

[First Reprint]

## **ASSEMBLY, No. 3551**

# **STATE OF NEW JERSEY**

## **217th LEGISLATURE**

INTRODUCED APRIL 4, 2016

**Sponsored by:**

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**District 7 (Burlington)**

**Assemblyman JERRY GREEN**

**District 22 (Middlesex, Somerset and Union)**

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**Assemblyman JAMEL C. HOLLEY**

**District 20 (Union)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblymen McKeon and Giblin**

**SYNOPSIS**

Provides tax credits to developers for certain affordable housing projects.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Housing and Community Development Committee on February 27, 2017, with amendments.

(Sponsorship Updated As Of: 8/1/2017)

1 AN ACT concerning tax credits for certain affordable housing  
 2 projects, and amending and supplementing P.L.2009, c.90.

3  
 4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
 5 *of New Jersey:*

6  
 7 1. (New section) a. As used in this section:

8 "Qualified residential project" means a redevelopment project  
 9 having no less than 25 dwelling units, which is predominantly  
 10 residential and includes multi-family residential units for purchase  
 11 or lease, or dormitory units for purchase or lease. The use of the  
 12 term "qualified residential project" in this section shall not be  
 13 limited by the total project cost.

14 "Very low-income housing" means housing developed as part of  
 15 a qualified residential project, which is affordable according to  
 16 federal Department of Housing and Urban Development or other  
 17 recognized standards for home ownership and rental costs and  
 18 occupied, or reserved for occupancy by, households with a gross  
 19 household income equal to 30 percent or less of the median gross  
 20 household income for households of the same size within the  
 21 housing region in which the qualified residential project is located.

22 b. Up to the limits established in subsection c. of this section,  
 23 and in accordance with a redevelopment incentive grant agreement,  
 24 beginning upon the receipt of occupancy permits for a qualified  
 25 residential project, or upon such other event evidencing project  
 26 completion as set forth in the incentive grant agreement, the State  
 27 Treasurer shall award tax credits for qualified residential projects.  
 28 A qualified residential project shall be eligible for tax credits if at  
 29 least 50 percent of the residential units are constructed and reserved  
 30 for very low-, low-, and moderate-income housing, of which at least  
 31 13 percent shall be reserved for very low-income housing.

32 c. The value of all tax credits approved by the authority  
 33 pursuant to this section shall not exceed \$600 million.  
 34 Notwithstanding the provisions of subsection b. of section 6 of  
 35 P.L.2009, c.90 (52:27D-489f) or any other law to the contrary, the  
 36 authority, in cooperation with the Division of Taxation in the  
 37 Department of the Treasury, may distribute tax credits to developers  
 38 of qualified residential projects in any region of the State in a  
 39 manner consistent with this section.

40 d. (1) A developer shall submit an application for tax credits in  
 41 accordance with section 8 of P.L.2009, c.90 (C.52:27D-489h). The  
 42 authority shall accept applications for tax credits until the value of  
 43 all credits approved by the authority reaches the limit set forth in  
 44 subsection c. of this section.

**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:

<sup>1</sup>Assembly AHO committee amendments adopted February 27, 2017.

(2) If the authority approves an application for tax credits, then the developer shall execute a redevelopment incentive grant agreement pursuant to section 9 of P.L.2009, c.90 (C.52:27D-489i). The State Treasurer shall award tax credits to the developer equal to the amount set forth in the incentive grant agreement; provided, however, that no tax credits under a redevelopment grant agreement shall exceed 30 percent of the total project cost.

2. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to read as follows:

3. As used in sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.) and section 1 of P.L. , c. (C. ) (pending before the Legislature as this bill):

"Applicant" means a developer proposing to enter into a redevelopment incentive grant agreement.

"Ancillary infrastructure project" means structures or improvements that are located within the incentive area but outside the project area of a redevelopment project, including, but not limited to, docks, bulkheads, parking garages, freight rail spurs, roadway overpasses, and train station platforms, provided a developer or municipal redeveloper has demonstrated that the redevelopment project would not be economically viable or promote the use of public transportation without such improvements, as approved by the State Treasurer.

"Authority" means the New Jersey Economic Development Authority established under section 4 of P.L.1974, c.80 (C.34:1B-4).

"Aviation district" means the area within a one-mile radius of the outermost boundary of the "Atlantic City International Airport," established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-24).

"Deep poverty pocket" means a population census tract having a poverty level of 20 percent or more, and which is located within the incentive area and has been determined by the authority to be an area appropriate for development and in need of economic development incentive assistance.

"Developer" means any person who enters or proposes to enter into a redevelopment incentive grant agreement pursuant to the provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its successors or **1[assigns] assignees<sup>1</sup>**, including but not limited to a lender that completes a redevelopment project, operates a redevelopment project, or completes and operates a redevelopment project. A developer also may be a municipal redeveloper as defined herein or Rutgers, the State University of New Jersey.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Disaster recovery project" means a redevelopment project located on property that has been wholly or substantially damaged or destroyed as a result of a federally-declared disaster, and which is located within the incentive area and has been determined by the

1 authority to be in an area appropriate for development and in need of  
2 economic development incentive assistance.

3 "Distressed municipality" means a municipality that is qualified to  
4 receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a  
5 municipality under the supervision of the Local Finance Board  
6 pursuant to the provisions of the "Local Government Supervision Act  
7 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality  
8 identified by the Director of the Division of Local Government  
9 Services in the Department of Community Affairs to be facing serious  
10 fiscal distress, a SDA municipality, or a municipality in which a major  
11 rail station is located.

12 "Eligibility period" means the period of time specified in a  
13 redevelopment incentive grant agreement for the payment of  
14 reimbursements to a developer, which period shall not exceed 20  
15 years, with the term to be determined solely at the discretion of the  
16 applicant.

17 "Eligible revenue" means the property tax increment and any other  
18 incremental revenues set forth in section 11 of P.L.2009,  
19 c.90 (C.52:27D-489k), except in the case of a Garden State Growth  
20 Zone, in which <sup>1</sup>~~such~~ the property tax increment and any other  
21 incremental revenues are calculated as those incremental revenues that  
22 would have existed notwithstanding the provisions of the "New Jersey  
23 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p  
24 et al.).

25 "Garden State Growth Zone" or "growth zone" means the four  
26 New Jersey cities with the lowest median family income based on the  
27 2009 American Community Survey from the US Census, (Table 708.  
28 Household, Family, and Per Capita Income and Individuals, and  
29 Families Below Poverty Level by City: 2009); or a municipality which  
30 contains a Tourism District as established pursuant to section 5 of  
31 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment  
32 Development Authority.

33 "Highlands development credit receiving area or redevelopment  
34 area" means an area located within an incentive area and designated by  
35 the Highlands Council for the receipt of Highlands Development  
36 Credits under the Highlands Transfer Development Rights Program  
37 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

38 "Incentive grant" means reimbursement of all or a portion of the  
39 project financing gap of a redevelopment project through the State or a  
40 local Economic Redevelopment and Growth Grant program pursuant  
41 to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or  
42 C.52:27D-489e).

43 "Infrastructure improvements in the public right-of-way" mean  
44 public structures or improvements located in the public <sup>1</sup>~~right of~~  
45 way right-of-way<sup>1</sup> that are located within a project area or that  
46 constitute an ancillary infrastructure project, either of which are  
47 dedicated to or owned by a governmental body or agency upon  
48 completion, or any required payment in lieu of the structures,

1 improvements or projects, or any costs of remediation associated with  
2 the structures, improvements or projects, and that are determined by  
3 the authority, in consultation with applicable State agencies, to be  
4 consistent with and in furtherance of State public infrastructure  
5 objectives and initiatives.

6 "Low-income housing" means housing affordable according to  
7 federal Department of Housing and Urban Development or other  
8 recognized standards for home ownership and rental costs and  
9 occupied or reserved for occupancy by households with a gross  
10 household income equal to 50 percent or less of the median gross  
11 household income for households of the same size within the housing  
12 region in which the housing is located.

13 "Major rail station" means a railroad station located within a  
14 qualified incentive area which provides access to the public to a  
15 minimum of six rail passenger service lines operated by the New  
16 Jersey Transit Corporation.

17 "Mixed use parking project" means a redevelopment project, the  
18 parking component of which shall constitute 51 percent or more of any  
19 of the following:

20 a. the total square footage of the entire mixed use parking project;  
21 b. the estimated revenues of the entire mixed use parking project;

22 or

23 c. the total construction cost of the entire mixed use parking  
24 project.

25 "Moderate-income housing" means housing affordable, according  
26 to United States Department of Housing and Urban Development or  
27 other recognized standards for home ownership and rental costs, and  
28 occupied or reserved for occupancy by households with a gross  
29 household income equal to more than 50 percent but less than 80  
30 percent of the median gross household income for households of the  
31 same size within the housing region in which the housing is located.

32 "Municipal redeveloper" means an applicant for a redevelopment  
33 incentive grant agreement, which applicant is:

34 a. a municipal government, a municipal parking authority, or a  
35 redevelopment agency acting on behalf of a municipal government as  
36 defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

37 b. a developer of a mixed use parking project, provided that the  
38 parking component of the mixed use parking project is operated and  
39 maintained by a municipal parking authority for the term of any  
40 financial assistance granted pursuant to P.L.2015, c.69.

41 "Municipal Revitalization Index" means the 2007 index by the  
42 Office for Planning Advocacy within the Department of State  
43 measuring or ranking municipal distress.

44 "Non-parking component" means that portion of a mixed use  
45 parking project not used for parking, together with the portion of the  
46 costs of the mixed use parking project, including but not limited to the  
47 footings, foundations, site work, infrastructure, and soft costs that are  
48 allocable to the non-parking use.

1 "Parking component" means that portion of a mixed use parking  
2 project used for parking, together with the portion of the costs of the  
3 mixed use parking project, including but not limited to the footings,  
4 foundations, site work, infrastructure, and soft costs that are allocable  
5 to the parking use.

6 "Project area" means land or lands located within the incentive  
7 area under common ownership or control including through a  
8 redevelopment agreement with a municipality, or as otherwise  
9 established by a municipality or a redevelopment agreement executed  
10 by a State entity to implement a redevelopment project.

11 "Project cost" means the costs incurred in connection with the  
12 redevelopment project by the developer until the issuance of a  
13 permanent certificate of occupancy, or until such other time specified  
14 by the authority, for a specific investment or improvement, including  
15 the costs relating to receiving Highlands Development Credits under  
16 the Highlands Transfer Development Rights Program authorized  
17 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13), lands,  
18 buildings, improvements, real or personal property, or any interest  
19 therein, including leases discounted to present value, including lands  
20 under water, riparian rights, space rights and air rights acquired,  
21 owned, developed or redeveloped, constructed, reconstructed,  
22 rehabilitated or improved, any environmental remediation costs, plus  
23 costs not directly related to construction, of an amount not to exceed  
24 20 percent of the total costs, capitalized interest paid to third parties,  
25 and the cost of infrastructure improvements, including ancillary  
26 infrastructure projects, and, for projects located in a Garden State  
27 Growth Zone only, the cost of infrastructure improvements including  
28 any ancillary infrastructure project and the amount by which total  
29 project cost exceeds the cost of an alternative location for the  
30 redevelopment project, but excluding any particular costs for which  
31 the project has received federal, State, or local funding.

32 "Project financing gap" means:

33 a. the part of the total project cost, including return on  
34 investment, that remains to be financed after all other sources of  
35 capital have been accounted for, including, but not limited to,  
36 developer-contributed capital, which shall not be less than 20 percent  
37 of the total project cost, which may include the value of any existing  
38 land and improvements in the project area owned or controlled by the  
39 developer, and the cost of infrastructure improvements in the public  
40 right-of-way, subject to review by the State Treasurer, and investor or  
41 financial entity capital or loans for which the developer, after making  
42 all good faith efforts to raise additional capital, certifies that additional  
43 capital cannot be raised from other sources on a non-recourse basis;  
44 and

45 b. the amount by which total project cost exceeds the cost of an  
46 alternative location for the out-of-State redevelopment project.

47 "Project revenue" means all rents, fees, sales, and payments  
48 generated by a project, less taxes or other government payments.

1 "Property tax increment" means the amount obtained by:

2 a. multiplying the general tax rate levied each year by the taxable  
3 value of all the property assessed within a project area in the same  
4 year, excluding any special assessments; and

5 b. multiplying that product by a fraction having a numerator equal  
6 to the taxable value of all the property assessed within the project area,  
7 minus the property tax increment base, and having a denominator  
8 equal to the taxable value of all property assessed within the project  
9 area.

10 For the purpose of this definition, "property tax increment base"  
11 means the aggregate taxable value of all property assessed which is  
12 located within the redevelopment project area as of October 1st of the  
13 year preceding the year in which the redevelopment incentive grant  
14 agreement is authorized.

15 "Qualified incubator facility" means a commercial building located  
16 within an incentive area: which contains 100,000 or more square feet  
17 of office, laboratory, or industrial space; which is located near, and  
18 presents opportunities for collaboration with, a research institution,  
19 teaching hospital, college, or university; and within which, at least 75  
20 percent of the gross leasable area is restricted for use by one or more  
21 technology startup companies during the commitment period.

22 "Qualified residential project" means a redevelopment project that  
23 is predominantly residential and includes multi-family residential units  
24 for purchase or lease, or dormitory units for purchase or lease, having  
25 a total project cost of at least \$17,500,000, if the project is located in  
26 any municipality with a population greater than 200,000 according to  
27 the latest federal decennial census, or having a total project cost of at  
28 least \$10,000,000 if the project is located in any municipality with a  
29 population less than 200,000 according to the latest federal decennial  
30 census, or is a disaster recovery project, or having a total project cost  
31 of \$5,000,000 if the project is in a Garden State Growth Zone.

32 "Qualifying economic redevelopment and growth grant incentive  
33 area" or "incentive area" means:

34 a. an aviation district;

35 b. a port district;

36 c. a distressed municipality; or

37 d. an area (1) designated pursuant to the "State Planning Act,"  
38 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

39 (a) Planning Area 1 (Metropolitan);

40 (b) Planning Area 2 (Suburban); or

41 (c) Planning Area 3 (Fringe Planning Area);

42 (2) located within a smart growth area and planning area  
43 designated in a master plan adopted by the New Jersey Meadowlands  
44 Commission pursuant to subsection (i) of section 6 of P.L.1968, c.404  
45 (C.13:17-6) or subject to a redevelopment plan adopted by the New  
46 Jersey Meadowlands Commission pursuant to section 20 of P.L.1968,  
47 c.404 (C.13:17-21);

(3) located within any land owned by the New Jersey Sports and Exposition Authority, established pursuant to P.L.1971, c.137 (C.5:10-1 et seq.), within the boundaries of the Hackensack Meadowlands District as delineated in section 4 of P.L.1968, c.404 (C.13:17-4);

(4) located within a regional growth area, '[a] rural development area zoned for industrial use as of the effective date of P.L.2016, c.75,'<sup>1</sup> town, village, or a military and federal installation area designated in the comprehensive management plan prepared and adopted by the Pinelands Commission pursuant to the "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

(5) located within the planning area of the Highlands Region as defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a highlands development credit receiving area or redevelopment area;

(6) located within a Garden State Growth Zone;

(7) located within land approved for closure under any federal Base Closure and Realignment Commission action; or

(8) located only within the following portions of the areas designated pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area), Planning Area 4B (Rural/Environmentally Sensitive) or Planning Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural Planning Area), Planning Area 4B (Rural/Environmentally Sensitive) or Planning Area 5 (Environmentally Sensitive) is located within:

(a) a designated center under the State Development and Redevelopment Plan;

(b) a designated growth center in an endorsed plan until the State Planning Commission revises and readopts New Jersey's State Strategic Plan and adopts regulations to revise this definition as it pertains to Statewide planning areas;

(c) any area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of P.L.1992, c.79 (C.40A:12A-14);

(d) any area on which a structure exists or previously existed including any desired expansion of the footprint of the existing or previously existing structure provided '[such] the'<sup>1</sup> expansion otherwise complies with all applicable federal, State, county, and local permits and approvals;

(e) the planning area of the Highlands Region as defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands development credit receiving area or redevelopment area; or

(f) any area on which an existing tourism destination project is located.

"Qualifying economic redevelopment and growth grant incentive area" or "incentive area" shall not include any property located within the preservation area of the Highlands Region as defined in the "Highlands Water Protection and Planning Act," P.L.2004, c.120 (C.13:20-1 et al.).



1 "Redevelopment incentive grant agreement" means an agreement  
2 between:

3 a. the State and the New Jersey Economic Development  
4 Authority and a developer under which, in exchange for the proceeds  
5 of an incentive grant or tax credits under section 1 of P.L. , c. (C. )  
6 (pending before the Legislature as this bill), the developer agrees to  
7 perform any work or undertaking necessary for a redevelopment  
8 project, including the clearance, development or redevelopment,  
9 construction, or rehabilitation of any structure or improvement of  
10 commercial, industrial, residential, or public structures or  
11 improvements within a qualifying economic redevelopment and  
12 growth grant incentive area or a transit village; or

13 b. a municipality and a developer, or a municipal ordinance  
14 authorizing a project to be undertaken by a municipal redeveloper,  
15 under which, in exchange for the proceeds of an incentive grant, the  
16 developer agrees to perform any work or undertaking necessary for a  
17 redevelopment project, including the clearance, development or  
18 redevelopment, construction, or rehabilitation of any structure or  
19 improvement of commercial, industrial, residential, or public  
20 structures or improvements within a qualifying economic  
21 redevelopment and growth grant incentive area or a transit village.

22 "Redevelopment project" means a specific construction project or  
23 improvement, including lands, buildings, improvements, real and  
24 personal property or any interest therein, including lands under water,  
25 riparian rights, space rights and air rights, acquired, owned, leased,  
26 developed or redeveloped, constructed, reconstructed, rehabilitated or  
27 improved, undertaken by a developer, owner or tenant, or both, within  
28 a project area and any ancillary infrastructure project including  
29 infrastructure improvements in the public right of way, as set forth in  
30 an application to be made to the authority. The use of the term  
31 "redevelopment project" in sections 3 through 18 of P.L.2009, c.90  
32 (C.52:27D-489c et al.) shall not be limited to only redevelopment  
33 projects located in areas determined to be in need of redevelopment  
34 pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and  
35 C.40A:12A-6) but shall also include, but not be limited to, any work or  
36 undertaking in accordance with the "Redevelopment Area Bond  
37 Financing Law," sections 1 through 10 of P.L.2001, c.310  
38 (C.40A:12A-64 et seq.) or other applicable law, pursuant to a  
39 redevelopment plan adopted by a State entity, or as described in the  
40 resolution adopted by a public entity created by State law with the  
41 power to adopt a redevelopment plan or otherwise determine the  
42 location, type and character of a redevelopment project or part of a  
43 redevelopment project on land owned or controlled by it or within its  
44 jurisdiction, including but not limited to, the New Jersey Meadowlands  
45 Commission established pursuant to P.L.1968, c.404 (C.13:17-1 et  
46 seq.), the New Jersey Sports and Exposition Authority established  
47 pursuant to P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth

1 Economic Revitalization Authority created pursuant to P.L.2010, c.51  
2 (C.52:27I-18 et seq.).

3 "Redevelopment utility" means a self-liquidating fund created by a  
4 municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-489l)  
5 to account for revenues collected and incentive grants paid pursuant to  
6 section 11 of P.L.2009, c.90 (C.52:27D-489k), or other revenues  
7 dedicated to a redevelopment project.

8 "Revenue increment base" means the amounts of all eligible  
9 revenues from sources within the redevelopment project area in the  
10 calendar year proceeding the year in which the redevelopment  
11 incentive grant agreement is executed, as certified by the State  
12 Treasurer for State revenues, and the chief financial officer of the  
13 municipality for municipal revenues.

14 "SDA district" means an SDA district as defined in section 3 of  
15 P.L.2000, c.72 (C.18A:7G-3).

16 "SDA municipality" means a municipality in which an SDA  
17 district is situated.

18 "Technology startup company" means a for profit business that has  
19 been in operation fewer than five years and is developing or possesses  
20 a proprietary technology or business method of a high-technology or  
21 life science-related product, process, or service which the business  
22 intends to move to commercialization.

23 "Tourism destination project" means a redevelopment project that  
24 will be among the most visited privately owned or operated tourism or  
25 recreation sites in the State, and which is located within the incentive  
26 area and has been determined by the authority to be in an area  
27 appropriate for development and in need of economic development  
28 incentive assistance.

29 "Transit project" means a redevelopment project located within a  
30 1/2-mile radius, or one-mile radius for projects located in a Garden  
31 State Growth Zone, surrounding the mid-point of a New Jersey Transit  
32 Corporation, Port Authority Transit Corporation, or Port Authority  
33 Trans-Hudson Corporation rail, bus, or ferry station platform area,  
34 including all light rail stations.

35 "Transit village" means a community with a bus, train, light rail, or  
36 ferry station that has developed a plan to achieve its economic  
37 development and revitalization goals and has been designated by the  
38 New Jersey Department of Transportation as a transit village.

39 "University infrastructure" means any of the following located on  
40 the campus of Rutgers, the State University of New Jersey:

- 41 a. buildings and structures, such as academic buildings, recreation  
42 centers, indoor athletic facilities, public works garages, and water and  
43 sewer treatment and pumping facilities;
- 44 b. open space with improvements, such as athletic fields and other  
45 outdoor athletic facilities, planned commons, and parks; and
- 46 c. transportation facilities, such as bus shelters and parking  
47 facilities.

1 "Urban transit hub" means an urban transit hub, as defined in  
2 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within an  
3 eligible municipality, as defined in section 10 of P.L.2007,  
4 c.346 (C.34:1B-208), or all light rail stations and property located  
5 within a one-mile radius of the mid-point of the platform area of such  
6 a rail, bus, or ferry station if the property is in a qualified municipality  
7 under the "Municipal Rehabilitation and Economic Recovery Act,"  
8 P.L.2002, c.43 (C.52:27BBB-1 et al.).

9 "Vacant commercial building" means any commercial building or  
10 complex of commercial buildings having over 400,000 square feet of  
11 office, laboratory, or industrial space that is more than 70 percent  
12 unoccupied at the time of application to the authority or is negatively  
13 impacted by the approval of a "qualified business facility," as defined  
14 pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208), or any vacant  
15 commercial building in a Garden State Growth Zone having over  
16 35,000 square feet of office, laboratory, or industrial space, or over  
17 200,000 square feet of office, laboratory, or industrial space in  
18 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
19 Ocean, or Salem counties available for occupancy for a period of over  
20 one year.

21 "Vacant health facility project" means a redevelopment project  
22 where a health facility, as defined by section 2 of P.L.1971,  
23 c.136 (C.26:2H-2), currently exists and is considered vacant. A health  
24 facility shall be considered vacant if at least 70 percent of that facility  
25 has not been open to the public or utilized to serve any patients at the  
26 time of application to the authority.

27 (cf: P.L.2016, c.75, s.1)

28  
29 3. Section 8 of P.L.2009, c.90 (52:27D-489h) is amended to read  
30 as follows:

31 8. a. (1) The authority, in consultation with the State  
32 Treasurer, shall promulgate an incentive grant application form and  
33 procedure for the Economic Redevelopment and Growth Grant  
34 program Within 30 days of the effective date of P.L. \_\_\_\_\_,  
35 c. \_\_\_\_\_ (pending before the Legislature as this bill), the authority shall  
36 promulgate an alternate incentive grant application form to be used  
37 by developers seeking tax credits pursuant to section 1 of P.L. \_\_\_\_\_,  
38 c. \_\_\_\_\_ (C. \_\_\_\_\_) (pending before the Legislature as this bill).

39 (2) (a) The Local Finance Board, in consultation with the  
40 authority, shall develop a minimum standard incentive grant  
41 application form for municipal Economic Redevelopment and  
42 Growth Grant programs.

43 (b) Through regulation, the authority shall establish standards  
44 for redevelopment projects seeking State or local incentive grants  
45 based on the green building manual prepared by the Commissioner  
46 of Community Affairs pursuant to section 1 of P.L.2007,  
47 c.132 (C.52:27D-130.6), regarding the use of renewable energy,  
48 energy-efficient technology, and non-renewable resources in order

1 to reduce environmental degradation and encourage long-term cost  
2 reduction.

3 b. Within each incentive grant application, a developer shall  
4 certify information concerning:

5 (1) the status of control of the entire redevelopment project site;

6 (2) all required State and federal government permits that have  
7 been issued for the redevelopment project, or will be issued pending  
8 resolution of financing issues;

9 (3) local planning and zoning board approvals, as required, for  
10 the redevelopment project;

11 (4) estimates of the revenue increment base, the eligible  
12 revenues for the project, and the assumptions upon which those  
13 estimates are made.

14 c. (1) With regard to State tax revenues proposed to be  
15 pledged for an incentive grant or tax credits to be awarded pursuant  
16 to section 1 of P.L. , c. (C. ) (pending before the Legislature  
17 as this bill), the authority and the State Treasurer shall review the  
18 project costs, evaluate and validate the project financing gap  
19 estimated by the developer, and conduct a State fiscal impact  
20 analysis to ensure that the overall public assistance provided to the  
21 project, except with regards to a qualified residential project, a  
22 mixed use parking project, or a project involving university  
23 infrastructure, will result in net benefits to the State including,  
24 without limitation, both direct and indirect economic benefits and  
25 non-financial community revitalization objectives, including but not  
26 limited to, the promotion of the use of public transportation in the  
27 case of the ancillary infrastructure project portion of any transit  
28 project.

29 (2) With regard to local incremental revenues proposed to be  
30 pledged for an incentive grant the authority and the Local Finance  
31 Board shall review the project costs, and except with respect to an  
32 application by a municipal redeveloper, evaluate and validate the  
33 project financing gap projected by the developer, and conduct a  
34 local fiscal impact analysis to ensure that the overall public  
35 assistance provided to the project, except with regards to a qualified  
36 residential project, a mixed use parking project, or a project  
37 involving university infrastructure, will result in net benefits to the  
38 municipality wherein the redevelopment project is located  
39 including, without limitation, both direct and indirect economic  
40 benefits and non-financial community revitalization objectives,  
41 including but not limited to, the promotion of the use of public  
42 transportation in the case of the ancillary infrastructure project  
43 portion of any transit project.

44 (3) The authority, State Treasurer, and Local Finance Board  
45 may act cooperatively to administer and review applications, and  
46 shall consult with the Office of State Planning on matters  
47 concerning State, regional, and local development and planning  
48 strategies.

1 (4) The costs of the aforementioned reviews shall be assessed to  
2 the applicant as an application fee.

3 (5) A developer who has already applied for an incentive grant  
4 award prior to the effective date of the "New Jersey Economic  
5 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),  
6 but who has not yet been approved for the grant, or has not  
7 executed an agreement with the authority, may proceed under that  
8 application or seek to amend the application or reapply for an  
9 incentive grant award for the same project or any part thereof for  
10 the purpose of availing himself or herself of any more favorable  
11 provisions of the Economic Redevelopment and Growth Grant  
12 program established pursuant to the "New Jersey Economic  
13 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),  
14 except that projects with costs exceeding \$200,000,000 shall not be  
15 eligible for revised percentage caps under subsection d. of section  
16 19 of P.L.2013, c.161 (C.52:27D-489i).  
17 (cf: P.L.2015, c.242, s.3)

18

19 4. Section 9 of P.L.2009, c.90 (52:27D-489i) is amended to  
20 read as follows:

21 9. a. The authority is authorized to enter into a redevelopment  
22 incentive grant agreement with a developer for any redevelopment  
23 project located within a qualifying economic redevelopment and  
24 growth grant incentive area that does not qualify as such an area  
25 solely by virtue of being a transit village.

26 b. The decision of whether to enter into a redevelopment  
27 incentive grant agreement is solely within the discretion of the  
28 authority and the State Treasurer, provided that they both agree to  
29 enter into an agreement.

30 c. The Chief Executive Officer of the authority, in consultation  
31 with the State Treasurer shall negotiate the terms and conditions of  
32 any redevelopment incentive grant agreement on behalf of the State.

33 d. (1) The redevelopment incentive grant agreement shall  
34 specify the maximum amount of project costs, the amount of the  
35 incentive grant or tax credits to be awarded the developer, the  
36 frequency of payments, and the eligibility period, which shall not  
37 exceed 20 years, during which reimbursement will be granted, and  
38 for a project receiving an incentive grant in excess of \$50 million,  
39 the amount of the negotiated repayment amount to the State, which  
40 may include, but not be limited to, cash, equity, and warrants.  
41 Except for redevelopment incentive grant agreements with a  
42 municipal redeveloper, or with the developer of a redevelopment  
43 project solely with respect to the cost of infrastructure  
44 improvements in the public right-of-way including any ancillary  
45 infrastructure project in the public right-of-way, or a qualified  
46 residential project receiving tax credits pursuant to section 1 of  
47 P.L. , c. (C. ) (pending before the Legislature as this bill),  
48 in no event shall the base amount of the combined reimbursements

1 under redevelopment incentive grant agreements with the State or  
2 municipality exceed 20 percent of the total project cost, except in a  
3 Garden State Growth Zone, which shall not exceed 30 percent.

4 (2) **【The】** Except in the case of a qualified residential project  
5 receiving tax credits pursuant to section 1 of P.L. \_\_\_\_\_,  
6 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), the  
7 authority shall be permitted to increase the amount of the  
8 reimbursement under the redevelopment incentive grant agreement  
9 with the State by up to 10 percent of the total project cost if the  
10 project is:

11 (a) located in a distressed municipality which lacks adequate  
12 access to nutritious food in the judgment of the Chief Executive  
13 Officer of the authority and will include either a supermarket or  
14 grocery store with a minimum of 15,000 square feet of selling space  
15 devoted to the sale of consumable products or a prepared food  
16 establishment selling only nutritious ready to serve meals;

17 (b) located in a distressed municipality which lacks adequate  
18 access to health care and health services in the judgment of the  
19 Chief Executive Officer of the authority and will include a health  
20 care and health services center with a minimum of 10,000 square  
21 feet of space devoted to the provision of health care and health  
22 services;

23 (c) located in a distressed municipality which has a business  
24 located therein that is required to respond to a request for proposal  
25 to fulfill a contract with the federal government as set forth in  
26 subsection d. of section 3 of P.L.2011, c.149 (C.34:1B-244);

27 (d) a transit project;

28 (e) a qualified residential project in which at least 10 percent of  
29 the residential units are constructed as and reserved for moderate  
30 income housing;

31 (f) located in a highlands development credit receiving area or  
32 redevelopment area;

33 (g) located in a Garden State Growth Zone;

34 (h) a disaster recovery project;

35 (i) an aviation project;

36 (j) a tourism destination project; or

37 (k) substantial rehabilitation or renovation of an existing  
38 structure or structures.

39 (3) The maximum amount of any redevelopment incentive grant  
40 shall be equal to up to 30 percent of the total project costs, except  
41 for projects located in a Garden State Growth Zone, in which case  
42 the maximum amount of any redevelopment incentive grant shall be  
43 equal to up to 40 percent of the total project costs. Notwithstanding  
44 anything to the contrary contained within this section, the maximum  
45 amount of any redevelopment incentive grant with respect to a  
46 mixed use parking project shall be up to 100 percent of the total  
47 project costs allocable to the parking component of the project, and

1 shall be up to 40 percent of the total project costs allocable to the  
2 non-parking component of the project.

3 e. Except in the case of a qualified residential project, a mixed  
4 use parking project, or a project involving university infrastructure,  
5 the authority and the State Treasurer may enter into a  
6 redevelopment incentive grant agreement only if they make a  
7 finding that the State revenues to be realized from the  
8 redevelopment project will be in excess of the amount necessary to  
9 reimburse the developer for its project financing gap. This finding  
10 may be made by an estimation based upon the professional  
11 judgment of the Chief Executive Officer of the authority and the  
12 State Treasurer.

13 f. In deciding whether to recommend entering into a  
14 redevelopment incentive grant agreement and in negotiating a  
15 redevelopment agreement with a developer, the Chief Executive  
16 Officer of the authority shall consider the following factors:

17 (1) the economic feasibility of the redevelopment project;

18 (2) the extent of economic and related social distress in the  
19 municipality and the area to be affected by the redevelopment  
20 project or the level of site specific distress to include dilapidated  
21 conditions, brownfields designation, environmental contamination,  
22 pattern of vacancy, abandonment, or under utilization of the  
23 property, rate of foreclosures, or other site conditions as determined  
24 by the authority;

25 (3) the degree to which the redevelopment project will advance  
26 State, regional, and local development and planning strategies;

27 (4) the likelihood that the redevelopment project shall, upon  
28 completion, be capable of generating new tax revenue in an amount  
29 in excess of the amount necessary to reimburse the developer for  
30 project costs incurred as provided in the redevelopment incentive  
31 grant agreement, provided, however, that any tax revenue generated  
32 by a redevelopment project that is a disaster recovery project shall  
33 be considered new tax revenue even if the same or more tax revenue  
34 was generated at or on the site prior to the disaster;

35 (5) the relationship of the redevelopment project to a  
36 comprehensive local development strategy, including other major  
37 projects undertaken within the municipality;

38 (6) the need of the redevelopment incentive grant agreement to  
39 the viability of the redevelopment project or the promotion of the  
40 use of public transportation; and

41 (7) the degree to which the redevelopment project enhances and  
42 promotes job creation and economic development or the promotion  
43 of the use of public transportation.

44 g. (1) A developer who has entered into a redevelopment  
45 incentive grant agreement with the authority and the State Treasurer  
46 pursuant to this section may, upon notice to and consent of the  
47 authority and the State Treasurer, pledge, assign, transfer, or sell  
48 any or all of its right, title and interest in and to the agreements and

1 in the incentive grants payable thereunder, and the right to receive  
2 same, along with the rights and remedies provided to the developer  
3 under the agreement. Any such assignment shall be an absolute  
4 assignment for all purposes, including the federal bankruptcy code.

5 (2) Any pledge of incentive grants made by the developer shall  
6 be valid and binding from the time the pledge is made and filed in  
7 the records of the authority. The incentive grants pledged and  
8 thereafter received by the developer shall immediately be subject to  
9 the lien of the pledge without any physical delivery thereof or  
10 further act, and the lien of any pledge shall be valid and binding  
11 against all parties having claims of any kind in tort, contract, or  
12 otherwise against the developer irrespective of whether the parties  
13 have notice thereof. Neither the redevelopment incentive grant  
14 agreement nor any other instrument by which a pledge under this  
15 section is created need be filed or recorded except with the  
16 authority.

17 (cf: P.L.2015, c.242, s.4)

18

19 5. This act shall take effect immediately.