

**ASSEMBLY, No. 2127**

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**STATE OF NEW JERSEY**

**218th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Assemblyman JERRY GREEN**

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

**SYNOPSIS**

Provides tax credit to developers for affordable housing projects in certain neighborhoods.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning tax credit for affordable housing projects  
2 located in certain neighborhoods, and amending and  
3 supplementing P.L.2009, c.90.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

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

10 3. As used in sections 3 through 18 of P.L.2009,  
11 c.90 (C.52:27D-489c et al.) and section 4 of P.L. \_\_\_\_\_,  
12 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill):

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

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

24 "Authority" means the New Jersey Economic Development  
25 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-  
26 4).

27 "Aviation district" means the area within a one-mile radius of the  
28 outermost boundary of the "Atlantic City International Airport,"  
29 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-  
30 24).

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

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

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

**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.

1 "Disaster recovery project" means a redevelopment project  
2 located on property that has been wholly or substantially damaged  
3 or destroyed as a result of a federally-declared disaster, and which  
4 is located within the incentive area and has been determined by the  
5 authority to be in an area appropriate for development and in need  
6 of economic development incentive assistance.

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

16 "Distressed neighborhood" means a census tract, located within a  
17 distressed municipality, in which the median family income does  
18 not exceed 80 percent of the Statewide or applicable metropolitan  
19 median family income, as reported in the most recently completed  
20 decennial census published by the United States Census Bureau.

21 "Eligibility period" means the period of time specified in a  
22 redevelopment incentive grant agreement for the payment of  
23 reimbursements to a developer, which period shall not exceed 20  
24 years, with the term to be determined solely at the discretion of the  
25 applicant.

26 "Eligible revenue" means the property tax increment and any  
27 other incremental revenues set forth in section 11 of P.L.2009,  
28 c.90 (C.52:27D-489k), except in the case of a Garden State Growth  
29 Zone, in which such property tax increment and any other  
30 incremental revenues are calculated as those incremental revenues  
31 that would have existed notwithstanding the provisions of the "New  
32 Jersey Economic Opportunity Act of 2013," P.L.2013,  
33 c.161 (C.52:27D-489p et al.).

34 "Garden State Growth Zone" or "growth zone" means the four  
35 New Jersey cities with the lowest median family income based on  
36 the 2009 American Community Survey from the US Census, (Table  
37 708. Household, Family, and Per Capita Income and Individuals,  
38 and Families Below Poverty Level by City: 2009); or a municipality  
39 which contains a Tourism District as established pursuant to section  
40 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
41 Reinvestment Development Authority.

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

47 "Incentive grant" means reimbursement of all or a portion of the  
48 project financing gap of a redevelopment project through the State

1 or a local Economic Redevelopment and Growth Grant program  
2 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d  
3 or C.52:27D-489e) , or an award of tax credit pursuant to section 4  
4 of P.L. , c. (C. ) (pending before the Legislature as this bill).

5 "Infrastructure improvements in the public right-of-way" mean  
6 public structures or improvements located in the public right of way  
7 that are located within a project area or that constitute an ancillary  
8 infrastructure project, either of which are dedicated to or owned by  
9 a governmental body or agency upon completion, or any required  
10 payment in lieu of the structures, improvements or projects, or any  
11 costs of remediation associated with the structures, improvements  
12 or projects, and that are determined by the authority, in consultation  
13 with applicable State agencies, to be consistent with and in  
14 furtherance of State public infrastructure objectives and initiatives.

15 "Low-income housing" means housing 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 50 percent or less of the median gross  
20 household income for households of the same size within the  
21 housing region in which the housing is located.

22 "Major rail station" means a railroad station located within a  
23 qualified incentive area which provides access to the public to a  
24 minimum of six rail passenger service lines operated by the New  
25 Jersey Transit Corporation.

26 "Mixed use parking project" means a redevelopment project, the  
27 parking component of which shall constitute 51 percent or more of  
28 any of the following:

- 29 a. the total square footage of the entire mixed use parking  
30 project;
- 31 b. the estimated revenues of the entire mixed use parking  
32 project; or
- 33 c. the total construction cost of the entire mixed use parking  
34 project.

35 "Moderate-income housing" means housing affordable,  
36 according to United States Department of Housing and Urban  
37 Development or other recognized standards for home ownership  
38 and rental costs, and occupied or reserved for occupancy by  
39 households with a gross household income equal to more than 50  
40 percent but less than 80 percent of the median gross household  
41 income for households of the same size within the housing region in  
42 which the housing is located.

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

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

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

5       "Municipal Revitalization Index" means the 2007 index by the  
6 Office for Planning Advocacy within the Department of State  
7 measuring or ranking municipal distress.

8       "Non-parking component" means that portion of a mixed use  
9 parking project not used for parking, together with the portion of  
10 the costs of the mixed use parking project, including but not limited  
11 to the footings, foundations, site work, infrastructure, and soft costs  
12 that are allocable to the non-parking use.

13       "Parking component" means that portion of a mixed use parking  
14 project used for parking, together with the portion of the costs of  
15 the mixed use parking project, including but not limited to the  
16 footings, foundations, site work, infrastructure, and soft costs that  
17 are allocable to the parking use.

18       "Project area" means land or lands located within the incentive  
19 area under common ownership or control including through a  
20 redevelopment agreement with a municipality, or as otherwise  
21 established by a municipality or a redevelopment agreement  
22 executed by a State entity to implement a redevelopment project.

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

45       "Project financing gap" means:

46       a. the part of the total project cost, including return on  
47 investment, that remains to be financed after all other sources of  
48 capital have been accounted for, including, but not limited to,

1 developer-contributed capital, which shall not be less than 20  
2 percent of the total project cost, which may include the value of any  
3 existing land and improvements in the project area owned or  
4 controlled by the developer, and the cost of infrastructure  
5 improvements in the public right-of-way, subject to review by the  
6 State Treasurer, and investor or financial entity capital or loans for  
7 which the developer, after making all good faith efforts to raise  
8 additional capital, certifies that additional capital cannot be raised  
9 from other sources on a non-recourse basis; and

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

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

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

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

18 b. multiplying that product by a fraction having a numerator  
19 equal to the taxable value of all the property assessed within the  
20 project area, minus the property tax increment base, and having a  
21 denominator equal to the taxable value of all property assessed  
22 within the project area.

23 For the purpose of this definition, "property tax increment base"  
24 means the aggregate taxable value of all property assessed which is  
25 located within the redevelopment project area as of October 1st of  
26 the year preceding the year in which the redevelopment incentive  
27 grant agreement is authorized.

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

36 "Qualified residential project" means a redevelopment project  
37 that is predominantly residential and includes multi-family  
38 residential units for purchase or lease, or dormitory units for  
39 purchase or lease, having a total project cost of at least  
40 \$17,500,000, if the project is located in any municipality with a  
41 population greater than 200,000 according to the latest federal  
42 decennial census, or having a total project cost of at least  
43 \$10,000,000 if the project is located in any municipality with a  
44 population less than 200,000 according to the latest federal  
45 decennial census, or is a disaster recovery project, or having a total  
46 project cost of \$5,000,000 if the project is in a Garden State Growth  
47 Zone.

1 "Qualifying economic redevelopment and growth grant incentive  
2 area" or "incentive area" means:  
3 a. an aviation district;  
4 b. a port district;  
5 c. a distressed municipality; **[or]**  
6 d. a distressed neighborhood; or  
7 e. an area (1) designated pursuant to the "State Planning Act,"  
8 P.L.1985, c.398 (C.52:18A-196 et seq.), as:  
9 (a) Planning Area 1 (Metropolitan);  
10 (b) Planning Area 2 (Suburban); or  
11 (c) Planning Area 3 (Fringe Planning Area);  
12 (2) located within a smart growth area and planning area  
13 designated in a master plan adopted by the New Jersey  
14 Meadowlands Commission pursuant to subsection (i) of section 6 of  
15 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan  
16 adopted by the New Jersey Meadowlands Commission pursuant to  
17 section 20 of P.L.1968, c.404 (C.13:17-21);  
18 (3) located within any land owned by the New Jersey Sports and  
19 Exposition Authority, established pursuant to P.L.1971,  
20 c.137 (C.5:10-1 et seq.), within the boundaries of the Hackensack  
21 Meadowlands District as delineated in section 4 of P.L.1968,  
22 c.404 (C.13:17-4);  
23 (4) located within a regional growth area, a town, village, or a  
24 military and federal installation area designated in the  
25 comprehensive management plan prepared and adopted by the  
26 Pinelands Commission pursuant to the "Pinelands Protection Act,"  
27 P.L.1979, c.111 (C.13:18A-1 et seq.);  
28 (5) located within the planning area of the Highlands Region as  
29 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a  
30 highlands development credit receiving area or redevelopment area;  
31 (6) located within a Garden State Growth Zone;  
32 (7) located within land approved for closure under any federal  
33 Base Closure and Realignment Commission action; or  
34 (8) located only within the following portions of the areas  
35 designated pursuant to the "State Planning Act," P.L.1985,  
36 c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning  
37 Area), Planning Area 4B (Rural/Environmentally Sensitive) or  
38 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A  
39 (Rural Planning Area), Planning Area 4B (Rural/Environmentally  
40 Sensitive) or Planning Area 5 (Environmentally Sensitive) is  
41 located within:  
42 (a) a designated center under the State Development and  
43 Redevelopment Plan;  
44 (b) a designated growth center in an endorsed plan until the  
45 State Planning Commission revises and readopts New Jersey's State  
46 Strategic Plan and adopts regulations to revise this definition as it  
47 pertains to Statewide planning areas;

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

5 (d) any area on which a structure exists or previously existed  
6 including any desired expansion of the footprint of the existing or  
7 previously existing structure provided such expansion otherwise  
8 complies with all applicable federal, State, county, and local  
9 permits and approvals;

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

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

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

20 "Redevelopment incentive grant agreement" means an agreement  
21 between: a. the State and the New Jersey Economic Development  
22 Authority and a developer; or b. a municipality and a developer, or  
23 a municipal ordinance authorizing a project to be undertaken by a  
24 municipal redeveloper, under which, in exchange for the proceeds  
25 of an incentive grant or tax credit under section 4 of P.L. \_\_\_\_\_,  
26 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), the  
27 developer agrees to perform any work or undertaking necessary for  
28 a redevelopment project, including the clearance, development or  
29 redevelopment, construction, or rehabilitation of any structure or  
30 improvement of commercial, industrial, residential, or public  
31 structures or improvements within a qualifying economic  
32 redevelopment and growth grant incentive area or a transit village.

33 "Redevelopment project" means a specific construction project  
34 or improvement, including lands, buildings, improvements, real and  
35 personal property or any interest therein, including lands under  
36 water, riparian rights, space rights and air rights, acquired, owned,  
37 leased, developed or redeveloped, constructed, reconstructed,  
38 rehabilitated or improved, undertaken by a developer, owner or  
39 tenant, or both, within a project area and any ancillary infrastructure  
40 project including infrastructure improvements in the public right of  
41 way, as set forth in an application to be made to the authority. The  
42 use of the term "redemption project" in sections 3 through 18 of  
43 P.L.2009, c.90 (C.52:27D-489c et al.) and section 4 of P.L. \_\_\_\_\_,  
44 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill) shall not be  
45 limited to only redevelopment projects located in areas determined  
46 to be in need of redevelopment pursuant to sections 5 and 6 of  
47 P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) but shall also  
48 include, but not be limited to, any work or undertaking in



1 accordance with the "Redevelopment Area Bond Financing Law,"  
2 sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or  
3 other applicable law, pursuant to a redevelopment plan adopted by a  
4 State entity, or as described in the resolution adopted by a public  
5 entity created by State law with the power to adopt a redevelopment  
6 plan or otherwise determine the location, type and character of a  
7 redevelopment project or part of a redevelopment project on land  
8 owned or controlled by it or within its jurisdiction, including but  
9 not limited to, the New Jersey Meadowlands Commission  
10 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the  
11 New Jersey Sports and Exposition Authority established pursuant to  
12 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth  
13 Economic Revitalization Authority created pursuant to P.L.2010,  
14 c.51 (C.52:27I-18 et seq.).

15 "Redevelopment utility" means a self-liquidating fund created by  
16 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-  
17 489l) to account for revenues collected and incentive grants paid  
18 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other  
19 revenues dedicated to a redevelopment project.

20 "Revenue increment base" means the amounts of all eligible  
21 revenues from sources within the redevelopment project area in the  
22 calendar year preceding the year in which the redevelopment  
23 incentive grant agreement is executed, as certified by the State  
24 Treasurer for State revenues, and the chief financial officer of the  
25 municipality for municipal revenues.

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

28 "SDA municipality" means a municipality in which an SDA  
29 district is situated.

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

35 "Tourism destination project" means a redevelopment project  
36 that will be among the most visited privately owned or operated  
37 tourism or recreation sites in the State, and which is located within  
38 the incentive area and has been determined by the authority to be in  
39 an area appropriate for development and in need of economic  
40 development incentive assistance.

41 "Transit project" means a redevelopment project located within a  
42 1/2-mile radius, or one-mile radius for projects located in a Garden  
43 State Growth Zone, surrounding the mid-point of a New Jersey  
44 Transit Corporation, Port Authority Transit Corporation, or Port  
45 Authority Trans-Hudson Corporation rail, bus, or ferry station  
46 platform area, including all light rail stations.

47 "Transit village" means a community with a bus, train, light rail,  
48 or ferry station that has developed a plan to achieve its economic

1 development and revitalization goals and has been designated by  
2 the New Jersey Department of Transportation as a transit village.

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

5 a. buildings and structures, such as academic buildings,  
6 recreation centers, indoor athletic facilities, public works garages,  
7 and water and sewer treatment and pumping facilities;

8 b. open space with improvements, such as athletic fields and  
9 other outdoor athletic facilities, planned commons, and parks; and

10 c. transportation facilities, such as bus shelters and parking  
11 facilities.

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

20 "Vacant commercial building" means any commercial building  
21 or complex of commercial buildings having over 400,000 square  
22 feet of office, laboratory, or industrial space that is more than 70  
23 percent unoccupied at the time of application to the authority or is  
24 negatively impacted by the approval of a "qualified business  
25 facility," as defined pursuant to section 2 of P.L.2007,  
26 c.346 (C.34:1B-208), or any vacant commercial building in a  
27 Garden State Growth Zone having over 35,000 square feet of office,  
28 laboratory, or industrial space, or over 200,000 square feet of  
29 office, laboratory, or industrial space in Atlantic, Burlington,  
30 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem  
31 counties available for occupancy for a period of over one year.

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

38 "Workforce housing" means housing developed as part of a  
39 qualified residential project, as defined in section 4 of P.L. ,  
40 c. (C. ) (pending before the Legislature as this bill), and  
41 affordable to, according to federal Department of Housing and  
42 Urban Development or other recognized standards for home  
43 ownership and rental costs, and occupied by, or reserved for  
44 occupancy by, households with a gross household income equal to  
45 more than 80 percent but less than 120 percent of the median gross  
46 household income for households of the same size within the  
47 housing region in which the qualified residential project is located.  
48 Workforce housing may be reserved for occupancy by households

1 with at least one member working in the municipality in which the  
2 qualified residential project is located.

3 (cf: P.L.2015, c.242, s.1)  
4

5 2. Section 8 of P.L.2009, c.90 (52:27D-489h) is amended to  
6 read as follows:

7 8. a. (1) The authority, in consultation with the State Treasurer,  
8 shall promulgate an incentive grant application form and procedure  
9 for the Economic Redevelopment and Growth Grant program.  
10 Within 30 days of the effective date of P.L. , c. (pending before  
11 the Legislature as this bill), the authority shall promulgate an  
12 alternate incentive grant application form to be used by developers  
13 seeking tax credit pursuant to section 4 of P.L. ,  
14 c. (C. ) (pending before the Legislature as this bill).

15 (2) (a) The Local Finance Board, in consultation with the  
16 authority, shall develop a minimum standard incentive grant  
17 application form for municipal Economic Redevelopment and  
18 Growth Grant programs.

19 (b) Through regulation, the authority shall establish standards  
20 for redevelopment projects seeking State or local incentive grants  
21 based on the green building manual prepared by the Commissioner  
22 of Community Affairs pursuant to section 1 of P.L.2007,  
23 c.132 (C.52:27D-130.6), regarding the use of renewable energy,  
24 energy-efficient technology, and non-renewable resources in order  
25 to reduce environmental degradation and encourage long-term cost  
26 reduction.

27 b. Within each incentive grant application, a developer shall  
28 certify information concerning:

- 29 (1) the status of control of the entire redevelopment project site;  
30 (2) all required State and federal government permits that have  
31 been issued for the redevelopment project, or will be issued pending  
32 resolution of financing issues;  
33 (3) local planning and zoning board approvals, as required, for  
34 the redevelopment project;  
35 (4) estimates of the revenue increment base, the eligible  
36 revenues for the project, and the assumptions upon which those  
37 estimates are made.

38 c. (1) With regard to State tax revenues proposed to be  
39 pledged or tax credit to be awarded for an incentive grant, the  
40 authority and the State Treasurer shall review the project costs,  
41 evaluate and validate the project financing gap estimated by the  
42 developer, and conduct a State fiscal impact analysis to ensure that  
43 the overall public assistance provided to the project, except with  
44 regards to a qualified residential project, a mixed use parking  
45 project, or a project involving university infrastructure, will result  
46 in net benefits to the State including, without limitation, both direct  
47 and indirect economic benefits and non-financial community  
48 revitalization objectives, including but not limited to, the promotion

1 of the use of public transportation in the case of the ancillary  
2 infrastructure project portion of any transit project.

3 (2) With regard to local incremental revenues proposed to be  
4 pledged for an incentive grant the authority and the Local Finance  
5 Board shall review the project costs, and except with respect to an  
6 application by a municipal redeveloper, evaluate and validate the  
7 project financing gap projected by the developer, and conduct a  
8 local fiscal impact analysis to ensure that the overall public  
9 assistance provided to the project, except with regards to a qualified  
10 residential project, a mixed use parking project, or a project  
11 involving university infrastructure, will result in net benefits to the  
12 municipality wherein the redevelopment project is located  
13 including, without limitation, both direct and indirect economic  
14 benefits and non-financial community revitalization objectives,  
15 including but not limited to, the promotion of the use of public  
16 transportation in the case of the ancillary infrastructure project  
17 portion of any transit project.

18 (3) The authority, State Treasurer, and Local Finance Board  
19 may act cooperatively to administer and review applications, and  
20 shall consult with the Office of State Planning on matters  
21 concerning State, regional, and local development and planning  
22 strategies.

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

25 (5) A developer who has already applied for an incentive grant  
26 award prior to the effective date of the "New Jersey Economic  
27 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),  
28 but who has not yet been approved for the grant, or has not  
29 executed an agreement with the authority, may proceed under that  
30 application or seek to amend the application or reapply for an  
31 incentive grant award for the same project or any part thereof for  
32 the purpose of availing himself or herself of any more favorable  
33 provisions of the Economic Redevelopment and Growth Grant  
34 program established pursuant to the "New Jersey Economic  
35 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),  
36 except that projects with costs exceeding \$200,000,000 shall not be  
37 eligible for revised percentage caps under subsection d. of section  
38 19 of P.L.2013, c.161 (C.52:27D-489i).  
39 (cf: P.L.2015, c.242, s.3)

40  
41 3. Section 9 of P.L.2009, c.90 (52:27D-489i) is amended to read  
42 as follows:

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

1       b. The decision of whether to enter into a redevelopment  
2 incentive grant agreement is solely within the discretion of the  
3 authority and the State Treasurer, provided that they both agree to  
4 enter into an agreement.

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

8       d. (1) The redevelopment incentive grant agreement shall  
9 specify the maximum amount of project costs, the amount of the  
10 incentive grant to be awarded the developer, the frequency of  
11 payments, and the eligibility period, which shall not exceed 20  
12 years, during which reimbursement will be granted or tax credit  
13 awarded, and for a project receiving an incentive grant in excess of  
14 \$50 million, the amount of the negotiated repayment amount to the  
15 State, which may include, but not be limited to, cash, equity, and  
16 warrants. Except for redevelopment incentive grant agreements  
17 with a municipal redeveloper, or with the developer of a  
18 redevelopment project solely with respect to the cost of  
19 infrastructure improvements in the public right-of-way including  
20 any ancillary infrastructure project in the public right-of-way, in no  
21 event shall the base amount of the combined reimbursements or tax  
22 credit under redevelopment incentive grant agreements with the  
23 State or municipality exceed 20 percent of the total project cost,  
24 except in a Garden State Growth Zone, which shall not exceed 30  
25 percent.

26       (2) **【The】** Except in the case of a qualified residential project  
27 receiving tax credit pursuant to section 4 of P.L. \_\_\_\_\_,  
28 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill), the  
29 authority shall be permitted to increase the amount of the  
30 reimbursement under the redevelopment incentive grant agreement  
31 with the State by up to 10 percent of the total project cost if the  
32 project is:

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

39       (b) located in a distressed municipality which lacks adequate  
40 access to health care and health services in the judgment of the  
41 Chief Executive Officer of the authority and will include a health  
42 care and health services center with a minimum of 10,000 square  
43 feet of space devoted to the provision of health care and health  
44 services;

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

- 1 (d) a transit project;
- 2 (e) a qualified residential project in which at least 10 percent of  
3 the residential units are constructed as and reserved for moderate  
4 income housing;
- 5 (f) located in a highlands development credit receiving area or  
6 redevelopment area;
- 7 (g) located in a Garden State Growth Zone;
- 8 (h) a disaster recovery project;
- 9 (i) an aviation project;
- 10 (j) a tourism destination project; or
- 11 (k) substantial rehabilitation or renovation of an existing  
12 structure or structures.
- 13 (3) The maximum amount of any redevelopment incentive grant  
14 shall be equal to up to 30 percent of the total project costs, except  
15 for projects located in a Garden State Growth Zone, in which case  
16 the maximum amount of any redevelopment incentive grant shall be  
17 equal to up to 40 percent of the total project costs. Notwithstanding  
18 anything to the contrary contained within this section, the maximum  
19 amount of any redevelopment incentive grant with respect to a  
20 mixed use parking project shall be up to 100 percent of the total  
21 project costs allocable to the parking component of the project, and  
22 shall be up to 40 percent of the total project costs allocable to the  
23 non-parking component of the project.
- 24 e. Except in the case of a qualified residential project, a mixed  
25 use parking project, or a project involving university infrastructure,  
26 the authority and the State Treasurer may enter into a  
27 redevelopment incentive grant agreement only if they make a  
28 finding that the State revenues to be realized from the  
29 redevelopment project will be in excess of the amount necessary to  
30 reimburse the developer for its project financing gap. This finding  
31 may be made by an estimation based upon the professional  
32 judgment of the Chief Executive Officer of the authority and the  
33 State Treasurer.
- 34 f. In deciding whether to recommend entering into a  
35 redevelopment incentive grant agreement and in negotiating a  
36 redevelopment agreement with a developer, the Chief Executive  
37 Officer of the authority shall consider the following factors:
- 38 (1) the economic feasibility of the redevelopment project;
- 39 (2) the extent of economic and related social distress in the  
40 municipality and the area to be affected by the redevelopment  
41 project or the level of site specific distress to include dilapidated  
42 conditions, brownfields designation, environmental contamination,  
43 pattern of vacancy, abandonment, or under utilization of the  
44 property, rate of foreclosures, or other site conditions as determined  
45 by the authority;
- 46 (3) the degree to which the redevelopment project will advance  
47 State, regional, and local development and planning strategies;

1 (4) the likelihood that the redevelopment project shall, upon  
2 completion, be capable of generating new tax revenue in an amount  
3 in excess of the amount necessary to reimburse the developer for  
4 project costs incurred as provided in the redevelopment incentive  
5 grant agreement, provided, however, that any tax revenue generated  
6 by a redevelopment project that is a disaster recovery project shall  
7 be considered new tax revenue even if the same or more tax revenue  
8 was generated at or on the site prior to the disaster;

9 (5) the relationship of the redevelopment project to a  
10 comprehensive local development strategy, including other major  
11 projects undertaken within the municipality;

12 (6) the need of the redevelopment incentive grant agreement to  
13 the viability of the redevelopment project or the promotion of the  
14 use of public transportation; and

15 (7) the degree to which the redevelopment project enhances and  
16 promotes job creation and economic development or the promotion  
17 of the use of public transportation.

18 g. (1) A developer who has entered into a redevelopment  
19 incentive grant agreement with the authority and the State Treasurer  
20 pursuant to this section may, upon notice to and consent of the  
21 authority and the State Treasurer, pledge, assign, transfer, or sell  
22 any or all of its right, title and interest in and to the agreements and  
23 in the incentive grants payable thereunder, and the right to receive  
24 same, along with the rights and remedies provided to the developer  
25 under the agreement. Any such assignment shall be an absolute  
26 assignment for all purposes, including the federal bankruptcy code.

27 (2) Any pledge of incentive grants made by the developer shall  
28 be valid and binding from the time the pledge is made and filed in  
29 the records of the authority. The incentive grants pledged and  
30 thereafter received by the developer shall immediately be subject to  
31 the lien of the pledge without any physical delivery thereof or  
32 further act, and the lien of any pledge shall be valid and binding  
33 against all parties having claims of any kind in tort, contract, or  
34 otherwise against the developer irrespective of whether the parties  
35 have notice thereof. Neither the redevelopment incentive grant  
36 agreement nor any other instrument by which a pledge under this  
37 section is created need be filed or recorded except with the  
38 authority.

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

40  
41 4. (New section) a. As used in this section:

42 "Qualified residential project" means a redevelopment project  
43 having no less than 25 dwelling units, which is predominantly  
44 residential and includes multi-family residential units for purchase  
45 or lease, or dormitory units for purchase or lease. The use of the  
46 term "qualified residential project" in this section shall not be  
47 limited by the total project cost.





1       In order to qualify for tax credit, a developer must construct a  
2 residential project in which (1) at least 20 percent of the residential  
3 units are constructed and reserved for low- to moderate-income  
4 housing; and (2) at least 20 percent of the residential units are  
5 constructed and reserved for workforce housing. Developers would  
6 apply for tax credit in the same manner in which developers applied  
7 for grants under the Economic Redevelopment Growth Program.

8       This bill will incentivize development of affordable and market-  
9 rate housing in distressed neighborhoods around the State. The bill  
10 is expected to create balanced redevelopment in municipalities  
11 experiencing financial trouble and a more comprehensive urban  
12 development strategy. The bill is designed to transform the State's  
13 urban centers from areas with just offices, to 24-hours per day,  
14 seven-days per week communities with robust residential  
15 populations.