body may reconsider its resolution or
20 ordinance, not later than 30 days after its enactment, and
21 advertise the real property, capital improvement, or personal
22 property in question for public sale pursuant to subsection (a) of
23 this section.

24 Any county or municipality selling any real property, capital
25 improvement or personal property pursuant to subsection (b) of
26 this section shall file with the Director of the Division of Local
27 Government Services in the Department of Community Affairs,
28 sworn affidavits verifying the publication of advertisements as
29 required by this subsection.

30 (c) By private sale of a municipality in the following case: A
31 sale to a private developer by a municipality, when acting [as a
32 redevelopment agency pursuant to section 8 of P.L.1956, c.212
33 (C.40:55C-37) or a local housing authority pursuant to section 8
34 of P.L.1956. The real property or capital improvements may be
35 made available at their use value, which represents the value
36 (whether expressed in terms of rental or capital price) at which
37 the municipality determines such should be made available in
38 order that it may be developed or redeveloped for the purposes
39 specified in the redevelopment plan formulated] in accordance
40 with the ["Redevelopment Agencies Law," P.L.1949, c.306
41 (C.40:55C-1 et seq.) or the "Local Housing Authorities Law,"
42 P.L.1938, c.19 (C.55:14A-1 et seq.), as appropriate] "Local
43 Redevelopment and Housing Law," P.L. , c. (C.) (now
44 pending in the Legislature as ²(this bill)] Senate Bill No. 617 of
45 1992 or Assembly Bill No. 1138 of 1992)².

46 [Notwithstanding the provisions of any law, rule or regulation
47 to the contrary, a private developer who has purchased real
48 property or capital improvements pursuant to this subsection
49 shall not convey or otherwise dispose of all or any portion of that
50 property or those improvements without first offering the
51 municipality which sold the property or improvements a right of
52 first refusal to purchase the property or improvements at the
53 price paid to the municipality by the developer. The right of first
54 refusal granted herein shall be a condition of the original sale by

1 the municipality, and shall be expressed in the deed or other
2 instrument of conveyance for the property or improvements;
3 except that if the municipality has established rules or
4 requirements concerning the use and sale of the property or the
5 improvements and requires as part of the sale that the use of the
6 property or improvement is subject to those rules or
7 requirements, the private developer may convey or otherwise
8 dispose of the property pursuant to those rules or requirements
9 without first offering the municipality the right of first refusal.¹

10 All sales, either public or private, may be made for cash or
11 upon credit. A deposit not exceeding 10% of the minimum price
12 or value of the property to be sold may be required of all
13 bidders. When made upon credit, the county or municipality may
14 accept a purchase-money mortgage, upon terms and conditions
15 which shall be fixed by the resolution of the governing body;
16 provided, however, that such mortgage shall be fully payable
17 within five years from the date of the sale and shall bear interest
18 at a rate equal to that authorized under Title 31 of the Revised
19 Statutes, as amended and supplemented, and the regulations
20 issued pursuant thereto, or the rate last paid by the county or
21 municipality upon any issue of notes pursuant to the "Local Bond
22 Law", (N.J.S.40A:2-1 et seq.), whichever is higher. The
23 governing body may, by resolution, fix the time for closing of
24 title and payment of the consideration.

25 In all sales made pursuant to this section, the governing body of
26 any county or municipality may provide for the payment of a
27 commission to any real estate broker, or authorized
28 representative other than the purchaser actually consummating
29 such sale; provided, however, that no commission shall be paid
30 unless notice of the governing body's intention to pay such a
31 commission shall have been included in the advertisement of sale
32 and the recipient thereof shall have filed an affidavit with the
33 governing body stating that said recipient is not the purchaser.
34 Said commissions shall not exceed, in the aggregate, 5% of the
35 sale price, and be paid, where there has been a public sale, only in
36 the event that the sum of the commission and the highest bid
37 price does not exceed the next highest bid price (exclusive of any
38 real estate broker's commission). As used in this section,
39 "purchaser" shall mean and include any person, corporation,
40 company, association, society, firm, partnership, or other
41 business entity owning or controlling, directly or indirectly, more
42 than 10% of the purchasing entity.

43 (cf: P.L.1985, c.535, s.1)

44 ¹[48.] 52.¹ Section 3 of P.L.1983, c.313 (C.40A:5A-3) is
45 amended to read as follows:

46 3. As used in this act:

47 a. "Authority" means a body, public and corporate, created by
48 one or more municipalities or counties pursuant to any law
49 authorizing that creation, which law provides that the public body
50 so created has at least the following powers:

51 (1) To adopt and use a corporate seal;

52 (2) To sue and be sued;

53 (3) To acquire and hold real or personal property for its
54 purposes; and

1 (4) To provide for and secure the payment of its bonds or other
2 obligations, or to provide for the assessment of a tax on real
3 property within its district, or to impose charges for the use of
4 its facilities or any combination thereof; but shall not include
5 any public body for which Federal or State fiscal controls
6 differing from those imposed by this act have been explicitly
7 established by law, but only to the extent of that difference].

8 b. "Director" means the Director of the Division of Local
9 Government Services in the Department of Community Affairs.

10 c. "Service contract" means an agreement of a local unit or
11 units intended to provide security for an issue of obligations of an
12 authority, including, but not limited to, a contract providing for
13 payments by a local unit or units with respect to a project,
14 facility, or public improvement of an authority or payments for
15 debt service therefor.

16 d. "Local Finance Board" means the Local Finance Board in
17 the Division of Local Government Services in the Department of
18 Community Affairs.

19 e. "Local unit or units" means a county or municipality which
20 created or joined in the creation of an authority, or which
21 proposes to create or join in the creation thereof, or which
22 proposes to enter into a service contract with an authority.

23 f. "Project financing" means the financing by an authority of a
24 public facility for the benefit of the inhabitants of a local unit or
25 units and for which the financing costs will be paid, directly or
26 indirectly, by those inhabitants and includes payment for the
27 design and plan for the public facility.

28 g. "Bond resolution" means a bond resolution of an authority,
29 or a trust indenture to be executed by an authority, or other
30 similar proceeding or document.

31 (cf: P.L.1987, c.319, s.1)

32 ²53. Section 2 of P.L.1991, c.431 (C.40A:20-2) is amended to
33 read as follows:

34 2. The Legislature finds that in the past a number of laws
35 have been enacted to provide for the clearance, replanning,
36 development, and redevelopment of blighted areas pursuant to
37 Article VIII, Section III, paragraph 1 of the New Jersey
38 Constitution. These laws had as their public purpose the
39 restoration of deteriorated or neglected properties to a use
40 resulting in the elimination of the blighted condition, and sought
41 to encourage private capital and participation by private
42 enterprise to contribute toward this purpose through the use of
43 special financial arrangements, including the granting of property
44 tax exemptions.

45 The Legislature finds that these laws, separately enacted,
46 contain redundant and unnecessary provisions, or provisions which
47 have outlived their usefulness, and that it is necessary to revise,
48 consolidate and clarify the law in this area in order to preserve
49 and improve the usefulness of the law in promoting the original
50 public purpose.

51 The Legislature declares that the provisions of this act are one
52 means of accomplishing the redevelopment and rehabilitation
53 purposes of the "Local Redevelopment and Housing Law," P.L. ,
54 c. (C.) (now pending before the Legislature as [Senate

1 Bill No. 380 of 1990)] Senate Bill No. 617 of 1992 or Assembly Bill
2 1138 of 1992 through the use of private entities and financial
3 arrangements pertaining thereto, and that this act should be
4 construed in conjunction with that act.²

5 (cf: P.L.1991, c.431, s.2)

6 ²54. Section 3 of P.L.1991, c.431 (C.40A:20-3) is amended to
7 read as follows:

8 3. As used in this act:

9 a. "Gross revenue" means annual gross revenue or gross
10 shelter rent or annual gross rents, as appropriate, and other
11 income, for each urban renewal entity designated pursuant to this
12 act. The financial agreement shall establish the method of
13 computing gross revenue for the entity, and the method of
14 determining insurance, operating and maintenance expenses paid
15 by a tenant which are ordinarily paid by a landlord, which shall be
16 included in the gross revenue.

17 b. "Limited-dividend entity" means an urban renewal entity
18 incorporated pursuant to Title 14A of the New Jersey Statutes, or
19 established pursuant to Title 42 of the Revised Statutes, for
20 which the profits and the entity are limited as follows. The
21 allowable net profits of the entity shall be determined by
22 applying the allowable profit rate to each total project unit cost,
23 if the project is undertaken in units, or the total project cost, if
24 the project is not undertaken in units, for the period commencing
25 on the date on which the construction of the unit or project is
26 completed, and terminating at the close of the fiscal year of the
27 entity preceding the date on which the computation is made,
28 where:

29 "Allowable profit rate" means the percentage per annum
30 arrived at by adding 1¼% to the annual interest percentage rate
31 payable on the entity's initial permanent mortgage financing. If
32 the initial permanent mortgage is insured or guaranteed by a
33 governmental agency, the mortgage insurance premium or similar
34 charge, if payable on a per annum basis, shall be considered as
35 interest for this purpose. If there is no permanent mortgage
36 financing the allowable profit rate shall be arrived at by adding
37 1¼% per annum to the interest rate per annum which the
38 municipality determines to be the prevailing rate on mortgage
39 financing on comparable improvements in the county.

40 c. "Net profit" means the gross revenues of the urban renewal
41 entity less all operating and non-operating expenses of the entity,
42 all determined in accordance with generally accepted accounting
43 principles, but:

44 (1) there shall be included in expenses: (a) all annual service
45 charges paid pursuant to section 12 of P.L.1991, c.431
46 (C.40A:20-12); (b) all payments to the municipality of excess
47 profits pursuant to section 15 or 16 of P.L.1991, c.431
48 (C.40A:20-15 or 40A:20-16); (c) an annual amount sufficient to
49 amortize the total project cost over the life of the
50 improvements, as set forth in the financial agreement, which
51 shall not be less than the terms of the financial agreement; and
52 (d) all reasonable annual operating expenses of the urban renewal
53 entity, including the cost of all management fees, brokerage
54 commissions, insurance premiums, all taxes or service charges

1 paid, legal, accounting, or other professional service fees,
2 utilities, building maintenance costs, building and office supplies,
3 and payments into repair or maintenance reserve accounts;

4 (2) there shall not be included in expenses either depreciation
5 or obsolescence, interest on debt, income taxes, or salaries,
6 bonuses or other compensation paid, directly or indirectly to
7 directors, officers and stockholders of the entity, or officers,
8 partners or other persons holding any proprietary ownership
9 interest in the entity.

10 The urban renewal entity shall provide to the municipality an
11 annual audited statement which clearly identifies the calculation
12 of net profit for the urban renewal entity during the previous
13 year. The annual audited statement shall be prepared by a
14 certified public accountant and shall be submitted to the
15 municipality within 90 days of the close of the fiscal year.

16 d. "Nonprofit entity" means an urban renewal entity
17 incorporated pursuant to Title 15A of the New Jersey Statutes
18 for which no part of its net profits inures to the benefit of its
19 members.

20 e. "Project" means any work or undertaking pursuant to a
21 redevelopment plan adopted pursuant to the "Local
22 Redevelopment and Housing Law," P.L. , c. (C.) (now
23 pending before the Legislature as [Senate Bill No. 380 of 1990])
24 Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992,
25 which has as its purpose the redevelopment of all or any part of a
26 redevelopment area including any industrial, commercial,
27 residential or other use, and may include any buildings, land,
28 including demolition, clearance or removal of buildings from land,
29 equipment, facilities, or other real or personal properties which
30 are necessary, convenient, or desirable appurtenances, such as,
31 but not limited to, streets, sewers, utilities, parks, site
32 preparation, landscaping, and administrative, community, health,
33 recreational, educational and welfare facilities.

34 f. "Redevelopment area" means an area determined to be in
35 need of redevelopment and for which a redevelopment plan has
36 been adopted by a municipality pursuant to the "Local
37 Redevelopment and Housing Law," P.L. , c. (C.) (now
38 pending before the Legislature as [Senate Bill No. 380 of 1990])
39 Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992.

40 g. "Urban renewal entity" means a limited-dividend entity or
41 a non-profit entity which enters into a financial agreement
42 pursuant to this act with a municipality to undertake a project
43 pursuant to a redevelopment plan for the redevelopment of all or
44 any part of a redevelopment area, or a project necessary, useful,
45 or convenient for the relocation of residents displaced or to be
46 displaced by the redevelopment of all or any part of one or more
47 redevelopment areas, or a low and moderate income housing
48 project.

49 h. "Total project unit cost" or "total project cost" means the
50 aggregate of the following items as related to a unit of a project,
51 if the project is undertaken in units, or to the total project, if the
52 project is not undertaken in units, all of which as limited by, and
53 approved as part of the financial agreement: (1) cost of the land
54 and improvements to the entity, whether acquired from a private

1 or a public owner, with cost in the case of leasehold interests to
 2 be computed by capitalizing the aggregate rental at a rate
 3 provided in the financial agreement; (2) architect, engineer and
 4 attorney fees, paid or payable by the entity in connection with
 5 the planning, construction and financing of the project; (3)
 6 surveying and testing charges in connection therewith; (4) actual
 7 construction costs which the entity shall cause to be certified and
 8 verified to the municipality and the municipal governing body by
 9 an independent and qualified architect, including the cost of any
 10 preparation of the site undertaken at the entity's expense; (5)
 11 insurance, interest and finance costs during construction; (6)
 12 costs of obtaining initial permanent financing; (7) commissions
 13 and other expenses paid or payable in connection with initial
 14 leasing; (8) real estate taxes and assessments during the
 15 construction period; (9) a developer's overhead based on a
 16 percentage of actual construction costs, to be computed at not
 17 more than the following schedule:

18			
19	\$500,000 or less	-	10%
20	\$500,000 through \$1,000,000	-	\$50,000 plus 8%
21			on excess above
22			\$500,000
23	\$1,000,001 through \$2,000,000	-	\$90,000 plus 7%
24			on excess above
25			\$1,000,000
26	\$2,000,001 through \$3,500,000	-	\$160,000 plus
27			5.6667% on
28			excess above
29			\$2,000,000
30	\$3,500,001 through \$5,500,000	-	\$245,000 plus
31			4.25% on excess
32			above \$3,500,000
33	\$5,500,001 through \$10,000,000	-	\$330,000 plus
34			3.7778% on excess
35			above \$5,500,000
36	over \$10,000,000	-	5%
37			

38 If the financial agreement so provides, there shall be excluded
 39 from the total project cost actual costs incurred by the entity
 40 and certified to the municipality by an independent and qualified
 41 architect or engineer which are associated with site remediation
 42 and cleanup of environmentally hazardous materials or
 43 contaminants in accordance with State or federal law.

44 i. "Housing project" means any work or undertaking to provide
 45 decent, safe, and sanitary dwellings for families in need of
 46 housing; the undertaking may include any buildings, land
 47 (including demolition, clearance or removal of buildings from
 48 land), equipment, facilities, or other real or personal properties
 49 or interests therein which are necessary, convenient or desirable
 50 appurtenances of the undertaking, such as, but not limited to,
 51 streets, sewers, water, utilities, parks; site preparation;
 52 landscaping, and administrative, community, health, recreational,
 53 educational, welfare, commercial, or other facilities, or to
 54 provide any part of combination of the foregoing.

1 j. "Redevelopment relocation housing project" means a
2 housing project which is necessary, useful or convenient for the
3 relocation of residents displaced by redevelopment of all or any
4 part of one or more redevelopment areas.

5 k. "Low and moderate income housing project" means a
6 housing project which is occupied, or is to be occupied,
7 exclusively by households whose incomes do not exceed income
8 limitations established pursuant to any State or federal housing
9 program.²

10 (cf: P.L.1991, c.431, s.3)

11 ^{255.} Section 4 of P.L.1991, c.431 (C.40A:20-4) is amended to
12 read as follows:

13 4. The governing body of a municipality [which has adopted a
14 redevelopment plan pursuant to the "Local Redevelopment and
15 Housing Law" P.L. , c. (C.) (now pending before the
16 Legislature as [Senate Bill No. 380 of 1990] Senate Bill No. 617
17 of 1992 or Assembly Bill No. 1138 of 1992] may enter into a
18 financial agreement with an urban renewal entity for the
19 undertaking of a project set forth in [the] a redevelopment plan
20 [so] adopted by the governing body pursuant to the "Local
21 Redevelopment and Housing Law," P.L. , c. (C.)
22 [now pending before the Legislature as Senate Bill No. 617 of
23 1992 or Assembly Bill No. 1138 of 1992] or a project necessary,
24 useful, or convenient for the relocation of residents displaced or
25 to be displaced by the redevelopment of all of any part of one or
26 more redevelopment areas, or a low and moderate income housing
27 project. The financial agreement shall include, but not be limited to,
28 those provisions set forth in sections 8,9, [and] 10 and 11 of
29 [this act] P.L.1991, c.431 (C.40A:20-8 through 40A:20-11), and
30 shall be subject to review and approval as required by section 8 of
31 P.L.1991, c.431 (C.40A:20-8) prior to execution. The
32 municipality which enters into the agreement shall retain all
33 necessary authority and control for the redevelopment of the
34 redevelopment area set forth in the plan, and the undertaking of
35 a project by an urban renewal entity pursuant to that plan and
36 [this act] P.L.1991, c.431 (C.40A:20-1 et seq.) shall be deemed a
37 delegation of the powers of the municipality to undertake the
38 project, which delegation shall be limited by the terms of the
39 agreement and the provisions of [this act] P.L.1991, c.431
40 (C.40A:20-1 et seq.).

41 An urban renewal entity pursuant to an agreement may
42 undertake a project, and when so authorized by the financial
43 agreement, acquire by purchase or lease for not less than the
44 term of the tax exemption, plan, develop, construct, alter,
45 maintain or operate housing, senior citizen housing, business,
46 industrial, commercial, administrative, community, health,
47 recreational, educational, cultural, or welfare projects, or any
48 combination of two or more of these types of improvement in a
49 single project. The conditions of use, ownership, management
50 and control of the improvements in a project shall be regulated
51 by this act and the terms of the financial agreement.²

52 (cf: P.L.1991, c.431 s.4)

53 ^{256.} Section 20 of P.L.1991, c.431 is amended to read as
54 follows:

1 20. a. The following are repealed:
2 P.L.1961, c.40 (C.40:55C-40 et al.)
3 P.L.1983, c.139 (C.40:55C-41.1)
4 P.L.1986, c.86 (C.40:55C-41.2 et al.)
5 P.L.1967, c.114 (C.40:55C-44.1 et al.)
6 P.L.1978, c.93 (C.40:55C-46.1 et al.)
7 P.L.1981, c.506 (C.40:55C-52.1)
8 P.L.1985, c.138 (C.40:55C-58.2)
9 P.L.1965, c.95 (C.40:55C-77 et al.)
10 P.L.1944, c.169 (C.55:14D-1 et al.)
11 P.L.1960, c.107 (C.55:14D-6.1)
12 P.L.1946, c.52 (C.55:14E-1 et al.)
13 P.L.1950, c.111 (C.55:14E-7.1)
14 P.L.1949, c.185 (C.55:14E-20 et al.)
15 P.L.1965, c.92 (C.55:14I-1 et al.)
16 P.L.1949, c.184 (C.55:16-1 et al.)
17 P.L.1950, c.21 (C.55:16-5.1)
18 P.L.1950, c.112 (C.55:16-8.1)
19 P.L.1967, c.112 (C.55:16-9.1 et al.)
20 P.L.1962, c.249 (C.55:16-18.1)
21 P.L.1950, c.69 (C.55:16-22).

22 b. An urban renewal entity organized and operating under a
23 law repealed by [this act] P.L.1991, c.431 (C.40A:20-1 et seq.)
24 shall not be affected by that repeal. Any financial agreement
25 entered into and any tax exemption granted or extended, shall
26 remain binding upon the urban renewal entity and the
27 municipality, subject to modification by mutual written consent,
28 as if the law under which it was entered into, or granted or
29 extended, had not been repealed by [this act] P.L.1991, c.431
30 (C.40A:20-1 et seq.). The provisions of section [17] 18 of [this
31 act] P.L.1991, c.431 (C.40A:20-18) shall apply, however, to the
32 urban renewal entity during the period of the financial
33 agreement, or tax exemption, remaining on and after the
34 effective date of [this act] P.L.1991, c.431 (C.40A:20-1 et seq.).
35 Any redevelopment project undertaken by an urban renewal
36 entity, or financial agreement or tax exemption entered into by
37 an urban renewal entity with a municipality, on or after the
38 effective date of [this act] P.L.1991, c.431 (C.40A:20-1 et seq.)
39 shall be pursuant to [this act] P.L.1991, c.431 (C.40A:20-1 et
40 seq.)².

41 (cf: P.L.1991, c.431, s.20)

42 257. Section 3 of P.L.1991, c.441 (C.40A:21-3) is amended to
43 read as follows:

44 3. As used in this act:

45 a. "Abatement" means that portion of the assessed value of a
46 property as it existed prior to construction, improvement or
47 conversion of a building or structure thereon, which is exempted
48 from taxation pursuant to this act.

49 b. "Area in need of rehabilitation" means a portion or all of a
50 municipality which has been determined to be an area in need of
51 rehabilitation or redevelopment pursuant to the "Local
52 Redevelopment and Housing Law," P.L. , c. , (C.) (now pending
53 before the Legislature as [Senate Bill No. 380 of 1990]) Senate
54 Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992), a

1 "blighted area" as determined pursuant to the "Blighted Areas
2 Act," P.L.1949, c.187 (C.40:55-21.1 et seq.), or which has been
3 determined to be in need of rehabilitation pursuant to P.L.1975,
4 c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.),
5 or P.L.1979, c.233 (C.54:4-3.121 et seq.).

6 c. "Assessor" means the officer of a taxing district charged
7 with the duty of assessing real property for the purpose of
8 general taxation.

9 d. "Commercial or industrial structure" means a structure or
10 part thereof used for the manufacturing, processing or assembling
11 of material or manufactured products, or for research, office,
12 industrial, commercial, retail, recreational, hotel or motel
13 facilities, or warehousing purposes, or for any combination
14 thereof, which the governing body determines will tend to
15 maintain or provide gainful employment within the municipality,
16 assist in the economic development of the municipality, maintain
17 or increase the tax base of the municipality and maintain or
18 diversify and expand commerce within the municipality. It shall
19 not include any structure or part thereof used or to be used by
20 any business relocated from another qualifying municipality.

21 e. "Completion" means substantially ready for the intended
22 use for which a building or structure is constructed, improved or
23 converted.

24 f. "Condominium" means a property created or recorded as a
25 condominium pursuant to the "Condominium Act," P.L.1969,
26 c.257 (C.46:8B-1 et seq.).

27 g. "Construction" means the provision of a new dwelling,
28 multiple dwelling or commercial or industrial structure, or the
29 enlargement of the volume of an existing multiple dwelling or
30 commercial or industrial structure by more than 30%, but shall
31 not mean the conversion of an existing building or structure to
32 another use.

33 h. "Conversion" or "conversion alteration" means the
34 alteration or renovation of a nonresidential building or structure,
35 or hotel, motel, motor hotel or guesthouse, in such manner as to
36 convert the building or structure from its previous use to use as a
37 dwelling or multiple dwelling.

38 i. "Cooperative" means a housing corporation or association,
39 wherein the holder of a share or membership interest thereof is
40 entitled to possess and occupy for dwelling purposes a house,
41 apartment, or other unit of housing owned by the corporation or
42 association, or to purchase a unit of housing owned by the
43 corporation or association.

44 j. "Cost" means, when used with respect to abatements for
45 dwellings or multiple dwellings, only the cost or fair market value
46 of direct labor and materials used in improving a multiple
47 dwelling, or of converting another building or structure to a
48 multiple dwelling, or of constructing a dwelling, or of converting
49 another building or structure to a dwelling, including any
50 architectural, engineering, and contractor's fees associated
51 therewith, as the owner of the property shall cause to be
52 certified to the governing body by an independent and qualified
53 architect, following the completion of the project.

54 k. "Dwelling" means a building or part of a building used, to be

1 used or held for use as a home or residence, including accessory
2 buildings located on the same premises, together with the land
3 upon which such building or buildings are erected and which may
4 be necessary for the fair enjoyment thereof, but shall not mean
5 any building or part of a building, defined as a "multiple
6 dwelling" pursuant to the "Hotel and Multiple Dwelling Law,"
7 P.L.1967, c.76 (C.55:13A-1 et seq.). A dwelling shall include, as
8 they are separately conveyed to individual owners, individual
9 residences within a cooperative, if purchased separately by the
10 occupants thereof, and individual residences within a horizontal
11 property regime or a condominium, but shall not include "general
12 common elements" or "common elements" of such horizontal
13 property regime or condominium as defined pursuant to the
14 "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.),
15 or the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.),
16 or of a cooperative, if the residential units are owned separately.

17 l. "Exemption" means that portion of the assessor's full and
18 true value of any improvement, conversion alteration, or
19 construction not regarded as increasing the taxable value of a
20 property pursuant to this act.

21 m. "Horizontal property regime" means a property submitted
22 to a horizontal property regime pursuant to the "Horizontal
23 Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.).

24 n. "Improvement" means a modernization, rehabilitation,
25 renovation, alteration or repair which produces a physical change
26 in an existing building or structure that improves the safety,
27 sanitation, decency or attractiveness of the building or structure
28 as a place for human habitation or work, and which does not
29 change its permitted use. In the case of a multiple dwelling, it
30 includes only improvements which affect common areas or
31 elements, or three or more dwelling units within the multiple
32 dwelling. In the case of a multiple dwelling or commercial or
33 industrial structure, it shall not include ordinary painting, repairs
34 and replacement of maintenance items, or an enlargement of the
35 volume of an existing structure by more than 30%. In no case
36 shall it include the repair of fire or other damage to a property
37 for which payment of a claim was received by any person from an
38 insurance company at any time during the three year period
39 immediately preceding the filing of an application pursuant to
40 this act.

41 o. "Multiple dwelling" means a building or structure meeting
42 the definition of "multiple dwelling" set forth in the "Hotel and
43 Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.), and
44 means for the purpose of improvement or construction the
45 "general common elements" and "common elements" of a
46 condominium, a cooperative, or a horizontal property regime.²
47 (cf: P.L.1991, c.441, s.3)

48 ²58. Section 4 of P.L.1991, c.441 (C.40A:21-4) is amended to
49 read as follows:

50 4. [a.] The governing body of a municipality may determine to
51 utilize the authority granted under Article VIII, Section I,
52 paragraph 6 of the New Jersey Constitution, and adopt an
53 ordinance setting forth the eligibility or noneligibility of
54 dwellings, multiple dwellings, or commercial and industrial

1 structures, or all of these, for exemptions or abatements, or both,
2 from taxation in areas in need of rehabilitation. The ordinance
3 may differentiate among these types of structures as to whether
4 the property shall be eligible for exemptions or abatements, or
5 both, within the limitations set forth in [this act] P.L.1991, c.441
6 (C.40A:21-1 et seq.). With respect to a type of structure, the
7 ordinance shall specify the eligibility of improvements,
8 conversions, or construction, or all of these, for each type of
9 structure. The ordinance may differentiate for the purposes of
10 determining eligibility pursuant to this section among the various
11 neighborhoods, zones, areas or portions of the designated area in
12 need of rehabilitation.

13 [b. When the governing body of a municipality has determined
14 that, apart from existence of any area in the municipality that
15 has been or could be formally declared blighted or in need of
16 rehabilitation, there are trends toward deterioration that, unless
17 countered by such incentives, will inexorably tend toward such
18 conditions within the municipality, it may adopt an ordinance
19 setting forth the reasons for its determination and providing for
20 the granting of exemptions, or of exemptions and abatements,
21 either throughout the municipality or in designated residential
22 neighborhoods, in the same manner and to the same extent as if
23 the municipality's neighborhoods had been determined to be in
24 need of rehabilitation pursuant to the procedure set forth in
25 subsection a. of this section.]

26 [c.] An ordinance adopted pursuant to this section may be
27 amended from time to time. An amendment to an ordinance shall
28 not affect any exemption, abatement, or tax agreement
29 previously granted and in force prior to the amendment.

30 Application for exemptions and abatements from taxation may
31 be filed pursuant to an ordinance so adopted to take initial effect
32 for the first full tax year commencing after the tax year in which
33 the ordinance is adopted, and for tax years thereafter as set forth
34 in [this act] P.L.1991, c.441 (C.40A:21-1 et seq.), but no
35 application for exemptions or abatements shall be filed for
36 exemptions or abatements to take initial effect for the eleventh
37 full tax year or any tax year occurring thereafter, unless the
38 ordinance is readopted by the governing body pursuant to this
39 section.²

40 (cf: P.L.1991, c.441, s.4)

41 ¹[49.] ²[53.1] 59.2 The following are repealed:

42 P.L.1977, c.93 (C.40:32A-1 and 40:32A-2)

43 Sections 36, 37, 38 and 39 of P.L.1979, c.275 (C.40:37A-56.1
44 through 40:37A-56.4)

45 P.L.1949, c.187 (C.40:55-21.1 to 40:55-21.14)

46 P.L.1949, c.306 (C.40:55C-1 through 40:55C-29)

47 P.L.1956, c.212 (C.40:55C-30 through 40:55C-39)

48 P.L.1938, c.19 (R.S.55:14A-1 through 55:14A-26)

49 P.L.1941, c.98 (C.55:14A-3.1 et al.)

50 P.L.1943, c.64 (C.55:14A-6.1)

51 P.L.1945, c.147 (C.55:14A-8.2)

52 P.L.1953, c.390 (C.55:14A-6.3)

53 Sections 1, 2 and 4 of P.L.1942, c.135 (C.55:14A-26.1 through
54 55:14A-26.3)

1 P.L.1947, c.374 (C.55:14A-27 through 55:14A-30)
2 P.L.1949, c.300 (C.55:14A-31 through 55:14A-48)
3 Section 4 of P.L.1950, c.282 (C.55:14A-44.1)
4 P.L.1956, c.83 (C.55:14A-44.2 and 55:14A-44.3)
5 P.L.1956, c.221 (55:14A-49 through 55:14A-58)
6 R.S.55:14B-1 through R.S.55:14B-8)
7 Section 5 of P.L.1950, c.298 (C.55:14B-4.1)
8 Section 4 of P.L.1979, c.345 (C.55:14B-4.2)
9 P.L.1950, c.110 (C.55:14B-5.1)
10 P.L.1956, c.210 (C.55:14B-9 through 55:14B-13)
11 P.L.1941, c.213 (C.55:14C-1 through 55:14C-10)
12 P.L.1946, c.79 (C.55:14F-1 through 55:14F-9)
13 P.L.1946, c.323 (C.55:14G-1 through 55:14G-26)
14 R.S.55:15-1 through 55:15-31.

15 b. A redevelopment agency or housing authority previously
16 established under the statutes here repealed is continued, and all
17 acts previously taken by a redevelopment agency or housing
18 authority pursuant to those statutes are validated and continued
19 as if they had been taken pursuant to this act. A redevelopment
20 agency or housing authority so continued shall conform from the
21 effective date of this act to the provisions of this act, and shall
22 be reconstituted as necessary to conform to this act.

23 ¹[50.] ²[54. ¹] ²60. ² This act shall take effect immediately, and
24 shall be retroactive to January 18, 1992; and any regulations that
25 are required by this act to be issued, or that are necessary or
26 expedient to its effective implementation, shall take effect
27 immediately upon their adoption and promulgation in accordance
28 with the "Administrative Procedure Act," P.L.1968, c.410
29 (C.52:14B-1 et seq.).
30
31
32
33

34 "Local Redevelopment and Housing Law."

- 1 P.L.1949, c.306 (C.40:55C-1 through 40:55C-29)
 2 P.L.1956, c.212 (C.40:55C-30 through 40:55C-39)
 3 P.L.1938, c.19 (R.S.55:14A-1 through 55:14A-26)
 4 P.L.1941, c.98 (C.55:14A-3.1 et al.)
 5 P.L.1943, c.64 (C.55:14A-6.1)
 6 P.L.1945, c.147 (C.55:14A-6.2)
 7 P.L.1953, c.390 (C.55:14A-6.3)
 8 Sections 1, 2 and 4 of P.L.1942, c.135 (C.55:14A-26.1 through
 9 55:14A-26.3)
 10 P.L.1947, c.374 (C.55:14A-27 through 55:14A-30)
 11 P.L.1949, c.300 (C.55:14A-31 through 55:14A-48)
 12 Section 4 of P.L.1950, c.262 (C.55:14A-44.1)
 13 P.L.1956, c.83 (C.55:14A-44.2 and 55:14A-44.3)
 14 P.L.1956, c.221 (55:14A-49 through 55:14A-58)
 15 R.S.55:14B-1 through R.S.55:14B-8)
 16 Section 5 of P.L.1950, c.298 (C.55:14B-4.1)
 17 Section 4 of P.L.1979, c.345 (C.55:14B-4.2)
 18 P.L.1950, c.110 (C.55:14B-5.1)
 19 P.L.1956, c.210 (C.55:14B-9 through 55:14B-13)
 20 P.L.1941, c.213 (C.55:14C-1 through 55:14C-10)
 21 P.L.1946, c.79 (C.55:14F-1 through 55:14F-9)
 22 P.L.1946, c.323 (C.55:14G-1 through 55:14G-26)
 23 R.S.55:15-1 through 55:15-31.
 24 b. A redevelopment agency or housing authority previously
 25 established under the statutes here repealed is continued, and all
 26 acts previously taken by a redevelopment agency or housing
 27 authority pursuant to those statutes are validated and continued
 28 as if they had been taken pursuant to this act. A redevelopment
 29 agency or housing authority so continued shall conform from the
 30 effective date of this act to the provisions of this act, and shall
 31 be reconstituted as necessary to conform to this act.
 32 50. This act shall take effect immediately, and shall be
 33 retroactive to January 18, 1992; and any regulations that are
 34 required by this act to be issued, or that are necessary or
 35 expedient to its effective implementation, shall take effect
 36 immediately upon their adoption and promulgation in accordance
 37 with the "Administrative Procedure Act," P.L.1968, c.410
 38 (C.52:14B-1 et seq.).
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41 SPONSOR'S STATEMENT

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 43 This bill, entitled the "Local Redevelopment and Housing
 44 Law," revises, consolidates and clarifies the various statutes
 45 related to the exercise of redevelopment and housing powers by
 46 local governments into a modern and comprehensive statute. The
 47 revision was recommended by the County and Municipal
 48 Government Study Commission in its report, *Local*
 49 *Redevelopment in New Jersey*.
 50 The bill in its present form is the result of the review of the
 51 original draft by various redevelopment and housing experts in
 52 the State, as well as by both Senate and Assembly committees of
 53 the Legislature during the 1990-1991 Term.
 54 The bill strengthens the financial oversight over local

1 redevelopment and housing activities by relating the financing
2 provisions of the bill to the "Local Authorities Fiscal Control
3 Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). At the same time, it
4 incorporates modern bonding provisions for local entities engaged
5 in redevelopment or housing.

6 The bill strengthens the planning process with regard to
7 redevelopment by more effectively involving the planning board
8 in the review of proposed redevelopment plans and rehabilitation
9 ordinances. It also more directly relates the provisions of a
10 redevelopment plan to the development regulations of the
11 municipality adopted under the "Municipal Land Use Law,"
12 P.L.1975, c.291 (C.40:55D-1 et seq.).

13 The bill contains provisions which relate the housing powers of
14 local housing authorities to the "Fair Housing Act," P.L.1985,
15 c.222 (C.52:27D-301 et seq.), and provide for a greater range of
16 housing programs for such authorities to utilize in addressing
17 problems of homelessness and provision of low and moderate
18 income housing.

19 Two acts passed at the end of the 1991 Session, chapters 431
20 and 441, consolidating and coordinating existing laws for assisting
21 redevelopment and rehabilitation through the granting of tax
22 exemptions and abatements, depend in large part upon concepts
23 and terminology derived from this bill, and were based upon an
24 assumption that this bill, in its 1990-1991 form, would be
25 enacted. Those new tax laws can not be properly administered as
26 intended without the support of this legislation. Accordingly,
27 section 50 of this bill provides for it to have retroactive effect to
28 the date upon which those two bills were signed into law.

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"Local Redevelopment and Housing Law."

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1138

with committee amendments

STATE OF NEW JERSEY

DATED: APRIL 6, 1992

The Assembly Housing Committee reports Assembly Bill No. 1138 favorably, with amendments.

This bill, entitled the "Local Redevelopment and Housing Law," revises, consolidates and clarifies the various statutes related to the exercise of redevelopment and housing powers by local governments into a modern and comprehensive statute. The revision was recommended by the County and Municipal Government Study Commission in its report, *Local Redevelopment in New Jersey*.

The bill in its present form is the result of the review of the original draft by various redevelopment and housing experts in the State, as well as by both Senate and Assembly committees of the Legislature during the 1990-1991 Term.

The bill strengthens the financial oversight over local redevelopment and housing activities by relating the financing provisions of the bill to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). At the same time, it incorporates modern bonding provisions for local entities engaged in redevelopment or housing.

The bill strengthens the planning process with regard to redevelopment by more effectively involving the planning board in the review of proposed redevelopment plans and rehabilitation ordinances. It also more directly relates the provisions of a redevelopment plan to the development regulations of the municipality adopted under the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).

The bill contains provisions which relate the housing powers of local housing authorities to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et seq.), and provide for a greater range of housing programs for such authorities to utilize in addressing problems of homelessness and provision of low and moderate income housing.

Two acts passed at the end of the 1991 Session, chapters 431 and 441, consolidating and coordinating existing laws for assisting redevelopment and rehabilitation through the granting of tax exemptions and abatements, depend in large part upon concepts and terminology derived from this bill, and were based upon an assumption that this bill, in its 1990-1991 form, would be enacted. Those new tax laws can not be properly administered as intended without the support of this legislation. Accordingly, section 88 of this bill, as amended, provides for it to have retroactive effect to the date upon which those two bills were signed into law.

The committee adopted amendments:

(1) deleting a provision that would have enabled municipalities to abbreviate the procedure for determining a redevelopment area;

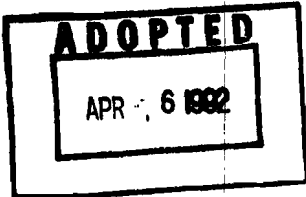
(2) providing for the appointment by the Commissioner of Community Affairs of one member on a local public housing authority (as is currently the practice), and correspondingly reducing the number appointed locally by the mayor or other chief executive;

(3) clarifying, with specific reference to applicable statutes, the language used in sections 19 and 20 to define satisfactory and "substandard" housing;

(4) adding a requirement that members and executive directors of housing authorities and redevelopment agencies complete a course of instruction, prescribed by the Commissioner of Community Affairs, designed to help qualify them for those positions;

(5) correcting, in certain portions of P.L.1991, cc.431 and 441, references to the "pending" legislation to which those statutes are connected, by inserting reference to this bill in place of reference to its forerunner of the previous Session;

(6) providing for an effective date retroactive to the dates of enactment of the related tax exemption and abatement statutes.



ASSEMBLY AHO COMMITTEE

AMENDMENTS

to

ASSEMBLY, No. 1138

(Sponsored by Assemblymen BAGGER and FRANKS)

REPLACE SECTION 6 TO READ:

6. (New section) a. No area of a municipality shall be determined a redevelopment area unless the governing body of the municipality shall, by resolution, authorize the planning board to undertake a preliminary investigation to determine whether the proposed area is a redevelopment area according to the criteria set forth in section 5 of P.L. , c. (C.) (now pending in the Legislature as this bill). Such determination shall be made after public notice and public hearing as provided in subsection b. of this section. ¹[, except that in any case in which the governing body determines that there is an obvious and compelling need to take prompt and effective action to check the development of such conditions as are described in section 5 of P.L. , c. (C.) (now pending in the Legislature as this bill), the governing body may, after consultation with the planning board, draw up a plan of redevelopment for adoption by ordinance pursuant to section 7 of P.L. , c. (C.) (now pending in the Legislature as this bill), which ordinance shall contain a statement of findings that the area proposed for redevelopment is a redevelopment area within the criteria of section 5 of P.L. , c. (C.) (now pending in the Legislature as this bill); and in such case the requirements of notice and public hearing in the adoption of an ordinance shall supersede and be deemed equivalent to the procedural requirements set forth in subsection b. of this section; but in any other case the] The¹ governing body of a municipality shall assign the conduct of the investigation and hearing to the planning board of the municipality.

b. (1) Before proceeding to a public hearing on the matter, the planning board shall prepare a map showing the boundaries of the proposed redevelopment area and the location of the various parcels of property included therein. There shall be appended to the map a statement setting forth the basis for the investigation.

(2) The planning board shall specify a date for and give notice of a hearing for the purpose of hearing persons who are interested in or would be affected by a determination that the delineated area is a redevelopment area.

(3) The hearing notice shall set forth the general boundaries of the area to be investigated and state that a map has been prepared and can be inspected at the office of the municipal clerk. A copy of the notice shall be published in a newspaper of general circulation in the municipality once each week for two consecutive weeks, and the last publication shall be not less than ten days prior to the date set for the hearing. A copy of the notice shall be mailed at least ten days prior to the date set for the hearing to the last owner, if any, of each parcel of property within the area according to the assessment records of the municipality. A notice shall also be sent to all persons at their last known address, if any, whose names are noted on the assessment records as claimants of an interest in any such parcel. The assessor of the municipality shall make a notation upon the records when requested to do so by any person claiming to have an interest in any parcel of property in the municipality. The notice shall be published and mailed by the municipal clerk, or by such clerk or official as the planning board shall otherwise designate. Failure to mail any such notice shall not invalidate the investigation or determination thereon.

(4) At the hearing, which may be adjourned from time to time, the planning board shall hear all persons who are interested in or would be affected by a determination that the delineated area is a redevelopment area. All objections to such a determination and evidence in support of those objections, given orally or in writing, shall be received and considered and made part of the public record.

(5) After completing its hearing on this matter, the planning board shall recommend that the delineated area, or any part thereof, be determined, or not be determined, by the municipal governing body to be a redevelopment area. After receiving the recommendation of the planning board, the municipal governing body may adopt a resolution determining that the delineated area, or any part thereof, is a redevelopment area. The determination, if supported by substantial evidence, shall be binding and conclusive upon all persons affected by the determination. Notice of the determination shall be served, within 10 days after the determination, upon each person who filed a written objection thereto and stated, in or upon the written submission, an address to which notice of determination may be sent.

(6) If written objections were filed in connection with the hearing, the municipality shall, for 45 days next following its determination to which the objections were filed, take no further action to acquire any property by condemnation within the redevelopment area.

(7) If a person who filed written objection to a determination by the municipality pursuant to this subsection shall, within 45 days after the adoption by the municipality of the determination to which the person objected, apply to the Superior Court, the court may grant further review of the determination by procedure in lieu of prerogative writ; and in any such action the court may make any incidental order that it deems proper.

regulations, the ordinance adopting the redevelopment plan shall contain an explicit amendment to the zoning district map included in the zoning ordinance. The zoning district map as amended shall indicate the redevelopment area to which the redevelopment plan applies. Notwithstanding the provisions of the "Municipal Land Use Law" P.L.1975, c.291 (C.40:55D-1 et seq.) or of other law, no notice beyond that required for adoption of ordinances by the municipality shall be required for the hearing on or adoption of the redevelopment plan or subsequent amendments thereof.

d. All provisions of the redevelopment plan shall be either substantially consistent with the municipal master plan or designed to effectuate the master plan; but the municipal governing body may adopt a redevelopment plan which is inconsistent with or not designed to effectuate the master plan by affirmative vote of a majority of its full authorized membership with the reasons for so acting set forth in the redevelopment plan.

e. Prior to the adoption of a redevelopment plan, or revision or amendment thereto, the planning board shall transmit to the governing body, within 45 days after referral, a report containing its recommendation concerning the redevelopment plan¹; provided, however, that such referral to the planning board shall not be required in any case where, as authorized in situations of obvious and compelling necessity under the provisions of subsection a. of section 6 of P.L. , c. (C.) (now pending in the Legislature as this bill), the redevelopment plan and determination that an area is in need of redevelopment have been included in the same ordinance after prior consultation with the planning board¹. This report shall include an identification of any provisions in the proposed redevelopment plan which are inconsistent with the master plan and recommendations concerning these inconsistencies and any other matters as the board deems appropriate. The governing body, when considering the adoption of a redevelopment plan or revision or amendment thereof, shall review the report of the planning board and may approve or disapprove or change any recommendation by a vote of a majority of its full authorized membership and shall record in its minutes the reasons for not following the recommendations. Failure of the planning board to transmit its report within the required 45 days shall relieve the governing body from the requirements of this subsection with regard to the pertinent proposed redevelopment plan or revision or amendment thereof. Nothing in this subsection shall diminish the applicability of the provisions of subsection d. of this section with respect to any redevelopment plan or revision or amendment thereof.

f. The governing body of a municipality may direct the planning board to prepare a redevelopment plan or an amendment or revision to a redevelopment plan for a designated redevelopment area. After completing the redevelopment plan, the planning board shall transmit the proposed plan to the governing body for its adoption. The governing body, when considering the proposed plan, may amend or revise any portion

of the proposed redevelopment plan by an affirmative vote of the majority of its full authorized membership and shall record in its minutes the reasons for each amendment or revision. When a redevelopment plan or amendment to a redevelopment plan is referred to the governing body by the planning board under this subsection, the governing body shall be relieved of the referral requirements of subsection e. of this section.

REPLACE SECTION 17 TO READ:

17. (New section) a. Except as provided in subsection b of this section, the governing body of any county or municipality may, by ordinance, or by resolution in the case of a county whose charter does not provide for the adoption of ordinances, create a body corporate and politic to be known as the "Housing Authority of . . .," inserting the name of the county or municipality. The authority shall constitute an agency and instrumentality of the municipality or county creating it. A housing authority shall be created ¹[pursuant] pursuant¹ to the procedures of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). The authority shall consist of seven members, of whom five shall be appointed by the governing body of the county or municipality, as the case may be, ¹[and two] one¹ by the mayor or other chief executive officer of the municipality, or in the case of a county by the director of the board of chosen freeholders or by the chief executive officer of the county if the county's charter provides for such an officer ¹, and one by the Commissioner of Community Affairs¹. The members shall serve for terms of five years and until their respective successors have been appointed and qualified; except that of the five members first appointed by the governing body one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years and one for a term of five years. All appointments shall be subject to and made in the manner required by the law under which the county or municipality is governed. Vacancies shall be filled in the same manner as the original appointments were made, but for the unexpired term. If a vacancy is not filled by the governing body or chief executive officer within 90 days of the occurrence of the vacancy, the Commissioner of the Department of Community Affairs shall notify the governing body or chief executive officer of his intent to fill the vacancy if it is not filled in 30 days. If the vacancy is not filled within that 30 day period, the commissioner may appoint a member for the unexpired term.

In any county or municipality which has heretofore created a housing authority pursuant to R.S.55:14A-4, the members of the authority who were appointed by the governing body and the chief executive officer of the county or municipality and who are in office upon the effective date of this act shall continue in office until the expiration of the terms for which they are appointed and qualified in accordance with the terms of this act; and the terms of those members who were appointed by the Public Housing and Development Authority in the Department of Community Affairs shall cease and determine, and no further appointments to the authority shall be made by that officer.

b. No municipality which has been included with its consent within the area of operation of a county housing authority shall thereafter create a municipal housing authority. Where there is no housing authority in existence in any municipality of a county, the governing body of that county may create a housing authority, and thereafter no municipality within that county shall create an authority without the consent of the county governing body and the county housing authority.

c. A county may provide such publicly assisted housing programs as it chooses anywhere within the county; but it may provide such programs in municipalities which are within the area of operation of a county or municipal housing authority only after adoption of a resolution of the housing authority consenting thereto.

d. No more than one member of a housing authority may be an officer or employee of the municipality or county by which the authority is created. A certificate of the appointment or reappointment of any member shall be filed with the clerk of the municipality or the county, as the case may be, and that certificate shall be conclusive evidence of the due and proper appointment of that member. A member of an authority shall receive no compensation for his services, but shall be entitled to reimbursement for actual expenses necessarily incurred in the discharge of the duties of membership, including travel expenses. The powers of the authority shall be vested in the members thereof in office from time to time. Four members shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and all other purposes. Action may be taken by the authority upon the affirmative vote of the majority, but not less than four of the members present, unless in any case the bylaws of the authority shall require a larger number. The authority shall select a chairman and a vice-chairman from among its members, and shall employ an executive director, who shall be its secretary.

e. No member or employee of an authority shall acquire any interest, direct or indirect, in any housing project or in any property included or planned to be included in such a project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials and services to be furnished or used in connection with any housing project. If any member or employee of an authority owns or controls an interest, direct or indirect, in any property included or planned to be included in a housing project he shall immediately disclose the same in writing to the authority and the disclosure shall be entered upon the minutes of the authority. Failure so to disclose such an interest shall constitute misconduct in office. A member or employee required by this subsection to make such a disclosure shall not participate in any action by the authority affecting the property with respect to which such disclosure is required. For inefficiency or neglect of duty or misconduct in office a member of an authority may be removed by the governing body or officer by which he was appointed; but a member may be removed only after he has been given a copy of the charges at least 10 days

prior to a hearing thereon and has had the opportunity to be heard in person or by ¹[council] counsel¹. In the event of a removal of any member of an authority a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk of the county or municipality.

REPLACE SECTION 19 TO READ:

19. (New section) a. It is hereby declared to be the policy of this State that each municipality, county, or housing authority providing public housing pursuant to this act shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with providing decent, safe and sanitary dwelling accommodations; and that no municipality, county, or housing authority shall construct or operate any such project for profit or as a source of revenue to the municipality or county. To this end, a municipality, county, or housing authority shall fix the rentals for dwellings in its projects at no higher rates than it shall find to be necessary in order to project revenues which, together with all other available moneys, revenues, income and receipts of the municipality, county, or housing authority, will be sufficient to:

(1) pay, as the same become due, the principal of and interest upon the bonds of the authority or the bonds of the municipality or county issued pursuant to section 29 or section 37 of P.L. . . . c. (C. . . .) (now pending in the Legislature as this bill);

(2) meet the cost of, and provide for, maintaining and operating the projects, including the cost of any insurance, and the administrative expenses of the municipality, county or housing authority; and

(3) create during not less than six years immediately succeeding its issuance of any bonds, and thereafter maintain, a reserve sufficient to meet the largest principal and interest payments which will be due on those bonds in any one year thereafter.

b. In the operation or management of housing projects a municipality, county or housing authority shall at all times observe the following duties with respect to rentals and tenant selection:

(1) It may rent or lease the dwelling accommodations therein only to persons of low and moderate income and at rentals within the financial reach of such persons.

(2) It may rent or lease to a tenant dwelling accommodations consisting of a ¹[number of] a room or¹ rooms¹, but no greater number, which it deems ¹of such size, location and dimensions as¹ necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding¹, in accordance with the standards for use and occupancy of space as set forth in the State Housing Code adopted pursuant to P.L.1971, c.224 (C.2A:42-85 et seq.)¹.

(3) It shall adopt income standards for selecting tenants which are consistent with applicable State or federal law.

c. Notwithstanding any provisions of this section, a municipality, county or housing authority may agree to conditions as to tenant eligibility or preference required by the federal government ¹or State government¹ pursuant to ¹applicable¹ federal ¹or State¹ law in any contract with the municipality, county, or housing authority for financial assistance.

REPLACE SECTION 20 TO READ:

20. (New section) The municipality, county or housing authority shall establish rules and regulations concerning admissions to any housing project which shall provide priority categories for persons displaced or caused to be displaced by public action or by redevelopment projects, highway programs or other public works; persons living in ¹[substandard]¹ housing ¹found to be "substandard" within the meaning of P.L.1966, c.168 (C.2A:42-74 et seq.) or P.L.1971, c.224 (C.2A:42-85 et seq.), or otherwise violative of minimum health and safety standards¹; persons and families who, by reason of family income, family size or disabilities have special needs; ¹and¹ elderly persons¹; and families living under conditions violative of minimum health and safety standards¹.

REPLACE SECTION 22 TO READ:

22. (New section) A municipality, county, redevelopment agency, or housing authority is authorized to exercise all those public and essential governmental functions necessary or convenient to effectuate the purposes of this act, including the following powers which shall be in addition to those otherwise granted by this act or by other law:

a. To sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make ¹[an] and¹ execute ¹[contacts] contracts¹ and ¹[others] other¹ instruments necessary and convenient to the ¹[exercise] exercise¹ of the powers of the agency or authority; and to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this act, to carry into effect its powers and purposes.

b. Pursuant to an adopted cash management plan, invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, in property or securities in which governmental units may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be cancelled.

c. Borrow money and receive grants and loans from any source for the financing of a redevelopment project or housing project.

d. Invest in an obligee the right in the event of a default by the agency to foreclose and take possession of the project covered by the mortgage or apply for the appointment of ¹[an] a¹ receiver.

e. Invest in a trustee or trustees or holders of bonds the right to enforce the payment of the bonds or any covenant securing or relating to the bonds, which may include the right, in the event of the default, to take possession and use, operate and manage any project or part thereof, and to collect the rents and revenues arising therefrom and to dispose of the moneys in accordance with the agreement of the authority with the trustee.

f. Provide for the refunding of any of its bonds, by the issuance of such obligations, in such manner and form, and upon such terms and conditions, as it shall deem in the best interests of the public.

g. Consent to the modification of any contract, bond indenture, mortgage or other instrument entered into by it.

h. Pay or compromise any claim arising on, or because of any agreement, bond indenture, mortgage or instrument.

i. Acquire or contract to acquire from any person, firm, or corporation, public or private, by contribution, gift, grant, bequest, devise, purchase, or otherwise, real or personal property or any interest therein, including such property as it may deem necessary or proper, although temporarily not required for such purposes, in a redevelopment area or in any area designated by the governing body as necessary for carrying out the relocation of the residents, industry and commerce displaced from a redevelopment area.

j. Subordinate, waive, sell, assign or release any right, title, claim, lien or demand however acquired, including any equity or right of redemption, foreclosure, sell or assign any mortgage held by it, or any interest in real or personal property; and purchase at any sale, upon such terms and at such prices as it determines to be reasonable, and to take title to the property, real, personal, or mixed, so acquired and similarly to sell, exchange, assign, convey or otherwise dispose of any property.

k. Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease or otherwise deal with any property.

l. Employ or retain consulting and other attorneys, planners, engineers, architects, managers and financial experts and other employees and agents of a permanent or temporary nature as may be necessary, determine their qualifications, duties and compensation, and delegate to one or more of its agents or employees such powers and duties as it deems proper. For such legal services as may be required, a redevelopment agency or housing authority may call upon the chief law officers of the municipality or county, as the case may be, or may employ its own counsel and legal staff.

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

n. Conduct examinations and investigations, hear testimony and take proof, under oath at public or private hearings of any material matter, compel witnesses and the production of books and papers and issue commissions for the examination of witnesses who are out of State, unable to attend, or excused from attendance; authorize a committee designated by it consisting of one or more members, or counsel, or any officer or employee to conduct the examination or investigation, in which case it may authorize in its name the committee, counsel, officer or employee to administer oaths, take affidavits and issue subpoenas or commissions.

o. Make and enter into all contracts and agreements necessary or incidental to the performance of the duties authorized in this act.

INSERT NEW SECTION 45 TO READ:

145. (New Section) The Commissioner of Community Affairs shall prescribe and enforce standards for the curriculum and administration of a course of study as he deems appropriate, the object of which shall be to assist members and executive directors of local housing authorities and municipal redevelopment agencies to acquire the knowledge and skills necessary to oversee and administer the operations of such authorities or agencies in accordance with current law and in the best interests of the citizens served by such authorities. The commissioner shall adopt the standards by administrative rule, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

The course shall consist of instruction in the principles of housing and redevelopment, which may include, but not be limited to, construction management and code compliance, financial management and public administration, and such other topics as the commissioner may deem appropriate. The commissioner shall, to the greatest extent possible, cooperate with organizations of housing authority representatives and redevelopment agency representatives, and shall consult with Rutgers, the State University, and other educational institutions in establishing the standards for the curriculum and administration of the course of study, as provided above.¹

INSERT NEW SECTION 46 TO READ:

146. (New section) a. Any person serving as a member of a housing authority or a redevelopment agency on or after the effective date of the rules adopted pursuant to section 45 of P.L. . c.)(C.)(now pending in the Legislature as this bill) shall satisfactorily complete the course of study prescribed by the commissioner within one year following the date of appointment or the effective date of the rules, whichever is later, or shall be deemed to have resigned his position effective at the end of that period of time.

Notwithstanding the provisions of this section, a person serving as a member of a housing authority or redevelopment agency on the effective date of the rules adopted pursuant to section 45 of this act may continue to serve to the end of his appointed term even if the remaining period in that term exceeds one year and

the member does not satisfactorily complete the prescribed course of study within that time. However, such a member shall not be eligible for reappointment to membership on the housing authority or redevelopment agency.

b. Any person serving as the executive director of a housing authority or redevelopment agency on or after the effective date of the rules adopted pursuant to section 45 of P.L. . c. (C.)(now pending in the Legislature as this bill) shall satisfactorily complete the course of study prescribed by the commissioner within two years after the effective date of the rules or the effective date of his appointment, whichever is later, or shall be deemed to have resigned his position effective at the end of that period of time.¹

INSERT NEW SECTION 47 TO READ:

^{147.} (New section) Commencing one year after the effective date of P.L. . c (C.)(now pending in the Legislature as this bill), a person appointed as executive director of a housing authority or redevelopment agency shall satisfactorily complete the course of study prescribed by the commissioner within two years of the date of appointment, and at least one half of the requisite courses shall be satisfactorily completed within one year of appointment. A person who fails to meet these requirements shall be deemed to have resigned the position effective at the end of the first year or second year of appointment, as appropriate.¹

INSERT NEW SECTION 48 TO READ:

^{148.} (New section) The commissioner may waive the course requirements set forth in sections 46 and 47 of P.L. . c. (C.)(now pending in the Legislature as this bill) for any person whom the commissioner determines to be qualified to serve as a member or executive director of a housing authority or redevelopment agency by reason of adequate and equivalent training or professional experience, or a combination thereof. The commissioner may extend credit toward completion of the course requirements for equivalent or nearly equivalent courses completed by an individual under the sponsorship of a professional organization.¹

RENUMBER SECTIONS 45 THROUGH 49 AS 49 THROUGH 53.

RENUMBER SECTION 50 AS 54.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1138

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 1, 1992

The Senate Community Affairs Committee favorably reports Assembly Bill No. 1138 [1R] with Senate committee amendments.

Assembly Bill No. 1138 [1R], as amended by the committee, revises, consolidates and clarifies the various statutes related to the exercise of redevelopment and housing powers by local governments. The revision was recommended by the County and Municipal Government Study Commission in its report, *Local Redevelopment in New Jersey*.

The bill in its present form is the result of the review of the original draft by various redevelopment and housing experts in the State, as well as by both Senate and Assembly committees of the Legislature during the 1990-1991 term.

The bill strengthens the financial oversight over local redevelopment and housing activities by relating the financing provisions of the bill to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). At the same time, it incorporates modern bonding provisions for local entities engaged in redevelopment or housing.

The bill strengthens the planning process with regard to redevelopment by more effectively involving the planning board in the review of proposed redevelopment plans and rehabilitation ordinances. It also more directly relates the provisions of a redevelopment plan to the development regulations of the municipality adopted under the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).

The bill contains provisions which relate the housing powers of local housing authorities to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.), and provide for a greater range of housing programs for such authorities to utilize in addressing problems of homelessness and provision of low and moderate income housing.

The committee amended the bill to:

(1) assure that the tax abatements and exemptions available to a formally designated "redevelopment area" may also be granted to a designated urban enterprise zone or to a low/moderate-income housing project approved by the municipality;

(2) delete a constitutionally questionable provision that would have authorized municipalities, under certain circumstances, to extend favorable tax treatment to areas not formally qualified as blighted or in need of rehabilitation;

(3) correct, in certain portions of P.L.1991, c.431 and c.441, references to the "pending" legislation to which those statutes are

connected, by inserting reference to Senate Bill No. 817 or this bill in place of reference to its forerunner of the previous session;

(4) grandfather those housing authority directors serving on the effective date of the act from the requirement of holding a degree as a prerequisite for serving in that position; and

(5) make various minor technical corrections in legal citations and internal section references.

This bill, with the committee amendments, is identical to Senate Bill No. 817, which was also reported by this committee with committee amendments on June 1, 1992.

SENATE SCO COMMITTEE

AMENDMENTS

to

ASSEMBLY, No. 1138(1R)

(Sponsored by Assemblymen Bagger and Franks)

REPLACE TITLE TO READ:

AN ACT concerning redevelopment and housing by municipal and county governments, prescribing the powers, duties and functions of those governments with respect to redevelopment and housing functions, supplementing Title 40A of the New Jersey Statutes, and amending P.L.1971, c.199, P.L.1975, c.291²[and]² P.L.1983, c.313², P.L.1991, c.431 and P.L.1991, c.441².

REPLACE SECTION 5 TO READ:

5. (New section) A delineated area may be determined to be in need of redevelopment if, after investigation, notice and hearing as provided in section 6 of P.L. , c. (C.) (now pending in the Legislature as this bill), the governing body of the municipality by resolution concludes that within the delineated area any of the following conditions is found:

a. The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or possess any of such characteristics, or are so lacking in light, air, or space, as to be conducive to unwholesome living or working conditions.

b. The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenable.

c. Land that is owned by the municipality, the county, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.

d. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

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community facilities and other public improvements.

(2) Proposed land uses and building requirements in the project area.

(3) Adequate provision for the temporary and permanent relocation, as necessary, of residents in the project area, including an estimate of the extent to which decent, safe and sanitary dwelling units affordable to displaced residents will be available to them in the existing local housing market.

(4) An identification of any property within the redevelopment area which is proposed to be acquired in accordance with the redevelopment plan.

(5) Any significant relationship of the redevelopment plan to (a) the master plans of contiguous municipalities, (b) the master plan of the county in which the municipality is located, and (c) the State Development and Redevelopment Plan adopted pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et al.).

b. A redevelopment plan may include the provision of affordable housing in accordance with the "Fair Housing Act," P.L.1985, c.222 ²[(C.52:27D-311 et seq.)] [C.52:27D-301 et al.]² and the housing element of the municipal master plan.

c. The redevelopment plan shall describe its relationship to pertinent municipal development regulations as defined in the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.). The redevelopment plan shall supersede applicable provisions of the development regulations of the municipality or constitute an overlay zoning district within the redevelopment area. When the redevelopment plan supersedes any provision of the development regulations, the ordinance adopting the redevelopment plan shall contain an explicit amendment to the zoning district map included in the zoning ordinance. The zoning district map as amended shall indicate the redevelopment area to which the redevelopment plan applies. Notwithstanding the provisions of the "Municipal Land Use Law" P.L.1975, c.291 (C.40:55D-1 et seq.) or of other law, no notice beyond that required for adoption of ordinances by the municipality shall be required for the hearing on or adoption of the redevelopment plan or subsequent amendments thereof.

d. All provisions of the redevelopment plan shall be either substantially consistent with the municipal master plan or designed to effectuate the master plan; but the municipal governing body may adopt a redevelopment plan which is inconsistent with or not designed to effectuate the master plan by affirmative vote of a majority of its full authorized membership with the reasons for so acting set forth in the redevelopment plan.

e. Prior to the adoption of a redevelopment plan, or revision or amendment thereto, the planning board shall transmit to the governing body, within 45 days after referral, a report containing

its recommendation concerning the redevelopment plan ¹; provided, however, that such referral to the planning board shall not be required in any case where, as authorized in situations of obvious and compelling necessity under the provisions of subsection a. of section 6 of P.L. , c. (C.) (now pending in the Legislature as this bill), the redevelopment plan and determination that an area is in need of redevelopment have been included in the same ordinance after prior consultation with the planning board¹. This report shall include an identification of any provisions in the proposed redevelopment plan which are inconsistent with the master plan and recommendations concerning these inconsistencies and any other matters as the board deems appropriate. The governing body, when considering the adoption of a redevelopment plan or revision or amendment thereof, shall review the report of the planning board and may approve or disapprove or change any recommendation by a vote of a majority of its full authorized membership and shall record in its minutes the reasons for not following the recommendations. Failure of the planning board to transmit its report within the required 45 days shall relieve the governing body from the requirements of this subsection with regard to the pertinent proposed redevelopment plan or revision or amendment thereof. Nothing in this subsection shall diminish the applicability of the provisions of subsection d. of this section with respect to any redevelopment plan or revision or amendment thereof.

f. The governing body of a municipality may direct the planning board to prepare a redevelopment plan or an amendment or revision to a redevelopment plan for a designated redevelopment area. After completing the redevelopment plan, the planning board shall transmit the proposed plan to the governing body for its adoption. The governing body, when considering the proposed plan, may amend or revise any portion of the proposed redevelopment plan by an affirmative vote of the majority of its full authorized membership and shall record in its minutes the reasons for each amendment or revision. When a redevelopment plan or amendment to a redevelopment plan is referred to the governing body by the planning board under this subsection, the governing body shall be relieved of the referral requirements of subsection e. of this section.

REPLACE SECTION 9 TO READ:

9. (New section) a. All agreements, leases, deeds and other instruments from or between a municipality or redevelopment entity and to or with a redeveloper shall contain a covenant running with the land requiring that the owner shall construct only the uses established in the current redevelopment plan; a provision requiring the redeveloper to begin the building of the improvements for those uses within a period of time which the municipality or redevelopment entity fixes as reasonable; a

provision that the redeveloper shall be without power to sell, lease or otherwise transfer the redevelopment area or project, or any part thereof, without the written consent of ²the² municipality or redevelopment entity; a provision that upon completion of the required improvements, the conditions determined to exist at the time the area was determined to be in need of redevelopment shall be deemed to no longer exist, and the land and improvements thereon shall no longer be subject to eminent domain as a result of those determinations; and any other covenants, provisions and continuing controls as may be deemed necessary to effectuate the purposes of this act. The aforesaid covenants, provisions and controls shall be deemed satisfied upon termination of the agreements and covenants entered into by the redeveloper to construct the improvements and to perform the redevelopment. The rights of any third party acquired prior to termination of the agreements, including, but not limited to, any tax exemption or abatement granted pursuant to law, shall not be negatively affected by termination and satisfaction of the covenants.

b. A lease to a redeveloper may provide that all improvements shall become the property of the municipality or redevelopment entity. The execution of a lease with that provision shall not impose upon the municipality or redevelopment entity any liability for the financing, construction, management or operation of any redevelopment project, or any part thereof.

REPLACE SECTION 16 TO READ:

16. (New section) a. In order to carry out the housing purposes of this act, a municipality, county, or housing authority may exercise the following powers, in addition to those set forth in section 22 of P.L. . c. (C.) (now pending in the Legislature as this bill):

(1) Plan, construct, own, and operate housing projects; maintain, reconstruct, improve, alter, or repair any housing project or any part thereof; and for these purposes, receive and accept from the State or federal government, or any other source, funds or other financial assistance;

(2) Lease or rent any dwelling house, accommodations, lands, buildings, structures or facilities embraced in any housing project; and pursuant to the provisions of this act, establish and revise the rents and charges therefor;

(3) Acquire property pursuant to subsection i. of section 22 of P.L. . c. (C.) (now pending in the Legislature as this bill)

(4) Acquire, by condemnation, any land or building which is necessary for the housing project, pursuant to the provisions of the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.);

(5) Issue bonds in accordance with the provisions of section 29 of P.L. , c. (C.) (now pending in the Legislature as this bill);

(6) Cooperate with any other municipality, private, county, State or federal entity to provide funds to the municipality or other governmental entity and to homeowners, tenant associations, private, non-profit or private developers to acquire, construct, rehabilitate or operate publicly assisted housing, and to provide rent subsidies for persons of low and moderate income, including the elderly, pursuant to applicable State or federal programs;

(7) Encourage the use of demand side subsidy programs such as certificates and vouchers for low-income families and promote the use of project based certificates which provide subsidies for units in newly constructed and substantially rehabilitated structures, and of tenant based certificates which subsidize rent in existing units;

(8) Cooperate with any State or federal entity to secure mortgage assistance for any person of low or moderate income;

(9) Provide technical assistance and support to non-profit organizations and private developers interested in constructing low and moderate income housing;

(10) If it owns and operates public housing units, provide to the tenants public safety services, including protection against drug abuse, and social services, including counseling and financial management, in cooperation with other agencies;

(11) Provide emergency shelters, transitional housing and supporting services to homeless families and individuals.

b. All housing projects, programs and actions undertaken pursuant to this act shall accord with the housing element of the master plan of the municipality within which undertaken, and with any fair share housing plan filed by the municipality with the Council on Affordable Housing, based upon the council's criteria and guidelines, pursuant to the "Fair Housing Act," P.L.1985, c.222 ²[(C.52:27D-301 et seq.)] [C.52:27D-301 et al.]², whether or not the municipality has petitioned for substantive certification of the plan.

REPLACE SECTION 17 TO READ:

17. (New section) a. Except as provided in subsection b. of this section, the governing body of any county or municipality may, by ordinance, or by resolution in the case of a county whose charter does not provide for the adoption of ordinances, create a body corporate and politic to be known as the "Housing Authority of . . . ," inserting the name of the county or municipality. The authority shall constitute an agency and instrumentality of the municipality or county creating it. A housing authority shall be

created ¹[purasant] pursuant¹ to the procedures of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). The authority shall consist of seven members, of whom five shall be appointed by the governing body of the county or municipality, as the case may be, ¹[and two] one¹ by the mayor or other chief executive officer of the municipality, or in the case of a county by the director of the board of chosen freeholders or by the chief executive officer of the county if the county's charter provides for such an officer ¹, and one by the Commissioner of Community Affairs¹. The members shall serve for terms of five years and until their respective successors have been appointed and qualified; except that of the five members first appointed by the governing body one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years and one for a term of five years. All appointments shall be subject to and made in the manner required by the law under which the county or municipality is governed. Vacancies shall be filled in the same manner as the original appointments were made, but for the unexpired term. If a vacancy is not filled by the governing body or chief executive officer within 90 days of the occurrence of the vacancy, the Commissioner of the Department of Community Affairs shall notify the governing body or chief executive officer of his intent to fill the vacancy if it is not filled in 30 days. If the vacancy is not filled within that 30 day period, the commissioner may appoint a member for the unexpired term.

²[In any county or municipality which has heretofore created a housing authority pursuant to R.S.55:14A-4, the members of the authority who were appointed by the governing body and the chief executive officer of the county or municipality and who are in office upon the effective date of this act shall continue in office until the expiration of the terms for which they are appointed and qualified in accordance with the terms of this act; and the terms of those members who were appointed by the Public Housing and Development Authority in the Department of Community Affairs shall cease and determine, and no further appointments to the authority shall be made by that officer.]²

b. No municipality which has been included with its consent within the area of operation of a county housing authority shall thereafter create a municipal housing authority. Where there is no housing authority in existence in any municipality of a county, the governing body of that county may create a housing authority, and thereafter no municipality within that county shall create an authority without the consent of the county governing body and the county housing authority.

c. A county may provide such publicly assisted housing programs as it chooses anywhere within the county; but it may

provide such programs in municipalities which are within the area of operation of a county or municipal housing authority only after adoption of a resolution of the housing authority consenting thereto.

d. No more than one member of a housing authority may be an officer or employee of the municipality or county by which the authority is created. A certificate of the appointment or reappointment of any member shall be filed with the clerk of the municipality or the county, as the case may be, and that certificate shall be conclusive evidence of the due and proper appointment of that member. A member of an authority shall receive no compensation for his services, but shall be entitled to reimbursement for actual expenses necessarily incurred in the discharge of the duties of membership, including travel expenses. The powers of the authority shall be vested in the members thereof in office from time to time. Four members shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and all other purposes. Action may be taken by the authority upon the affirmative vote of the majority, but not less than four of the members present, unless in any case the bylaws of the authority shall require a larger number. The authority shall select a chairman and a vice-chairman from among its members, and shall employ an executive director, who shall be its secretary.

e. No member or employee of an authority shall acquire any interest, direct or indirect, in any housing project or in any property included or planned to be included in such a project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials and services to be furnished or used in connection with any housing project. If any member or employee of an authority owns or controls an interest, direct or indirect, in any property included or planned to be included in a housing project he shall immediately disclose the same in writing to the authority and the disclosure shall be entered upon the minutes of the authority. Failure ²[so]² to disclose such an interest shall constitute misconduct in office. A member or employee required by this subsection to make such a disclosure shall not participate in any action by the authority affecting the property with respect to which such disclosure is required. For inefficiency or neglect of duty or misconduct in office a member of an authority may be removed by the governing body or officer by which he was appointed; but a member may be removed only after he has been given a copy of the charges at least 10 days prior to a hearing thereon and has had the opportunity to be heard in person or by ¹[council] counsel¹. In the event of a removal of any member of an authority a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk of the county or municipality.

REPLACE SECTION 18 TO READ:

18. (New section) The executive director of a housing authority shall have attained a degree from an accredited four year college or university in a public administration, social science, or other appropriate program, and shall have at least five years' experience in public administration, public finance, realty, or similar professional employment. A master's degree in an appropriate program may substitute for two years of that experience. ²The executive director holding that position at the time this act becomes effective, possessing the required work experience and holding certification as a Public Housing Manager (PHM) from the National Association of Housing and Redevelopment Officials, or equivalent certification from a nationally recognized professional association in the housing and redevelopment field, shall not be required to meet the educational requirement, except as otherwise provided in section 45 of P.L. , c. (C.) (now pending before the Legislature as this bill) and shall be deemed qualified for continued employment as executive director of the authority in which he holds that post and eligible for equivalent employment in any other local public housing authority in this State.²

The executive director shall serve at the pleasure of the members of the authority, and may be relieved of his duties only after 120 days' notice. The authority may provide that the executive director shall be the appointing authority for all or any portion of the employees of the authority. The executive director shall assign and supervise employees in the performance of their duties. If the county or municipality which established the housing authority has adopted the provisions of Title 11A of the New Jersey Statutes, the executive director shall be in the unclassified service of civil service, and all other employees shall be in the classified service of civil service, except as may be otherwise provided by that title. A housing authority may adopt the provisions of Title 11A of the New Jersey Statutes separately from the establishing county or municipality.

REPLACE SECTION 40 TO READ:

40. (New section) In connection with any housing project located wholly or partly within the area in which it is authorized to act, a public body may agree with a housing authority, redevelopment agency, redevelopment entity or the federal government that a certain sum, in no event to exceed the amount

equal to 10% of the amount received ²by² that authority, agency, entity or government in the form of shelter rents, or that no sum, shall be paid by that authority, agency, entity or government in lieu of taxes for any year or period of years.

REPLACE SECTION 50 TO READ:

¹[46.] 50.¹ Section 76 of P.L.1975, c.291 (C.40:55D-89) is amended to read as follows:

76. Periodic examination. The governing body shall, at least every six years, provide for a general reexamination of its master plan and development regulations by the planning board, which shall prepare and adopt by resolution a report on the findings of such reexamination, a copy of which report and resolution shall be sent to the county planning board and the municipal clerk of each adjoining municipality. The first such reexamination shall have been completed by August 1, 1982. The next reexamination shall be completed by August 1, 1988. Thereafter, a reexamination shall be completed at least once every 6 years from the previous reexamination.

The reexamination report shall state:

a. The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.

b. The extent to which such problems and objectives have been reduced or have increased subsequent to such date.

c. The extent to which there have been significant changes in the assumptions, policies, and objectives forming the basis for the master plan or development regulations as last revised, with particular regard to the density and distribution of population and land uses, housing conditions, circulation, conservation of natural resources, energy conservation, collection, disposition, and recycling of designated recyclable materials, and changes in State, county and municipal policies and objectives.

d. The specific changes recommended for the master plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.

e. The recommendations of the planning board concerning the incorporation of redevelopment plans adopted pursuant to the "Local Redevelopment and Housing Law," P.L. _____, c. _____ (C. _____) (now pending in the Legislature as ²[this bill] Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992² into the land use plan element of the municipal master plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

(cf: P.L.1987, c.102, s.29)

REPLACE SECTION 51 TO READ:

[47.] 51.¹ Section 13 of P.L.1971, c.199 (C.40A:12-13) is amended to read as follows:

13. Sales of real property, capital improvements or personal property; exceptions; procedure. Any county or municipality may sell any real property, capital improvement or personal property, or interests therein, not needed for public use, as set forth in the resolution or ordinance authorizing the sale, other than county or municipal lands, real property otherwise dedicated or restricted pursuant to law, and, except as otherwise provided by law, all such sales shall be made by one of the following methods:

(a) By open public sale at auction to the highest bidder after advertisement thereof in a newspaper circulating in the municipality or municipalities in which the lands are situated, by two insertions at least once a week during two consecutive weeks, the last publication to be not earlier than seven days prior to such sale. In the case of public sales, the governing body may by resolution fix a minimum price or prices, with or without the reservation of the right to reject all bids where the highest bid is not accepted. Notice of such reservation shall be included in the advertisement of the sale and public notice thereof shall be given at the time of sale. Such resolution may provide, without fixing a minimum price, that upon the completion of the bidding, the highest bid may be accepted or all the bids may be rejected. The invitation to bid may also impose restrictions on the use to be made of such real property, capital improvement or personal property, and any conditions of sale as to buildings or structures, or as to the type, size, or other specifications of buildings or structures to be constructed thereon, or as to demolition, repair, or reconstruction of buildings or structures, and the time within which such conditions shall be operative, or any other conditions of sale, in like manner and to the same extent as by any other vendor. Such conditions shall be included in the advertisement, as well as the nature of the interest retained by the county or municipality. Such restrictions or conditions shall be related to a lawful public purpose and encourage and promote fair and competitive bidding of the county or municipality and shall not, in the case of a municipality, be inconsistent with or impose a special or higher standard than any zoning ordinance or building, plumbing, electrical, or similar code or ordinance then in effect in the municipality.

In any case in which a county or municipality intends to retain an estate or interest in any real property, capital improvement or personal property, in the nature of an easement, contingent or reversionary, the invitation to bid and the advertisement required herein shall require each bidder to submit one bid under each Option A and Option B below.

(1) Option A shall be for the real property, capital improvement or personal property subject to the conditions or restrictions imposed, or interest or estate retained, which the county or municipality proposes to retain or impose.

(2) Option B shall be for the real property, capital improvement or personal property to be sold free of all such restrictions, conditions, interests or estates on the part of the county or municipality.

The county or the municipality may elect or reject either or both options and the highest bid for each. Such acceptance or rejection shall be made not later than at the second regular meeting of the governing body following the sale, and, if the governing body shall not so accept such highest bid, or reject all bids, said bids shall be deemed to have been rejected. Any such sale may be adjourned at the time advertised for not more than one week without readvertising.

(b) At private sale, when authorized by resolution, in the case of a county, or by ordinance, in the case of a municipality, in the following cases:

(1) A sale to any political subdivision, agency, department, commission, board or body corporate and politic of the State of New Jersey or to an interstate agency or body of which the State of New Jersey is a member or to the United States of America or any department or agency thereof.

(2) A sale to a person submitting a bid pursuant to subsection (a) of this section, where all bids have been rejected, provided that the terms and price agreed to shall in no event be less than the highest bid rejected, and provided further that the terms and conditions of sale shall remain identical.

(3) A sale by any county or municipality, when it has or shall have conveyed its right, title and interest in any real property, capital improvement or personal property not needed for public use, and it was assumed and intended that there should be conveyed a good and sufficient title in fee simple to said real property, capital improvement or personal property, free of all encumbrances and the full consideration has been paid therefor, and it shall thereafter appear that the title conveyed was insufficient or that said county or municipality at the time of said conveyance was not the owner of some estate or interest in said real property, capital improvement or personal property or of some encumbrances thereon, and the county or municipality shall thereafter acquire a good and sufficient title in fee simple, free of all encumbrances of said real property, capital improvement or personal property or shall acquire such outstanding estate or interest therein or outstanding encumbrance thereon and said county or municipality, by resolution of the governing body and without the payment of any additional consideration, has deemed to convey or otherwise transfer to said purchaser, his heirs or assigns, such after-acquired title, or estate or interest in, or encumbrance upon, such real property, capital improvement or personal property to perfect the title or interest previously conveyed.

(4) A sale of an easement upon any real property previously conveyed by any county or municipality may be made when the governing body of any county, by resolution, or any municipality, by ordinance, has elected to release the public rights in the nature of easements, in, on, over or under any real property within the county or the municipality, as the case may be, upon such terms as shall be agreed upon with the owner of such lands, if the use of such rights is no longer desirable, necessary or required for public purposes.

(5) A sale to the owner of the real property contiguous to the real property being sold; provided that the property being sold is less than the minimum size required for development under the municipal zoning ordinance and is without any capital improvement thereon; except that when there is more than one owner with real property contiguous thereto, said property shall be sold to the highest bidder from among all such owners. Any such sale shall be for not less than the fair market value of said real property.

In the case of any sale of real property hereafter made pursuant to subsection (b) of this section, in no event shall the price agreed upon with the owner be less than the difference between the highest bid accepted for the real property subject to easements (Option A) and the highest bid rejected for the real property not subject to easements (Option B). After the adoption of the resolution or ordinance, and compliance by the owner of said real property with the terms thereof, said real property shall be free, and entirely discharged of and from such rights of the public and of the county or municipality, as the case may be, but no such release shall affect the right of lawful occupancy or use of any such real property by any municipal or private utility to occupy or use any such real property lawfully occupied or used by it.

A list of the property so authorized to be sold, pursuant to subsection (h) of this section, together with the minimum prices, respectively, as determined by the governing body, shall be included in the resolution or ordinance authorizing the sale, and said list shall be posted on the bulletin board or other conspicuous space in the building which the governing body usually holds its regular meetings, and advertisement thereof made in a newspaper circulating in the municipality or municipalities in which the real property, capital improvement or personal property is situated, within five days following enactment of said resolution or ordinance. Offers for any or all properties so listed may thereafter be made to the governing body or its designee for a period of 20 days following the advertisement herein required, at not less than said minimum prices, by any prospective purchaser, real estate broker, or other authorized representative. In any such case, the governing body may reconsider its resolution or ordinance, not later than 30 days

after its enactment, and advertise the real property, capital improvement, or personal property in question for public sale pursuant to subsection (a) of this section.

Any county or municipality selling any real property, capital improvement or personal property pursuant to subsection (b) of this section shall file with the Director of the Division of Local Government Services in the Department of Community Affairs, sworn affidavits verifying the publication of advertisements as required by this subsection.

(c) By private sale of a municipality in the following case: A sale to a private developer by a municipality, when acting [as a redevelopment agency pursuant to section 8 of P.L.1956, c.212 (C.40:55C-37) or a local housing authority pursuant to section 8 of P.L.1956. The real property or capital improvements may be made available at their use value, which represents the value (whether expressed in terms of rental or capital price) at which the municipality determines such should be made available in order that it may be developed or redeveloped for the purposes specified in the redevelopment plan formulated] in accordance with the ["Redevelopment Agencies Law," P.L.1949, c.306 (C.40:55C-1 et seq.) or the "Local Housing Authorities Law," P.L.1938, c.19 (C.55:14A-1 et seq.), as appropriate] "Local Redevelopment and Housing Law," P.L. . c. (C.) (now pending in the Legislature as ²[this bill]) Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992"².

[Notwithstanding the provisions of any law, rule or regulation to the contrary, a private developer who has purchased real property or capital improvements pursuant to this subsection shall not convey or otherwise dispose of all or any portion of that property or those improvements without first offering the municipality which sold the property or improvements a right of first refusal to purchase the property or improvements at the price paid to the municipality by the developer. The right of first refusal granted herein shall be a condition of the original sale by the municipality, and shall be expressed in the deed or other instrument of conveyance for the property or improvements; except that if the municipality has established rules or requirements concerning the use and sale of the property or the improvements and requires as part of the sale that the use of the property or improvement is subject to those rules or requirements, the private developer may convey or otherwise dispose of the property pursuant to those rules or requirements without first offering the municipality the right of first refusal.]

All sales, either public or private, may be made for cash or upon credit. A deposit not exceeding 10% of the minimum price or value of the property to be sold may be required of all bidders. When made upon credit, the county or municipality may accept a purchase-money mortgage, upon terms and conditions which shall be fixed by the resolution of the governing body; provided,

however, that such mortgage shall be fully payable within five years from the date of the sale and shall bear interest at a rate equal to that authorized under Title 31 of the Revised Statutes, as amended and supplemented, and the regulations issued pursuant thereto, or the rate last paid by the county or municipality upon any issue of notes pursuant to the "Local Bond Law", (N.J.S.40A:2-1 et seq.), whichever is higher. The governing body may, by resolution, fix the time for closing of title and payment of the consideration.

In all sales made pursuant to this section, the governing body of any county or municipality may provide for the payment of a commission to any real estate broker, or authorized representative other than the purchaser actually consummating such sale; provided, however, that no commission shall be paid unless notice of the governing body's intention to pay such a commission shall have been included in the advertisement of sale and the recipient thereof shall have filed an affidavit with the governing body stating that said recipient is not the purchaser. Said commissions shall not exceed, in the aggregate, 5% of the sale price, and be paid, where there has been a public sale, only in the event that the sum of the commission and the highest bid price does not exceed the next highest bid price (exclusive of any real estate broker's commission). As used in this section, "purchaser" shall mean and include any person, corporation, company, association, society, firm, partnership, or other business entity owning or controlling, directly or indirectly, more than 10% of the purchasing entity.

(cf: P.L.1985, c.535, s.1)

INSERT NEW SECTIONS 53, 54, 55, 56, 57 and 58 TO READ:

²53. Section 2 of P.L.1991, c.431 (C.40A:20-2) is amended to read as follows:

2. The Legislature finds that in the past a number of laws have been enacted to provide for the clearance, replanning, development, and redevelopment of blighted areas pursuant to Article VIII, Section III, paragraph 1 of the New Jersey Constitution. These laws had as their public purpose the restoration of deteriorated or neglected properties to a use resulting in the elimination of the blighted condition, and sought to encourage private capital and participation by private enterprise to contribute toward this purpose through the use of special financial arrangements, including the granting of property tax exemptions.

The Legislature finds that these laws, separately enacted, contain redundant and unnecessary provisions, or provisions which have outlived their usefulness, and that it is necessary to revise, consolidate and clarify the law in this area in order to preserve and improve the usefulness of the law in promoting the original public purpose.

The Legislature declares that the provisions of this act are one means of accomplishing the redevelopment and rehabilitation purposes of the "Local Redevelopment and Housing Law," P.L. . c. (C.) (now pending before the Legislature as [Senate Bill No. 380 of 1990] Senate Bill No. 617 of 1992 or Assembly Bill 1138 of 1992 through the use of private entities and financial arrangements pertaining thereto, and that this act should be construed in conjunction with that act.²

(cf: P.L.1991, c.431, s.2)

²54. Section 3 of P.L.1991, c.431 (C.40A:20-3) is amended to read as follows:

3. As used in this act:

a. "Gross revenue" means annual gross revenue or gross shelter rent or annual gross rents, as appropriate, and other income, for each urban renewal entity designated pursuant to this act. The financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in the gross revenue.

b. "Limited-dividend entity" means an urban renewal entity incorporated pursuant to Title 14A of the New Jersey Statutes, or established pursuant to Title 42 of the Revised Statutes, for which the profits and the entity are limited as follows. The allowable net profits of the entity shall be determined by applying the allowable profit rate to each total project unit cost, if the project is undertaken in units, or the total project cost, if the project is not undertaken in units, for the period commencing on the date on which the construction of the unit or project is completed, and terminating at the close of the fiscal year of the entity preceding the date on which the computation is made, where:

"Allowable profit rate" means the percentage per annum arrived at by adding 1¼% to the annual interest percentage rate payable on the entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing the allowable profit rate shall be arrived at by adding 1¼% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in the county.

c. "Net profit" means the gross revenues of the urban renewal entity less all operating and non-operating expenses of the entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all annual service charges paid pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12); (b) all payments to the municipality of excess profits pursuant to section 15 or 16 of P.L.1991, c.431 (C.40A:20-15 or 40A:20-16); (c) an annual amount sufficient to amortize the total project cost over the life of the improvements, as set forth in the financial agreement, which shall not be less than the terms of the financial agreement; and (d) all reasonable annual operating expenses of the urban renewal entity, including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies, and payments into repair or maintenance reserve accounts;

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, income taxes, or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding any proprietary ownership interest in the entity.

The urban renewal entity shall provide to the municipality an annual audited statement which clearly identifies the calculation of net profit for the urban renewal entity during the previous year. The annual audited statement shall be prepared by a certified public accountant and shall be submitted to the municipality within 90 days of the close of the fiscal year.

d. "Nonprofit entity" means an urban renewal entity incorporated pursuant to Title 15A of the New Jersey Statutes for which no part of its net profits inures to the benefit of its members.

e. "Project" means any work or undertaking pursuant to a redevelopment plan adopted pursuant to the "Local Redevelopment and Housing Law," P.L. , c. (C.) (now pending before the Legislature as [Senate Bill No. 380 of 1990] Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992), which has as its purpose the redevelopment of all or any part of a redevelopment area including any industrial, commercial, residential or other use, and may include any buildings, land, including demolition, clearance or removal of buildings from land, equipment, facilities, or other real or personal properties which are necessary, convenient, or desirable appurtenances, such as, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and administrative, community, health, recreational, educational and welfare facilities.

f. "Redevelopment area" means an area determined to be in need of redevelopment and for which a redevelopment plan has been adopted by a municipality pursuant to the "Local Redevelopment and Housing Law," P.L. , c. (C.) (now pending before the Legislature as [Senate Bill No. 380 of 1990] Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992).

g. "Urban renewal entity" means a limited-dividend entity or a non-profit entity which enters into a financial agreement pursuant to this act with a municipality to undertake a project pursuant to a redevelopment plan for the redevelopment of all or any part of a redevelopment area, or a project necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or any part of one or more redevelopment areas, or a low and moderate income housing project.

h. "Total project unit cost" or "total project cost" means the aggregate of the following items as related to a unit of a project, if the project is undertaken in units, or to the total project, if the project is not undertaken in units, all of which as limited by, and approved as part of the financial agreement: (1) cost of the land and improvements to the entity, whether acquired from a private or a public owner, with cost in the case of leasehold interests to be computed by capitalizing the aggregate rental at a rate provided in the financial agreement; (2) architect, engineer and attorney fees, paid or payable by the entity in connection with the planning, construction and financing of the project; (3) surveying and testing charges in connection therewith; (4) actual construction costs which the entity shall cause to be certified and verified to the municipality and the municipal governing body by an independent and qualified architect, including the cost of any preparation of the site undertaken at the entity's expense; (5) insurance, interest and finance costs during construction; (6) costs of obtaining initial permanent financing; (7) commissions and other expenses paid or payable in connection with initial leasing; (8) real estate taxes and assessments during the construction period; (9) a developer's overhead based on a percentage of actual construction costs, to be computed at not more than the following schedule:

\$500,000 or less	-	10%
\$500,000 through \$1,000,000	-	\$50,000 plus 8% on excess above \$500,000
\$1,000,001 through \$2,000,000	-	\$90,000 plus 7% on excess above \$1,000,000
\$2,000,001 through \$3,500,000	-	\$160,000 plus 5.6667% on excess above \$2,000,000
\$3,500,001 through \$5,500,000	-	\$245,000 plus 4.25% on excess above \$3,500,000
\$5,500,001 through \$10,000,000	-	\$330,000 plus 3.7778% on excess above \$5,500,000
over \$10,000,000	-	5%

If the financial agreement so provides, there shall be excluded from the total project cost actual costs incurred by the entity and certified to the municipality by an independent and qualified architect or engineer which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or federal law.

i. "Housing project" means any work or undertaking to provide decent, safe, and sanitary dwellings for families in need of housing; the undertaking may include any buildings, land (including demolition, clearance or removal of buildings from land), equipment, facilities, or other real or personal properties or interests therein which are necessary, convenient or desirable appurtenances of the undertaking, such as, but not limited to, streets, sewers, water, utilities, parks; site preparation; landscaping, and administrative, community, health, recreational, educational, welfare, commercial, or other facilities, or to provide any part of combination of the foregoing.

j. "Redevelopment relocation housing project" means a housing project which is necessary, useful or convenient for the relocation of residents displaced by redevelopment of all or any part of one or more redevelopment areas.

k. "Low and moderate income housing project" means a housing project which is occupied, or is to be occupied, exclusively by households whose incomes do not exceed income limitations established pursuant to any State or federal housing program.²

(cf: P.L.1991, c.431, s.3)

^{255.} Section 4 of P.L.1991, c.431 (C.40A:20-4) is amended to read as follows:

4. The governing body of a municipality [which has adopted a redevelopment plan pursuant to the "Local Redevelopment and Housing Law" P.L. . c. (C.) (now pending before the Legislature as [Senate Bill No. 380 of 1990] Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992) may enter into a financial agreement with an urban renewal entity for the undertaking of a project set forth in [the] a redevelopment plan [so] adopted by the governing body pursuant to the "Local Redevelopment and Housing Law," P.L. . c. (C.) (now pending before the Legislature as Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992) or a project necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all of any part of one or more redevelopment areas, or a low and moderate income housing project. The financial agreement shall include, but not be limited to, those provisions set forth in sections 8,9, [and] 10 and 11 of [this act] P.L.1991, c.431 (C.40A:20-8 through 40A:20-11), and shall be subject to review and approval as required by section 8 of P.L.1991, c.431 (C.40A:20-8) prior to execution. The municipality

which enters into the agreement shall retain all necessary authority and control for the redevelopment of the redevelopment area set forth in the plan, and the undertaking of a project by an urban renewal entity pursuant to that plan and [this act] P.L.1991, c.431 (C.40A:20-1 et seq.) shall be deemed a delegation of the powers of the municipality to undertake the project, which delegation shall be limited by the terms of the agreement and the provisions of [this act] P.L.1991, c.431 (C.40A:20-1 et seq.).

An urban renewal entity pursuant to an agreement may undertake a project, and when so authorized by the financial agreement, acquire by purchase or lease for not less than the term of the tax exemption, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational, cultural, or welfare projects, or any combination of two or more of these types of improvement in a single project. The conditions of use, ownership, management and control of the improvements in a project shall be regulated by this act and the terms of the financial agreement.²

(cf: P.L.1991, c.431 s.4)

²56. Section 20 of P.L.1991, c.431 is amended to read as follows:

20. a. The following are repealed:

P.L.1961, c.40 (C.40:55C-40 et al.)

P.L.1983, c.139 (C.40:55C-41.1)

P.L.1986, c.86 (C.40:55C-41.2 et al.)

P.L.1967, c.114 (C.40:55C-44.1 et al.)

P.L.1978, c.93 (C.40:55C-46.1 et al.)

P.L.1981, c.506 (C.40:55C-52.1)

P.L.1985, c.138 (C.40:55C-58.2)

P.L.1965, c.95 (C.40:55C-77 et al.)

P.L.1944, c.169 (C.55:14D-1 et al.)

P.L.1950, c.107 (C.55:14D-6.1)

P.L.1946, c.52 (C.55:14E-1 et al.)

P.L.1950, c.111 (C.55:14E-7.1)

P.L.1949, c.185 (C.55:14E-20 et al.)

P.L.1965, c.92 (C.55:14F-1 et al.)

P.L.1949, c.184 (C.55:16-1 et al.)

P.L.1950, c.21 (C.55:16-5.1)

P.L.1950, c.112 (C.55:16-8.1)

P.L.1967, c.112 (C.55:16-9.1 et al.)

P.L.1962, c.249 (C.55:16-18.1)

P.L.1950, c.69 (C.55:16-22).

b. An urban renewal entity organized and operating under a law repealed by [this act] P.L.1991, c.431 (C.40A:20-1 et seq.) shall not be affected by that repeal. Any financial agreement entered into and any tax exemption granted or extended, shall remain binding upon the urban renewal entity and the municipality, subject to modification by mutual written consent, as if the law under which it was entered into, or granted or extended, had not been repealed

by [this act] P.L.1991, c.431 (C.40A:20-1 et seq.). The provisions of section [17] 18 of [this act] P.L.1991, c.431 (C.40A:20-18) shall apply, however, to the urban renewal entity during the period of the financial agreement, or tax exemption, remaining on and after the effective date of [this act] P.L.1991, c.431 (C.40A:20-1 et seq.). Any redevelopment project undertaken by an urban renewal entity, or financial agreement or tax exemption entered into by an urban renewal entity with a municipality, on or after the effective date of [this act] P.L.1991, c.431 (C.40A:20-1 et seq.) shall be pursuant to [this act] P.L.1991, c.431 (C.40A:20-1 et seq.)².

(cf: P.L.1991, c.431, s.20)

²57. Section 3 of P.L.1991, c.441 (C.40A:21-3) is amended to read as follows:

3. As used in this act:

a. "Abatement" means that portion of the assessed value of a property as it existed prior to construction, improvement or conversion of a building or structure thereon, which is exempted from taxation pursuant to this act.

b. "Area in need of rehabilitation" means a portion or all of a municipality which has been determined to be an area in need of rehabilitation or redevelopment pursuant to the "Local Redevelopment and Housing Law," P.L. . c. . (C.) (now pending before the Legislature as [Senate Bill No. 380 of 1990] Senate Bill No. 617 of 1992 or Assembly Bill No. 1138 of 1992), a "blighted area" as determined pursuant to the "Blighted Areas Act," P.L.1949, c.187 (C.40:55-21.1 et seq.), or which has been determined to be in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.), or P.L.1979, c.233 (C.54:4-3.121 et seq.).

c. "Assessor" means the officer of a taxing district charged with the duty of assessing real property for the purpose of general taxation.

d. "Commercial or industrial structure" means a structure or part thereof used for the manufacturing, processing or assembling of material or manufactured products, or for research, office, industrial, commercial, retail, recreational, hotel or motel facilities, or warehousing purposes, or for any combination thereof, which the governing body determines will tend to maintain or provide gainful employment within the municipality, assist in the economic development of the municipality, maintain or increase the tax base of the municipality and maintain or diversify and expand commerce within the municipality. It shall not include any structure or part thereof used or to be used by any business relocated from another qualifying municipality.

e. "Completion" means substantially ready for the intended use for which a building or structure is constructed, improved or converted.

f. "Condominium" means a property created or recorded as a condominium pursuant to the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.).

g. "Construction" means the provision of a new dwelling, multiple dwelling or commercial or industrial structure, or the enlargement of the volume of an existing multiple dwelling or commercial or industrial structure by more than 30%, but shall not mean the conversion of an existing building or structure to another use.

h. "Conversion" or "conversion alteration" means the alteration or renovation of a nonresidential building or structure, or hotel, motel, motor hotel or guesthouse, in such manner as to convert the building or structure from its previous use to use as a dwelling or multiple dwelling.

i. "Cooperative" means a housing corporation or association, wherein the holder of a share or membership interest thereof is entitled to possess and occupy for dwelling purposes a house, apartment, or other unit of housing owned by the corporation or association, or to purchase a unit of housing owned by the corporation or association.

j. "Cost" means, when used with respect to abatements for dwellings or multiple dwellings, only the cost or fair market value of direct labor and materials used in improving a multiple dwelling, or of converting another building or structure to a multiple dwelling, or of constructing a dwelling, or of converting another building or structure to a dwelling, including any architectural, engineering, and contractor's fees associated therewith, as the owner of the property shall cause to be certified to the governing body by an independent and qualified architect, following the completion of the project.

k. "Dwelling" means a building or part of a building used, to be used or held for use as a home or residence, including accessory buildings located on the same premises, together with the land upon which such building or buildings are erected and which may be necessary for the fair enjoyment thereof, but shall not mean any building or part of a building, defined as a "multiple dwelling" pursuant to the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.). A dwelling shall include, as they are separately conveyed to individual owners, individual residences within a cooperative, if purchased separately by the occupants thereof, and individual residences within a horizontal property regime or a condominium, but shall not include "general common elements" or "common elements" of such horizontal property regime or condominium as defined pursuant to the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.), or the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), or of a cooperative, if the residential units are owned separately.

l. "Exemption" means that portion of the assessor's full and true value of any improvement, conversion alteration, or construction not regarded as increasing the taxable value of a property pursuant to this act.

m. "Horizontal property regime" means a property submitted to a horizontal property regime pursuant to the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.).

n. "Improvement" means a modernization, rehabilitation, renovation, alteration or repair which produces a physical change in an existing building or structure that improves the safety, sanitation, decency or attractiveness of the building or structure as a place for human habitation or work, and which does not change its permitted use. In the case of a multiple dwelling, it includes only improvements which affect common areas or elements, or three or more dwelling units within the multiple dwelling. In the case of a multiple dwelling or commercial or industrial structure, it shall not include ordinary painting, repairs and replacement of maintenance items, or an enlargement of the volume of an existing structure by more than 30%. In no case shall it include the repair of fire or other damage to a property for which payment of a claim was received by any person from an insurance company at any time during the three year period immediately preceding the filing of an application pursuant to this act.

o. "Multiple dwelling" means a building or structure meeting the definition of "multiple dwelling" set forth in the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.), and means for the purpose of improvement or construction the "general common elements" and "common elements" of a condominium, a cooperative, or a horizontal property regime.²

(cf: P.L.1991, c.441, s.3)

²58. Section 4 of P.L.1991, c.441 (C.40A:21-4) is amended to read as follows:

4. [a.] The governing body of a municipality may determine to utilize the authority granted under Article VIII, Section I, paragraph 6 of the New Jersey Constitution, and adopt an ordinance setting forth the eligibility or noneligibility of dwellings, multiple dwellings, or commercial and industrial structures, or all of these, for exemptions or abatements, or both, from taxation in areas in need of rehabilitation. The ordinance may differentiate among these types of structures as to whether the property shall be eligible for exemptions or abatements, or both, within the limitations set forth in [this act] P.L.1991, c.441 (C.40A:21-1 et seq.). With respect to a type of structure, the ordinance shall specify the eligibility of improvements, conversions, or construction, or all of these, for each type of structure. The ordinance may differentiate for the purposes of determining eligibility pursuant to this section among the various neighborhoods, zones, areas or portions of the designated area in need of rehabilitation.

[b. When the governing body of a municipality has determined that, apart from existence of any area in the municipality that has been or could be formally declared blighted or in need of rehabilitation, there are trends toward deterioration that, unless countered by such incentives, will inexorably tend toward such conditions within the municipality, it may adopt an ordinance setting forth the reasons for its determination and providing for the granting of exemptions, or of exemptions and abatements, either throughout the municipality or in designated residential neighborhoods, in the same manner and to the same extent as if the municipality's neighborhoods had been determined to be in need of rehabilitation pursuant to the procedure set forth in subsection a. of this section.]

[c.] An ordinance adopted pursuant to this section may be amended from time to time. An amendment to an ordinance shall not affect any exemption, abatement, or tax agreement previously granted and in force prior to the amendment.

Application for exemptions and abatements from taxation may be filed pursuant to an ordinance so adopted to take initial effect for the first full tax year commencing after the tax year in which the ordinance is adopted, and for tax years thereafter as set forth in [this act] P.L.1991, c.441 (C.40A:21-1 et seq.), but no application for exemptions or abatements shall be filed for exemptions or abatements to take initial effect for the eleventh full tax year or any tax year occurring thereafter, unless the ordinance is readopted by the governing body pursuant to this section.²

RENUMBER SECTION 53 AS SECTION 59

RENUMBER SECTION 54 AS SECTION 60

SENATE Amendments
(Proposed by Senator Dorsey)

ADOPTED
JUN 11 1992

10

ASSEMBLY, No. 1138 (2R)

(Sponsored by Assemblymen Bagger and Franks)

REPLACE SECTION 12 TO READ:

12. (New section) The executive director of a redevelopment agency shall have attained a degree from an accredited four year college or university in a public administration, social science or other appropriate program, and shall have at least five years' experience in public administration, public finance, realty, or similar professional employment. A master's degree in an appropriate program may substitute for two years of that experience. ³The executive director holding that position at the time this act becomes effective, possessing the required work experience and holding appropriate certification from the National Association of Housing and Redevelopment Officials, or equivalent certification from a nationally recognized professional association in the housing and redevelopment field, shall not be required to meet the educational requirement, except as otherwise provided in section 45 of P.L. . c. (C.) (now pending before the Legislature as this bill) and shall be deemed qualified for continued employment as executive director of the agency in which he holds that post and eligible for equivalent employment in any other local redevelopment agency in this State.³ The executive director shall serve at the pleasure of the commissioners of the agency, and may be relieved of his duties only after 120 days' notice. The redevelopment agency may provide that the executive director shall be the appointing authority for all or any portion of the employees of the agency. The executive director shall assign and supervise employees in the performance of their duties. If the municipality which established the redevelopment agency has adopted the provisions of Title 11A of the New Jersey Statutes, the executive director shall be in the unclassified service of civil service, and all other employees shall be in the classified service of civil service, except as may be otherwise provided by that title. A redevelopment agency may adopt the provisions of Title 11A of the New Jersey Statutes separately from the establishing municipality.

REPLACE SECTION 17 TO READ:

17. (New section) a. Except as provided in subsection b. of this section, the governing body of any county or municipality may, by ordinance, or by resolution in the case of a county whose charter does not provide for the adoption of ordinances, create a body corporate and politic to be known as the "Housing Authority of . . ." inserting the name of the county or municipality. The authority shall constitute an agency and instrumentality of the municipality or county creating it. A housing authority shall be

created ¹[purasant] pursuant¹ to the procedures of the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et seq.). The authority shall consist of seven members, of whom five shall be appointed by the governing body of the county or municipality, as the case may be, ¹[and two] one¹ by the mayor or other chief executive officer of the municipality, or in the case of a county by the director of the board of chosen freeholders or by the chief executive officer of the county if the county's charter provides for such an officer ¹, and one by the Commissioner of Community Affairs¹. The members shall serve for terms of five years and until their respective successors have been appointed and qualified; except that of the five members first appointed by the governing body one shall be appointed for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years and one for a term of five years. All appointments shall be subject to and made in the manner required by the law under which the county or municipality is governed. Vacancies shall be filled in the same manner as the original appointments were made, but for the unexpired term. If a vacancy is not filled by the governing body or chief executive officer within 90 days of the occurrence of the vacancy, the Commissioner of the Department of Community Affairs shall notify the governing body or chief executive officer of his intent to fill the vacancy if it is not filled in 30 days. If the vacancy is not filled within that 30 day period, the commissioner may appoint a member for the unexpired term.

²[In any county or municipality which has heretofore created a housing authority pursuant to R.S.55:14A-1, the members of the authority who were appointed by the governing body and the chief executive officer of the county or municipality and who are in office upon the effective date of this act shall continue in office until the expiration of the terms for which they are appointed and qualified in accordance with the terms of this act; and the terms of those members who were appointed by the Public Housing and Development Authority in the Department of Community Affairs shall cease and determine, and no further appointments to the authority shall be made by that officer.]²

³In any county or municipality which has heretofore created a housing authority pursuant to R.S.55:14A-4, the members of the authority who were appointed by the governing body and the chief executive officer of the county or municipality and who are in office upon the effective date of this act shall continue in office until the expiration of the terms for which they are appointed and qualified in accordance with the terms of this act.³

b. No municipality which has been included with its consent within the area of operation of a county housing authority shall thereafter create a municipal housing authority. Where there is no housing authority in existence in any municipality of a county, the governing body of that county may create a housing authority, and thereafter no municipality within that county shall create an authority without the consent of the county governing body and the county housing authority.

c. A county may provide such publicly assisted housing programs as it chooses anywhere within the county; but it may provide such programs in municipalities which are within the area of operation of a county or municipal housing authority only after adoption of a resolution of the housing authority consenting thereto.

d. No more than one member of a housing authority may be an officer or employee of the municipality or county by which the authority is created. A certificate of the appointment or reappointment of any member shall be filed with the clerk of the municipality or the county, as the case may be, and that certificate shall be conclusive evidence of the due and proper appointment of that member. A member of an authority shall receive no compensation for his services, but shall be entitled to reimbursement for actual expenses necessarily incurred in the discharge of the duties of membership, including travel expenses. The powers of the authority shall be vested in the members thereof in office from time to time. Four members shall constitute a quorum of the authority for the purpose of conducting its business and exercising its powers and all other purposes. Action may be taken by the authority upon the affirmative vote of the majority, but not less than four of the members present, unless in any case the bylaws of the authority shall require a larger number. The authority shall select a chairman and a vice-chairman from among its members, and shall employ an executive director, who shall be its secretary.

e. No member or employee of an authority shall acquire any interest, direct or indirect, in any housing project or in any property included or planned to be included in such a project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials and services to be furnished or used in connection with any housing project. If any member or employee of an authority owns or controls an interest, direct or indirect, in any property included or planned to be included in a housing project he shall immediately disclose the same in writing to the authority and the disclosure shall be entered upon the minutes of the authority. Failure ²[so]² to disclose such an interest shall constitute misconduct in office. A member or employee required by this subsection to make such a disclosure shall not participate in any action by the authority affecting the property with respect to which such disclosure is required. For inefficiency or neglect of duty or misconduct in office a member of an authority may be removed by the governing body or officer

by which he was appointed; but a member may be removed only after he has been given a copy of the charges at least 10 days prior to a hearing thereon and has had the opportunity to be heard in person or by ¹[council] counsel¹. In the event of a removal of any member of an authority a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the clerk of the county or municipality.

STATEMENT

These amendments would require that those members of housing authorities established pursuant to R.S.55:14A-4 appointed by the governing body and chief executive officer of the county or municipality and who are in office on the effective date of this act shall continue in office until the expiration of the terms for which they are appointed.

These amendments also require that the executive director of a redevelopment agency holding that position at the time of this bill's effective date, who possesses the required work experience and certification, will not be required to meet the educational requirements of this bill and will be deemed to be qualified for continued employment as executive director of the agency in which he holds that post and eligible for equivalent employment in any other local redevelopment agency.



State of New Jersey

**County and Municipal Government
Study Commission**

**LOCAL REDEVELOPMENT
IN NEW JERSEY:
STRUCTURING A
NEW PARTNERSHIP**

January 1987

velopers with potential sites, acting as a liaison between the developer and the local government, and providing management and job training services. Finally, local economic development corporations create a "climate" for investment by engaging in public relations and public information efforts, sponsoring local community events, including local trade shows and fairs, and engaging in a general campaign of "boosterism," highlighting the past successes and future potential of the community.

COMMISSION RECOMMENDATIONS:

A New Local Housing and Redevelopment Law

As can be seen from the discussions in the previous sections of this chapter, present state enabling acts provide counties and municipalities with a wide range of powers to plan, finance, and implement local housing and redevelopment programs in their communities. Yet, there remain important reasons to update and improve the current local redevelopment laws to provide for a more effective and efficient set of procedures and administrative guidelines for the implementation of local redevelopment programs. Specifically, gaps, redundancies and inconsistencies in the statutes have developed over the years as a result of the continual "layering" of new statutory provisions and cross-references. As presently formulated, New Jersey's local housing and redevelopment enabling acts represent a confusing and often ambiguous set of statutes placed throughout the various Titles of State law. In many instances, these statutes represent archaic "relics," incorporating procedures and approaches to housing and redevelopment that were developed to take advantage of federal aid programs which have since been eliminated or changed drastically. In other instances, statutes have been amended and new provisions added to address problems that have only been encountered in the implementation of a single redevelopment project. While once relevant, these provisions now only serve to confuse and complicate local redevelopment law.

Large municipalities which have extensive in-house legal, planning, and community development departments can often wade through the current provisions of redevelopment enabling law to reach a determination on what they can or cannot do under the present statutes. Even so, this process of legal interpretation can be time-consuming, causing critical delays in the implementation of redevelopment projects. For developers, these delays can result in significant added costs, potentially reducing their incentive to invest in deteriorated urban areas. If these delays prove to be extremely lengthy, municipalities can miss important opportunities to undertake the rehabilitation and redevelopment of their communities.

As can be seen from discussions in the previous chapters of this report, older suburban communities and rural centers can also benefit from redevelopment. However, in smaller municipalities which need redevelopment but do not have large legal and planning staffs, confusion in interpreting the current redevelopment laws can hinder or delay the implementation of local redevelopment programs. Even worse, a lack of understanding or limited awareness of the powers that are available to municipalities under current local housing and redevelopment laws can allow opportunities for local redevelopment in these communities to be missed entirely.

Clearly, the updating and revision of New Jersey's local redevelopment

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laws would constitute more than a mere "house cleaning" of the current statutes for the sole purpose of easing the work load of local lawyers and planning officials. Rather, a thorough review and revision of these statutes would eliminate a significant constraint on the timely implementation of needed local redevelopment programs.

Based on its review of current local housing and redevelopment enabling laws and its analysis of the utilization of these statutes by local governments, the Commission believes that an update and revision of these statutes is long overdue. Therefore, the Commission recommends that the Local Housing Authorities Law, the Redevelopment Agencies Law, the Housing and Redevelopment Cooperation Law, and the Blighted Areas Act be consolidated into a single Local Housing and Redevelopment Law in Title 40A of the Revised Statutes.

In addition, the Commission has determined that the Urban Redevelopment Law, the Redevelopment Companies Law, and the Public Housing Law are no longer utilized or necessary, and recommends that they be repealed.

Basic Principles of a New Enabling Law

A new local housing and redevelopment law should clearly delineate the roles, powers and responsibilities of municipalities, counties, local redevelopment agencies, and housing authorities in the redevelopment process, and should clearly and concisely set forth the options available to local governments under State enabling law for financing and administering local housing and redevelopment programs. In addition to these basic principles, a new housing and redevelopment statute should:

1. Provide for local flexibility and control in the development, financing, and implementation of local redevelopment programs. The long term success of any redevelopment program is predicated on the ability of local governments to tailor programs to local resources and needs and to react quickly to changing circumstances and new opportunities. Any new redevelopment laws should provide local governments with increased control over the formulation and implementation of local redevelopment plans and a sufficient range of options from which to select those administrative and financing mechanisms most appropriate to local needs.

2. Provide for the broadest possible interpretation of the powers and responsibilities of local governments. New Jersey should take advantage of every opportunity to tap the resourcefulness of local governments and the private sector in developing long-term solutions to the deterioration of our cities, older suburban communities and rural centers. While it is necessary to provide appropriate regulation by the State to ensure the continued fiscal solvency of its local governments and special units of government, New Jersey's local redevelopment laws should be flexible enough to encourage the development of innovative techniques in the financing and implementation of local housing and redevelopment programs.

3. Allow all municipalities to utilize the provisions and powers of New Jersey's local redevelopment enabling laws. While State financial and technical assistance should be targeted to the neediest communities, many relatively sound communities do have areas that are in need of redevelopment. If a community can prove, in accordance with clearly defined criteria and guidelines, that it has an area in need of redevelopment or rehabilitation, then it

should be able to utilize all statutorially authorized techniques to eliminate or prevent the spread of these conditions.

4. Maintain, and in some cases increase, the public accountability of local entities involved in the redevelopment process. At the local level, this means the continuation of appropriate public review and input with respect to designation of areas in need of redevelopment and rehabilitation, the formulation of local redevelopment plans, and the public acquisition of property in the redevelopment area.

In addition to maintaining public input into the redevelopment process, a new local housing and redevelopment law should recognize the State's fiscal oversight role as set forth in the *Local Authorities Fiscal Control Law*, P.L. 1983, c. 313 (C. 40A:5A-1 *et seq.*). State review and approval of the ordinances creating local housing and redevelopment entities, as well as the annual budgets and bond issues of these agencies and authorities are necessary to ensure the continued fiscal solvency of New Jersey's local units of government.

The compilation of this information at the State level is also important in the continuing process of formulating, evaluating, and amending State aid programs and local redevelopment enabling acts. While unneeded regulations and approvals can be eliminated or streamlined, New Jersey needs a continuing flow of information on local redevelopment efforts and utilization of current State programs and statutory provisions to know what works, what should be changed, and what should be eliminated.

5. Maintain clear links to a comprehensive local and regional planning process. It is essential that local redevelopment plans be integrated with the comprehensive master planning process of the municipality and that all necessary hearings and planning board approvals be retained in any new redevelopment laws. Because of their potential regional impacts, the formulation and implementation of local redevelopment plans should also be linked to the comprehensive state and regional planning process.

A Model for a New Local Housing and Redevelopment Law

Applying the criteria set forth above to the problems and issues discussed in this chapter, the Commission recommends that a new local housing and redevelopment law incorporate the following components:

1. Policies and goals of the legislation:

A single clear statement of legislative intent should be incorporated into the new local housing and redevelopment law. Such a statement should incorporate those legislative findings contained in the *Redevelopment Agencies Law*, *Local Housing Authorities Law*, and *Housing and Redevelopment Cooperation Law* which continue to be relevant to today's problems and needs. Those passages which are antiquated or no longer relevant should be updated or eliminated. In addition, such a statement should stress the need to leverage or encourage private sector investment in communities in need of redevelopment and rehabilitation.

2. Definitions:

All relevant terms should be clearly defined and remain consistent throughout this statute and as referenced in other related statutes. The terms

“blight” and “blighted areas,” as well as their definitions, should be changed as per the Commission’s recommendations contained in item 6 of this section.

3. Public entities administering and implementing local redevelopment programs:

a) Local redevelopment agencies:

A new local housing and redevelopment law should clearly delineate the options available to municipalities and counties with respect to the governmental entities that can undertake housing and redevelopment projects in the community. In this context, municipalities should be encouraged to take on a greater role in the process of redevelopment. While some municipalities may prefer to have a separate governmental entity responsible for local redevelopment, local control, responsiveness, and accountability increase when the municipality assumes this responsibility itself.

While the creation of separate redevelopment agencies isolated from the vagaries of the local political process made sense when the first redevelopment laws were enacted, over the last three decades there has been established in various state statutes, including the *Municipal Land Use Law*, the *Eminent Domain Law*, the *Local Authorities Fiscal Control Law*, the redevelopment enabling act themselves, and other relevant provisions of Title 40 and 40A, appropriate review and oversight mechanisms to ensure that the local redevelopment process is not abused or mishandled.

Through the enactment of various State enabling acts, Constitutional provisions, and related court cases, it has become evident that the process of redevelopment constitutes an essential activity of New Jersey’s municipal governments. The Commission feels that this fact should be recognized in a new local housing and redevelopment law.

Therefore, the Commission recommends that a new local housing and redevelopment law eliminate the statutory authorization for the creation of a separate redevelopment agency and provide that any municipality, by ordinance, can authorize itself to be the local redevelopment agency for the municipality and, in so doing, utilize all appropriate and statutorially authorized powers to plan, finance, and undertake redevelopment projects for the municipality.

b) Local housing authorities:

In those instances where a public housing project is to be constructed, operated, and maintained over a period of years, provisions should be included in the new law to provide for the establishment of a separate local housing authority. Local housing authorities should not be given the power to undertake redevelopment, except in the context of the implementation of a local housing project. The current provisions for the establishment of a county housing authority (NJSA 55:14A-4) or county public housing agency (NJSA 40:32A-1 and 2) should be included in a new local housing and redevelopment law.

The basic provisions of the current enabling laws with regards to membership on housing authorities should remain the same. However, the appointments made by the DCA to a local housing authority should be eliminated. With the requirement for the filing of ordinances and budgets with the State, these appointed positions would not be necessary.

c) Grandfather provisions:

The Commission does understand that in some communities a separate redevelopment agency or a housing authority with redevelopment powers has worked well. In these cases, the Commission recommends that provisions be included to allow these entities be grandfathered into the new law. However, the Commission further recommends that the statute authorizing the creation or continuance of a local housing authority or redevelopment agency should include a "sunset" provision, setting forth a specific time limit for local government action to review, assess, and extend the activities of any existing agency.

d) Notification to appropriate state agencies:

To allow the State to continue an appropriate oversight role, the ordinance creating a local housing authority or a local housing and redevelopment agency should be filed with the Local Finance Board, for its review and approval as per the provisions of the *Local Authorities Fiscal Control Law*, P.L. 1983, c. 313 (C. 40A:5A-1 *et seq.*), as well with the Division of Local Government Services in the Department of Community Affairs.

4. Powers of local housing authorities and redevelopment agencies:

In designating itself as the local redevelopment agency, municipalities should be provided with all those powers necessary to implement a comprehensive local redevelopment program. Specifically, these powers should include:

- a) General Corporate and Governmental Powers, including the power to:
 - Sue or be sued;
 - Adopt and alter a seal;
 - Adopt and amend by-laws, rules and regulations;
 - Enter into contracts and agreements with public and private entities;
 - Negotiate and pay salaries;
 - Acquire, own and hold real or personal property and provide for its improvements, repair or maintenance; and,
 - Insure all real and personal property.
- b) Financing powers, including the power to:
 - Issue tax exempt bonds, notes, and bond anticipation notes at par or less than par, and at private or public sales;
 - Receive grants and loans from federal, state, and local governments, as well as other authorities, agencies, and public entities;
 - Invest funds, purchase bonds, and receive interest on these investments;
 - Take out mortgage on real property owned by the agency;
 - Sell or lease dwellings, lands, buildings, or other real property;

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- Obtain federal, State, or local guarantees on bonds issued by the agency or authority; and,
 - Utilize tax increment financing techniques in accordance with the provisions of the *Tax Increment Financing Act*.
- c) Other powers related to the implementation of local housing and redevelopment projects, including the power to:
- Use eminent domain in areas in need of redevelopment, in accordance with the procedures in the *Eminent Domain Law*, to acquire property;
 - Clear land and construct site improvements, including streets and other infrastructure facilities, in accordance with a local redevelopment plan;
 - Relocate residents and businesses;
 - Convey land, buildings, or other real property to private and public entities for the purpose of redevelopment;
 - Make all necessary studies, surveys, plans, and investigations;
 - Enter into contracts with public and private entities for the provisions of services, utilities, and other necessary facilities; and,
 - Make recommendations to the governing body and planning board to designate areas as being in need of redevelopment or rehabilitation.

Bonds issued by local housing authorities and redevelopment agencies should be secured by the revenues of the agency and, as such, be excluded from the gross debt of the municipality. Municipalities should, at their discretion, have the authority to guarantee the bonds of a local housing authority or and redevelopment agency with a pledge of the full faith and credit of the municipality.

In addition, county and municipal housing authorities, as well as county public housing agencies should be provided with all those powers given them in the current enabling acts, including the power to own, operate, and maintain local public housing projects, and to issue revenue bonds secured from the rents and other revenues or these projects. As noted previously, local housing authorities should not be given the power to undertake redevelopment programs, except in the context of the implementation of a local housing project or when they have been grandfathered into the new law.

As per the provisions of the *Local Authorities Fiscal Control Law*, P.L. 1983, c. 313, all local housing authorities and redevelopment agencies should file their annual budgets for review and approval by the Division of Local Government Services and submit all security agreements for the financing of its projects to the Local Finance Board for its review and approval.

5. Relationship of local redevelopment plans to the comprehensive planning process:

It is clear that the primacy of municipal home rule in establishing appropriate goals and strategies for the community should be maintained. Because of their potential regional impacts, however, the formulation and im-

plementation of local redevelopment plans should be linked to the comprehensive state and regional planning process. *As such, the Commission recommends that all proposed local redevelopment plans be filed with the State Planning Commission and the county planning board for their review and comment with respect to the regional impacts of the plan and its relationship to the goals and provisions of the State Development and Redevelopment Plan and the county plan, respectively. A time limit for State review and comment should be included in the law.*

6. Procedures for the determination and designation of blighted areas:

The concept of a "blighted" area has changed considerably since the term was introduced in earlier redevelopment statutes. Over the past three decades, the focus of public action with respect to redevelopment has shifted from the elimination of "unsanitary," congested and unsafe slums, to the rehabilitation and conservation of declining neighborhoods, and to the enhancement and improvement of underutilized commercial and industrial areas. It is evident that the concept of a "blighted" area is no longer relevant and, in fact, carries an unnecessarily negative connotation. In some cases, this can represent a political constraint in municipalities that are considering the redevelopment of parts of their communities.

In addition, the current procedures for designating areas as blighted or in need or rehabilitation are cumbersome and unnecessarily complicated, requiring (in the case of areas in need of rehabilitation) that the designation be made by either the municipality, county or Department of Community Affairs, depending on the type of tax abatement specified.

Therefore, the Commission recommends that a new local housing and redevelopment law allow municipalities to designate an area as either being an "area in need of redevelopment" or an "area in need of rehabilitation."

a) Areas in need of redevelopment:

Designation of areas in need of redevelopment should only take place after appropriate public hearings and a formal recommendation by the local planning board, with the municipal governing body approving or modifying any such recommendation. Once an area has been designated as being in need of redevelopment and the governing body has adopted a redevelopment plan for the area, the local housing and redevelopment agency should be able to acquire property by eminent domain or other means, clear and rehabilitate properties in the area, undertake redevelopment, and exercise all relevant financing, and other powers provided for in the new local housing and redevelopment law.

The definition of an area in need of redevelopment should be adapted from the current definition of a blighted area, broadening it to include the under-utilization of existing commercial and industrial properties in the community. Any designation of an area as being in need of redevelopment should have a specific time limit, requiring a periodic re-examination and renewal of the designation after a number of years (possibly six years or for a period running concurrently with the local master plan).

b) Areas in need of rehabilitation:

An area in need of rehabilitation should be defined as any area in need of redevelopment, plus areas where: 1) a significant portion of the residential,

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commercial, and industrial structures are in a deteriorated or substandard condition; 2) there exists a continuing pattern of property tax arrearage and vacant or underutilized properties; and, 3) where a program of rehabilitation, improvement, and new infill construction will prevent further deterioration and promote the overall development of the community. A less formal review procedure should be instituted, with the Department of Community Affairs designating an area as being in need of rehabilitation upon application of the municipality. An area of the municipality or the entire municipality, could be designated if appropriate, as an area in need of rehabilitation. Such a designation should include a time limit, at which time a review of the original designation should take place.

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Designating an area as being in need of rehabilitation should allow all properties in the area to be eligible for tax abatements for the purpose of rehabilitating or improving existing residential or commercial structures and for the construction of new "in-fill" housing or conversion of existing structures to multi-family housing. (See Commission recommendations in Chapter 5.) Areas in need of rehabilitation should also be eligible, in accordance with adopted State regulations, to receive aid and assistance under relevant state programs for neighborhood preservation, conservation, and rehabilitation. Local housing and redevelopment agencies should not be able to use eminent domain powers in an area in need of rehabilitation unless it is also designated as an area in need of redevelopment.

7. Local government assistance and cooperation in local housing and redevelopment projects:

Finally, any new local housing and redevelopment law should provide municipalities, counties, authorities and all other public entities with those powers necessary to assist and cooperate with local housing authorities and local redevelopment agencies. These powers should include all those powers set forth in the *Housing and Redevelopment Cooperation Law*, including the power to enter into contracts and service agreements, provide grants and loans, adopt and amend land use and other plans, zone or rezone all or part of the municipality, and issue bonds and notes on behalf of local housing authorities and redevelopment agencies. All bonds and notes issued in behalf of local housing authorities and redevelopment agencies should be reported to the Local Finance Board for their review and approval and, as per the provisions of the current statute, should be temporarily exempted from the gross debt of the municipality. In addition, counties and municipalities should be given the authority as per the provisions of P.L. 1984, c. 141, to pledge their full faith and credit to secure the payment of bonds and notes issued by the local housing authorities and redevelopment agencies.

Footnotes—Chapter III

1. Julius Seaman, "New Jersey Housing Legislation and Programs" in *Financing Housing and Urban Development*, ed. Arthur A. Goldberg, Bureau of Government Research, Rutgers University, 1974, p. 29. Mr. Seaman's article is one of the best and most comprehensive reviews of the history of early housing and redevelopment legislation in New Jersey and has been utilized extensively in the development of this chapter.
2. *Ibid.*, p. 31.
3. *Ibid.*
4. *Ibid.*
5. While the Department of Community Affairs officially retains all the powers of the State Housing Authority, redevelopment became a local activity with the enactment of the *Local Housing Authority Law* in 1933. See following sections of this chapter.
6. Laurence Conway Gerckens, "Historical Development of American City Planning," in *The Practice of Local Government Planning*, ed. Frank S. So, et al., International City Managers Association, Washington, D.C., 1979, p. 41.
7. *Ibid.*
8. Counties were allowed to establish housing authorities under the provisions of P.L. 1938, c. 210 (NJSA 55:14A-4).
9. The original law called for the appointment of five members by the local governing body, and was subsequently amended by P.L. 1950, c. 67, §3 to include a member appointed by the executive officer of the Public Housing and Development Authority (the Commissioner of the Department of Community Affairs), and amended by P.L. 1975, c. 239, §1, to include a member appointed by the chief executive officer of the municipality or county.
10. While regional housing authorities can only be created by joint municipal action, P.L. 1947, c. 374, §4 (C. 55:14A-30) states that two or more local housing authorities can, in their areas of operation, "join or cooperate with one another in the exercise of any or all of the powers conferred" by NJSA 55:14A-1 to -8 and NJSA 55:14A-28.
11. P.L. 1975, c. 239, §1 increased the number of state appointments to regional housing authorities from one member to two.
12. These provisions were amended by P.L. 1984, c. 12 to allow the local governing body to lease or convey property when it is acting as the housing authority for the municipality or county.
13. The title of this act was changed to the *Housing and Redevelopment Cooperation Law* by P.L. 1979, c. 345.
14. P.L. 1956, c. 210 (C. 55:14B-9 to 13) expanded these provisions to include assistance and cooperation with local housing authorities and redevelopment agencies with respect to the implementation of redevelopment projects.
15. Gerckens, p. 45.
16. These constitutional questions had been raised with respect to the two "Peiser Acts" [*The Redevelopment Companies Law*, P.L. 1944, c. 169 (C. 55:14D-1 *et seq.*), and *The Urban Redevelopment Law*, P.L. 1946, c. 52 (C. 55:14E-1 *et seq.*)], especially with respect to the tax exemption provisions in the *Redevelopment Companies Law*. See discussion in Seaman, pp. 44-47 for an overview of these two statutes.
17. New Jersey Constitution Article VIII, Section III.
18. P.L. 1980, c. 121, §4, amended NJSA 40:55C-17 to provide for redevelopment in "areas in need of rehabilitation so as to prevent the existence of blighted conditions." Such a determination "may take into consideration the existence of blighted areas elsewhere in the municipality, deterioration of housing stock, age of housing stock, supply and demand for housing in the municipality, and arrearage in real property taxes due on residential properties." (See also notes 23 and 28)
19. The 1949 Act was amended by P.L. 1951, c. 248 to bring it into accordance with the blight definition contained in the 1949 supplement to the *Local Housing Authorities Law*.
20. P.L. 1985, c. 435.
21. P.L. 1986, c. 151 (NJSA 40:55-21.1(f)).
22. P.L. 1975, c. 206, §2. See also NJSA 40:55C-12 (k) which was also added by this act.
23. P.L. 1980, c. 121 authorized redevelopment agencies to undertake all powers specified in NJSA 40:55C-15 in "areas in need of rehabilitation," except for the acquisition of property by eminent domain.

24. See also the provisions of NJSA 40:55C-19.
25. This statute was amended by P.L. 1967, c. 313 to provide for tax abatements to non-profit, as well as limited-dividend, housing corporations and associations. The title of the statute was also changed to the *Limited-Dividend Nonprofit Housing Corporations or Associations Law*.
26. Gerckens, pp. 46-47. See also "Technical Report No. 1: Urban Renewal and Federal Programs, 1950-1960," of the *Northeastern New Jersey Regional Urban Renewal Survey*, Department of Conservation and Economic Development, Trenton, NJ, 1963, pp. 10, and 14-15.
27. Department of Conservation and Economic Development, p. 15.
28. NJSA 40:55C-31 was amended by P.L. 1980, c. 121, §5 to allow redevelopment projects in "Areas otherwise in need of rehabilitation to prevent the existence of blighted conditions."
29. As per Section 2 of P.L. 1984, c. 141, such financial assistance can include the unconditional guaranteeing of repayment of the bonds issued by the local housing authority or redevelopment agency.
30. Seaman, "New Jersey Housing Legislation and Programs," p. 38.
31. Ibid.
32. Seaman, pp. 98-100, from statistical information available from the Division of Housing, Department of Community Affairs.
33. Seaman, p. 101, from statistical information available from the division of Housing, Department of Community Affairs.
34. Gerckens, "Historical Development of American City Planning," pp. 52-53.
35. U.S. Advisory Commission on Intergovernmental Relations, *The States and Distressed Communities*, A-101, Washington, D.C., November 1985, p. 36.
36. Claude Miller and Arthur Alba Goldberg, "Applying for Urban Renewal Funds," in *Financing Housing and Urban Development*, Arthur A. Goldberg, ed., Bureau of Government Research, Rutgers University, 1974, pp. 126-127.
37. Department of Conservation and Economic Development, "Technical Report No. 1," *Northeast New Jersey Urban Renewal Survey*, p. 21.
38. This description of the provisions of the Community Development Block Grant Program is taken from the 1985 Annual Report of the Community Planning and Development Division of the Newark Office of the Department of Housing and Urban Development.
39. U.S. Department of Housing and Urban Development, *Community Development Block Grant Program: Directory of Allocation FY 1980-85*.
40. Ibid.
41. Ibid. Gloucester, Ocean and Somerset Counties entered the community development block grant programs as urban counties in 1984.