

# ANALYSIS OF THE NEW JERSEY FISCAL YEAR 2000 - 2001 BUDGET



## DEPARTMENT OF COMMUNITY AFFAIRS

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2000

# NEW JERSEY STATE LEGISLATURE

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# DEPARTMENT OF COMMUNITY AFFAIRS

Budget Pages..... C-8; C-16; C-21; C-27; D-35 to  
D-68;

## Fiscal Summary (\$000)

	Expended FY 1999	Adjusted. Appropriation FY 2000	Recommended FY 2001	Percent Change 2000-01
State Budgeted	\$972,735	\$1,042,926	\$1,023,278	(1.9)%
Federal Funds	177,146	197,184	191,456	(2.9)%
<u>Other</u>	<u>9,749</u>	<u>36,458</u>	<u>35,537</u>	<u>(2.5)%</u>
Grand Total	\$1,159,630	\$1,276,568	\$1,250,271	(2.1)%

## Personnel Summary - Positions By Funding Source

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change 2000-01
State	592	619	656	6.0%
Federal	244	252	258	2.4%
<u>Other</u>	<u>91</u>	<u>92</u>	<u>96</u>	<u>4.3%</u>
Total Positions	927	963	1,010	4.9%

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

## Introduction

The basic mission of the Department of Community Affairs (DCA), created pursuant to P.L.1966, c.293, is to provide technical, advisory, and financial assistance to communities and individuals.

The DCA provides housing assistance, local government financial assistance and oversight, and services to the disadvantaged and sets building safety and workplace standards. It administers a variety of programs through its five divisions, the Special Urban Services entity and the Office of State Planning. There are three quasi-independent agencies organizationally attached to the DCA: the Council on Affordable Housing; the Hackensack Meadowlands Development Commission; and the New Jersey Housing and Mortgage Finance Agency.

## Key Points

- ! The recommended Direct State Services appropriation for the DCA is \$33.0 million, \$888,000 more than the FY 2000 adjusted appropriation. According to the DCA's Budget Request, \$775,000 of this increase will finance the acquisition costs of new hardware and software to implement a department wide information management system, the DCANet, a server-based local area computer network.
- ! DCA's combined State Aid funding for municipalities from both the General Fund and the Property Tax Relief Fund is recommended to increase by \$24.0 million (net), from \$908.0 million in FY 2000 to \$932.0 million in FY 2001.

Included in the total \$932.0 million is increased funding recommended for the following purposes:

- \$19.2 million for Consolidated Municipal Property Tax Relief (COMPTR) that reflects a 2.5 percent adjustment for inflation;
- \$14.0 million for Special Municipal Aid to augment funding for urban municipalities with structural budget deficits that could not be resolved without additional State funds; and
- \$1.8 million for Watershed Moratorium Offset Aid. The increase has two components, a CPI adjustment that reflects a 2.5 percent increase and an expansion of the program to include every municipality in New Jersey that contains watershed property within its borders.

Offsetting the above increases is the elimination of funding for two programs and reduced funding for one:

- \$5.0 million for Emergency Disaster Relief Aid to Local Governments which was adopted as a supplemental appropriation during FY 2000 to compensate them for costs incurred in responding to and recovering from the damage caused by Hurricane Floyd and its associated flooding;
  - \$1.0 million for a Hackensack River Basin Area Flood Control Study added to the FY 2000 Appropriations Act by the Legislature; and
  - \$5.0 million, a 16.7 percent reduction, from the FY 2000 \$30.0 million appropriation for Extraordinary Aid. The department in its Budget Request indicates that \$25.0 million should be adequate to address those extraordinary municipal fiscal contingencies for which no viable solutions are immediately present.
- ! The FY 2001 recommended budget anticipates a decrease of \$5.7 million, a 2.9 percent reduction, from the FY 2000 \$197.2 million in Federal funds for the Department. The decrease is principally attributable to a \$4.0 million decrease in the FY 2000 Lead-Based Paint Abatement in Low and Moderate Income Housing Program and the elimination of \$1.5 million in one-time funding for the HUD Disaster Recovery Initiative for the winter storms of 1998.

## Key Points (Cont'd)

- ! A net \$44.5 million decrease (43.3 percent) in FY 2001 total Grants-In-Aid is recommended. The majority of this net decrease results from the difference between three recommended funding increases totaling \$17.8 million and the elimination of funding for programs totaling \$61.9 million.

New funding is recommended for the following purposes:

- \$15.0 million to establish the Brownfields Redevelopment Grants program to provide grants and other financial incentives to the 68 Urban Coordinating Council (UCC) eligible municipalities for the acquisition and remediation of brownfield sites where there is no realistic prospect of private development absent financial assistance;
- \$2.0 million to provide planning grants to UCC eligible municipalities interested in exploring the feasibility of starting Cyberdistricts within their borders. A Cyberdistrict is an area of a city designed to attract technology companies by offering reasonable rents, low-cost Internet access and high-speed electronic communications; and
- \$750,000 for the Women's Micro-Business Pilot Program to offer loans, loan guarantees, training and technical assistance to women seeking to launch independently owned and operated businesses.

Total Grants-In-Aid would be reduced because of the elimination of:

- \$32.7 million in funding for 299 local government and non-profit social services programs that were added by the Legislature in FY 2000;
  - \$20.0 million allocated to DCA through the "Emergency Disaster Relief Act of 1999" for grants to compensate individuals, businesses and other entities for disaster losses incurred within the nine counties declared a disaster area by the Federal Government in 1999 because of Hurricane Floyd;
  - \$7.5 million in funding for the Thermal Imaging Camera Grant Program;
  - \$1.7 million for the John J. Heldrich Center for Workforce Development at Rutgers University; and
  - \$50,000 in funding for Utility Transportation Contractors Association (UTCA) Construction Safety Training.
- ! General Fund language provisions in FY 2001 (p. F-3) recommend that \$200,000 be appropriated from the Mortgage Assistance Fund for transfer to the General Fund as State revenue to fund a portion of the Neighborhood Preservation program. FY 1998 was the last time similar language was included and as a result, \$2,750,000 was transferred to the General Fund, but with no specific dedication.

## Program Description and Overview

The mission of the Department of Community Affairs is to provide technical, advisory, and financial assistance to communities and individuals to help them help themselves.

Acting as an advocate and service agency, the department interrelates a broad range of functions, programs and services such as: housing assistance, local government finance, building safety and workplace standards, child care, Hispanic affairs programs, services that benefit women and the handicapped, low-income energy conservation services, local police services, local government management assistance, and programs focusing on rooming and boarding houses, affordable housing, and many other issues of community interest. Acting as a service agency, the department coordinates resources to renew and revitalize New Jersey communities by administering six major State municipal aid and several special purpose aid programs and overseeing Community Services Block Grants. There are more than 147 programs in the department available to local governments, civic organizations, non-profit corporations and individuals. These programs and services are provided through the department's five divisions, the Special Urban Services entity, the Office of State Planning and three quasi-independent agencies.

The department's five operating divisions are the Division of Codes and Standards, the Division of Housing and Community Resources, the Division of Local Government Services, the Division on Women, and the Division of Fire Safety. While the operating divisions are listed separately, they work together, often joining together the financial and technical resources of several different units to better meet the needs of the community as a whole.

### The Division of Codes and Standards

The Division of Codes and Standards is the primary building codes and standards agency in the State. The division implements and oversees the enforcement of all construction codes in New Jersey including building, plumbing, fire protection, electrical, mechanical, barrier free access, asbestos, lead abatement and radon codes. These responsibilities include code adoption, supervision of all State and municipal level code enforcement, training and licensing of local and State inspectors involved in the enforcement of construction codes. Other code related responsibilities include enforcement of the State multi-family housing code, licensing of all rooming and boarding houses in the State, the administration of New Jersey's 11-year insurance-backed New Home Warranty program, the review of all condominium and cooperative sales offerings and providing information on New Jersey's landlord-tenant laws, and the development and implementation of Statewide residential site improvement standards for use by municipalities. State funds of \$13.0 million are recommended for this Division in FY 2001, the same amount that was appropriated in FY 2000.

### Division of Housing and Community Resources

The Division of Housing and Community Resources provides information, training and technical assistance for housing development to municipalities, nonprofit organizations and private developers in order to encourage and facilitate the construction of affordable housing for low-and moderate-income families. The division is also responsible for planning and implementing programs that provide rental housing assistance, and that support neighborhood preservation and community development initiatives. It also provides financial and technical assistance to community-based nonprofit and local governmental agencies in an effort to improve the quality of life for New Jersey's low-income, disabled and disadvantaged citizens.

This division has two major program areas: the housing services program and the community resources program.

## Program Description and Overview (Cont'd)

The housing services program is responsible for planning and implementing programs that address housing and community development needs in the State. This program has three elements: 1) Housing Sponsor Services, 2) Housing Assistance, and 3) Housing Production and Community Development. State funds of \$27.5 million for FY 2001 are recommended, a \$20.0 million reduction from FY 2000. This \$20.0 million reduction is attributable to the elimination of a grant program established through the "Emergency Disaster Relief Act of 1999." Pursuant to authority granted under that act, the Governor directed \$20.0 million to the DCA during FY 2000 for disbursement as grants to compensate individuals, businesses and other entities for disaster losses incurred within the nine counties declared a disaster area by the Federal Government in 1999 because of Hurricane Floyd. According to the department, the FY 2000 funds are adequate to compensate individuals, businesses and other entities for disaster losses not recouped from other sources and to meet other disaster recovery costs.

The community resources program area provides financial and technical assistance to community-based non-profit and local government agencies in an effort to improve the quality of life for New Jersey's low-income, handicapped, and disadvantaged citizens. Its Office of Community Services administers the Community Services Block Grant program which provides funds to community action agencies and other eligible non-profit community groups throughout the State. These agencies provide various services needed by the State's most disadvantaged residents, including emergency assistance of food, clothing and shelter, alcoholism counseling and treatment, transportation, job training, child care, weatherization assistance and educational assistance.

Other offices funded through the division include the Office of Low-Income Energy Conservation, the Office of Recreation, and the Center for Hispanic Policy, Research and Development.

The State Budget for the community resources program area is recommended at \$8.5 million for FY 2001, a reduction of \$32.4 million from FY 2000. The \$32.4 million reduction is principally due to the elimination in FY 2001 of 292 individual grants to local governments and non-profit agencies that totaled \$32.1. These grants were added to the FY 2000 Appropriations Act during the legislative process.

### Division of Local Government Services

The Division of Local Government Services, through its bureaus and programs, is responsible for the financial integrity of all local government units. Specifically, it provides technical and financial assistance in budgeting, financial reporting, consolidation and regionalization of services, purchasing, and management issues to municipalities, counties, authorities, fire districts, and other public agencies. It administers professional certification programs for Certified Municipal Finance Officers, Certified Tax Collectors, Registered Municipal Clerks, and Certified Public Works managers. It also administers various State aid programs that provide financial assistance to municipalities and provides oversight and assistance to local governments and the public on a wide range of laws and programs. The direct State service component of the division's budget is recommended at \$5.3 million for FY 2001, the same amount that was appropriated in FY 2000.

The FY 2001 State Budget contains a \$54.5 million recommendation for State Aid to be distributed under the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.), and also contains a \$2.0 million recommended Direct State Services appropriation for administration. P.L.1999, c.156 revised the "Special Municipal Aid Act" and appropriated, for FY 2000, \$40.5

## Program Description and Overview (Cont'd)

million for distribution and \$2.0 million for administration of fiscal and management audits and other fiscal oversight under the act. According to the DCA, the \$40.5 million FY 2000 State Aid appropriation was distributed to five municipalities to allow those municipalities to close out their FY 1999 municipal budgets. The FY 2001 \$54.5 recommended State Aid appropriation is targeted for distribution to the same five municipalities to allow them to balance their FY 2000 municipal budgets. The Budget-in-Brief indicates that this program is directed at urban municipalities with structural budget deficits that cannot be resolved without additional State funds. The enactment of P.L.1999, c.156 gave the division the ability to establish specific criteria for receipt of this aid including, but not limited to, the creation of a financial review board to oversee and audit the finances of any municipality that receives this aid.

The FY 2001 recommended Property Tax Relief Fund - State Aid appropriation for the division of \$822.1 million, consists of funding for three programs:

(1) \$787.1 million for the Consolidated Municipal Property Tax Relief Aid (CMPTRA) program, represents a \$19.2 million increase over the FY 2000 adjusted appropriation due to a 2.5 percent proposed inflationary increase, based on the Implicit Price Deflator for State and Local Government Purchases published by the U.S. Department of Commerce. The inflation adjustment, begun in FY 2000, will be applied to each municipality's Consolidated Municipal Property Tax Relief Aid.

(2) \$25.0 million for Extraordinary Aid (formerly called discretionary aid) of the Supplemental Municipal Property Tax Relief Act, represents a \$5.0 million reduction from the FY 2000 adjusted appropriation. While budget language directs that Extraordinary Aid shall be distributed in a manner consistent with existing criteria established by law, additional budget language would modify the current criteria. The additional budget language allows for payments to be made to eligible municipalities for costs associated with activities which improve operations and provide short and long term property tax savings, including but not limited to shared and regionalized services, enhanced tax and revenue collection efforts, and other activity which can be demonstrated to meet the above requirements. The department in its Budget Request indicates that \$25.0 million should be adequate to address those extraordinary municipal fiscal contingencies for which no viable solutions are immediately present.

(3) \$10.0 million for the Regional Efficiency Development Incentive Grant Program, is intended to encourage local governments and school districts to explore ways to consolidate or share services.

Recommended language in the FY 2001 Budget would appropriate an amount not to exceed \$25.0 million for the Regional Efficiency Aid Program (REAP). This language appropriation is contingent upon the approval of the State Treasurer.

FY 2001 Budget language concerning the FY 1998 Generally Accepted Accounting Principles (GAAP) program provides that the unexpended balance as of June 30, 2000 in the Aid for GAAP Accounting Implementation account be appropriated. In FY 2001 no new funding for the State aid GAAP program is recommended by the Governor.

### The Division on Women

The Division on Women is the central State agency for coordinating services and programs for women. The direct State service component of the division's budget is recommended at \$1.0 million for FY 2001, which represents the same funding level as FY 2000. Overall, the State budget

## Program Description and Overview (Cont'd)

for the division is recommended to increase by \$0.2 million to \$4.1 million in FY 2001.

The Division administers grants and provides technical assistance to displaced homemaker programs, Hispanic women's resource centers and urban women's centers. The Office on the Prevention of Violence Against Women provides training, education, policy and program development on domestic violence prevention, sexual assault and general referral issues. The Rape Care Program, housed in the Office on the Prevention of Violence Against Women, funds and monitors rape care centers. Grants to such local programs and centers are recommended to total \$3.1 million in FY 2001, which represents a \$155,000 increase over the FY 2000 adjusted appropriation. This recommended net increase in FY 2001 reflects the difference between one recommended new grant of \$750,000 for the Women's Micro-Business Pilot Program and the recommended elimination of seven grants that were added to the FY 2000 Appropriations Act by the Legislature which total \$595,000. The FY 2001 Budget would continue to fund seven grants at current levels. The three largest grants are for displaced homemaker centers at \$985,000, rape prevention at \$500,000 and hispanic women's resource centers at \$400,000.

### Division of Fire Safety

The Division of Fire Safety constitutes the department's central fire safety element. It provides public education programs to inform the general public about fire prevention, and coordinates volunteer emergency service loans and training for local firefighters. It provides services under the Uniform Fire Safety Act including research and planning, fire code enforcement, the National Fire Incident Reporting System, training and technical assistance, inspection of State owned and leased buildings, licensing and warranting of fire systems installers, and monitoring and compliance activities.

The direct State service element of the division's budget is recommended at \$4.4 million for FY 2001, which represents the same funding level as FY 2000. In total, the State budget for the division is recommended to decrease by \$7.5 million to \$13.0 million in FY 2001. The \$7.5 million reduction is due to the recommended elimination of funding in FY 2001 of the Thermal Imaging Camera Grant Program. Thermal imaging cameras help firefighters "see" through smoke and darkness, thereby reducing search and rescue time.

### Office of State Planning

The Office of State Planning (OSP), established pursuant to section 6 of P.L.1985, c.398 (C.52:18A-201) staffs the New Jersey State Planning Commission and the New Jersey Brownfields Site Inventory and Redevelopment Task Force pursuant to section 5 of P.L.1998, c.278 (C.58:10B-23).

The State Development and Redevelopment Plan is prepared by the State Planning Commission with the assistance of the OSP. The Plan is prepared in preliminary form and is adopted following a process of cross-acceptance with local units and other interested parties which is set forth by State law. Cross-acceptance is a process of comparing planning policies among all governmental levels to attain compatibility among all such plans. The goals and strategies enunciated in the State Plan include: the revitalization of urban areas; the conservation of open space, farmland and other natural, cultural and historic resources; the promotion of beneficial economic growth, development and redevelopment; environmental protection; the provision of adequate housing at a reasonable cost; and the cost-effective provision of public facilities and services.

## Program Description and Overview (Cont'd)

The OSP staffs the Brownfields Site Inventory and Redevelopment Task Force, which acts as a decision making and State resources coordinating body that and serves as the focus for redevelopment projects that involve brownfield sites.

The recommended Direct State Services appropriation for the OSP is \$2.0 million in FY 2001, which represents the same funding level as FY 2000. The OSP indicates that this level of funding will enable it to: coordinate State policy on brownfields redevelopment, continue to oversee the cross-acceptance process, and achieve adoption of the State plan sometime early in FY 2001.

### Special Urban Services

Special Urban Services is the central State facilitator for the planning and coordination of programs for the revitalization of the State's urban areas. A \$26.4 million State appropriation is recommended for Special Urban Services in FY 2001, an amount \$13.3 million more than was appropriated in FY 2000.

This net increase has two components. The one funding increase recommended in FY 2001 is \$15.0 million for Brownfields Redevelopment Grants. Brownfields are abandoned, vacant, commercial and industrial sites known or suspected to be contaminated that need to be remediated in order that they may be returned to productive use so as to promote community and economic revitalization. The department plans to establish a program of grants and other financial incentives for the 68 Urban Coordinating Council (UCC) eligible municipalities to acquire and remediate brownfield sites where there is no realistic prospect of private development absent financial assistance. The \$15.0 million increase is offset by the recommended elimination of a \$1.7 million, one-time, FY 2000 grant for the site acquisition and preparation of the John J. Heldrich Center for Workforce Development at Rutgers University. According to the DCA Budget Request, the \$1.7 million was provided to fund an interagency agreement between the State Treasurer and the New Jersey Redevelopment Authority. No additional funds for this purpose are recommended for FY 2001.

The FY 2001 Budget continues the same level of funding for two Special Urban Services programs that were first created in FY 2000 as part of an economic revitalization effort: \$7.5 million for the Downtown Living Initiative program, which provides low-interest loans to spur construction of market rental housing in urban neighborhoods, and \$2.5 million for the College and University Homebuyers' Fund program, which offers financial incentives to faculty and staff of New Jersey State and community colleges and universities located in certain UCC cities to purchase homes or improve home exteriors in those neighborhoods.

Special Urban Services contains two elements: the Urban Coordinating Council and the Office of Neighborhood Empowerment.

The Urban Coordinating Council (UCC), pursuant to section 45 of P.L.1996, c.62 (C.55:19-60), is comprised of representatives from every State department as well as the Economic Development Authority, the Casino Reinvestment Development Authority, the State Planning Commission, the Housing and Mortgage Finance Agency, the Juvenile Justice Commission and the Commission on Higher Education. The council helps communities to develop and implement neighborhood-based plans and strategies for revitalizing neighborhoods. It serves as a one-stop shopping network for the State services that cities identify in their plans and coordinates assistance from the private sector and nonprofit entities to meet the unique needs of each community.

## Program Description and Overview (Cont'd)

The Office of Neighborhood Empowerment (ONE) was established pursuant to section 47 of P.L.1996, c.62, the "New Jersey Urban Redevelopment Act" in, but not of, the Department of Community Affairs. Its principal duty is to provide support for a community director who is to assist local sponsors in developing or implementing neighborhood empowerment plans, projects and programs established by the New Jersey Redevelopment Authority, and the New Jersey Economic Development Authority, and development initiatives proposed by municipal and county governments. Each project is to be assigned an interagency team of State representatives. Each project will be co-chaired by a case manager from the Office of Neighborhood Empowerment and by the community director of the project and will include at least one representative of the UCC. This office works collaboratively with community leaders in an effort to rebuild New Jersey's cities, one neighborhood at a time. The executive director of this element reports solely to the Urban Coordinating Council. The recommended direct State service funding for ONE in FY 2001 is \$1.4 million, unchanged from FY 2000.

Three quasi-independent agencies that are in, but not of, the Department of Community Affairs are as follows:

### **! Hackensack Meadowlands Development Commission**

This commission is responsible for the preservation and physical development of 20,000 acres of salt water swamps, meadows and marshes in the Hackensack Meadowlands. The Commission and its Municipal Committee are funded from sanitary landfill monitoring fee excess balances. Those monitoring fee excess balances are appropriated by Budget language in an amount equal to the excess balance or \$3,205,000 whichever is less, as calculated by DEP, to fund the operating costs of the Commission and its Municipal Committee. In addition, \$1,200,000 of interest earnings from the sanitary landfill monitoring accounts is appropriated by Budget language for distribution from the Hackensack Meadowlands Tax Sharing Stabilization Fund by the commission to eligible municipalities in the Hackensack Meadowlands. The total FY 2001 Budget Other Funds recommendation for the Hackensack Meadowlands Development Commission is \$4,405,000.

### **! Housing and Mortgage Finance Agency**

The New Jersey Housing and Mortgage Finance Agency Act of 1983 consolidated the New Jersey Housing Finance Agency and the New Jersey Mortgage Finance Agency into the New Jersey Housing and Mortgage Finance Agency (HMFA). HMFA promotes safe and affordable housing by providing low-interest construction mortgage loans, purchase-rehabilitation programs, and home improvement loans. The agency also provides financing to municipalities seeking to comply with Mount Laurel-related housing obligations, as authorized by the Fair Housing Act of 1985. HMFA raises its housing finance funds through the sale of tax-exempt bonds to private-sector investors and meets its administrative and operating expenses with revenues collected from bond repayment. Basically, the HMFA offers financing for the construction of multi-family rental properties and single family home ownership and allocates federal low income housing tax credit subsidies. HMFA does not receive a State appropriation for its operations.

### **! Council on Affordable Housing**

The Council on Affordable Housing (COAH) was created as part of the "Fair Housing Act, of 1985" (P.L.1985, c.222) to assist municipalities in determining their need for low-and-moderate-income housing and monitoring the fulfillment of their affordable housing obligations. COAH also works with the DCA's Division of Housing and Community Resources and the HMFA on various programs. The recommended direct State service element of the council's budget is \$1.4 million

## Program Description and Overview (Cont'd)

in FY 2001, unchanged from FY 2000.

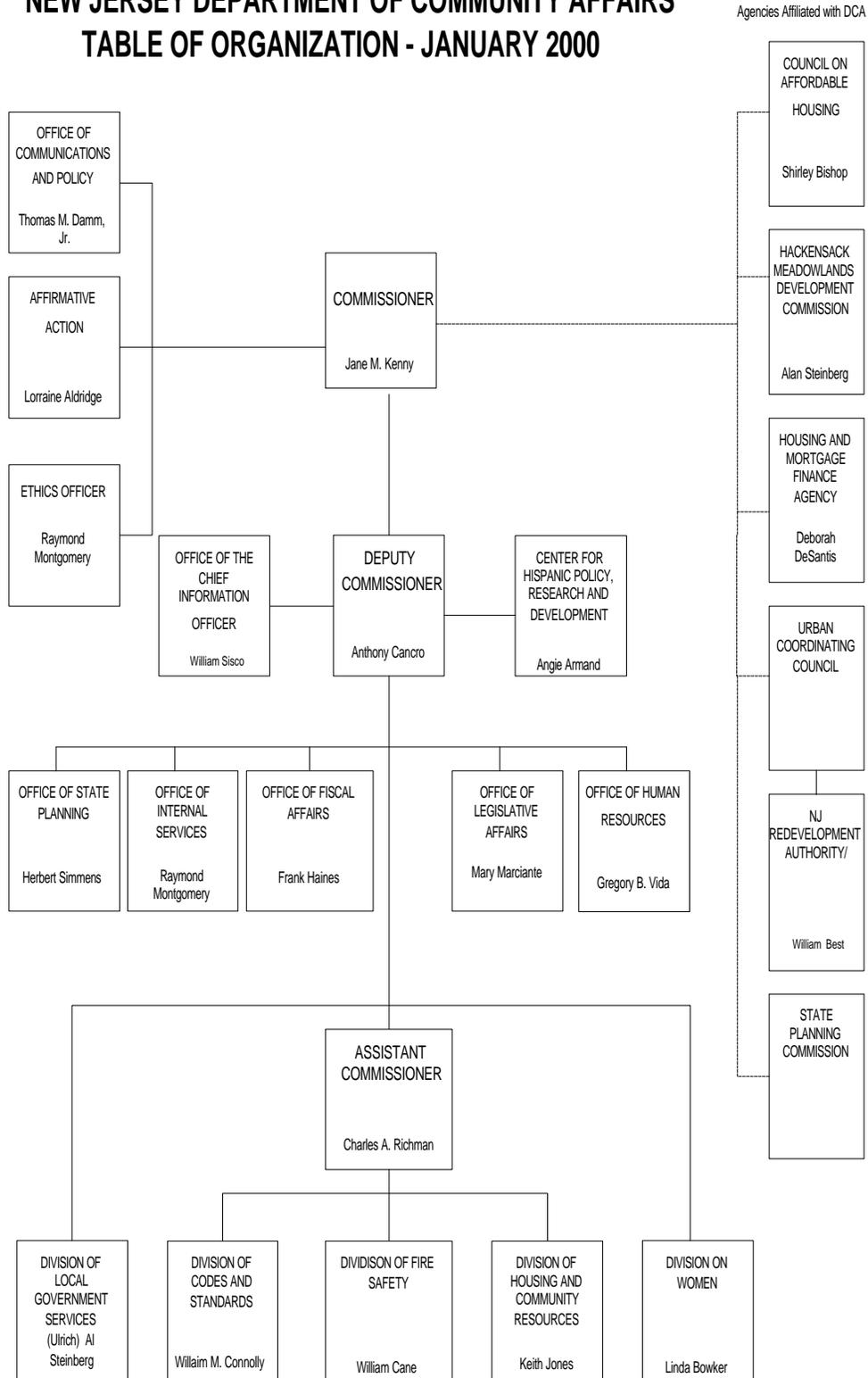
### SUMMARY

For FY 2001, the total recommended State budget for the department is \$1,023.3 million, a decrease of \$19.6 million (-1.9 percent) from the FY 2000 adjusted appropriation.

- ! The recommended Direct State Services appropriation for the DCA is \$33.0 million, \$888,000 more than the FY 2000 adjusted appropriation. According to the DCA's Budget Request, \$775,000 of this increase will finance the acquisition costs of new hardware and software to implement a department wide information management system, the DCANet, a server-based local area computer network. Recommended Direct State Service General Fund appropriations for all of the divisions in FY 2001 either remain the same or increase over each division's adjusted appropriations as compared to their appropriations in FY 2000 with the exception of the Division of Local Government Services which would decrease \$31,000 from the FY 2000 adjusted appropriation.
- ! DCA's combined State Aid funding for municipalities from both the General Fund and the Property Tax Relief Fund is recommended to increase by \$24.0 million (net), from \$908.0 million in FY 2000 to \$932.0 million in FY 2001. However, in addition to the total \$932.0 million, recommended budget language would appropriate, subject to the approval of the Director of the Division of Budget and Accounting, up to an additional \$25.0 million for the Regional Efficiency Aid Program.
- ! A net \$44.5 million decrease (43.3 percent) in FY 2001 total Grants-In-Aid is recommended. The majority of this net decrease results from the difference between three recommended funding increases totaling \$17.8 million and the elimination of funding for five programs totaling \$61.9 million.
- ! Receipts of \$18,560,000 in FY 2001 to be deposited into the Affordable Housing and Neighborhood Preservation - Fair Housing account from the collection of the realty transfer tax are anticipated to remain the same as those deposited in FY 2000. Of those receipts, \$2.0 million is recommended to be appropriated in FY 2001 for Shelter Assistance, representing a continuation from FY 2000 of funding Shelter Assistance from the realty transfer tax receipts.
- ! General Fund language provisions in FY 2001 (p. F-3) recommend that \$200,000 be appropriated from the Mortgage Assistance Fund for transfer to the General Fund as State revenue to fund a portion of the Neighborhood Preservation program. The Neighborhood Preservation program provides residential housing maintenance and rehabilitation loans and grants to municipalities so they can preserve threatened but still viable neighborhoods. FY 1998 was the last time similar language was included and as a result, \$2,750,000 was transferred to the General Fund, but with no specific dedication.
- ! The FY 2001 recommended budget anticipates a decrease of \$0.9 million in Other funds, a 2.5 percent reduction from the FY 2000 adjusted appropriation of \$36.5 million which is principally due to a \$0.8 million decrease in Housing Services Grant Funds.

Organization Chart

**NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS  
TABLE OF ORGANIZATION - JANUARY 2000**



### Fiscal and Personnel Summary

#### AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 1999	Adj. Approp. FY 2000	Recom. FY 2001	Percent Change	
				1999-01	2000-01
<b><u>General Fund</u></b>					
Direct State Services	\$35,662	\$32,144	\$33,032	-7.4%	2.8%
Grants - In - Aid	87,342	102,733	58,215	-33.3%	-43.3%
State Aid	63,369	100,186	109,971	73.5%	9.8%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
<b>Sub-Total</b>	<b>\$186,373</b>	<b>\$235,063</b>	<b>\$201,218</b>	<b>8.0%</b>	<b>-14.4%</b>
<b><u>Property Tax Relief Fund</u></b>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	786,362	807,863	822,060	4.5%	1.8%
<b>Sub-Total</b>	<b>\$786,362</b>	<b>\$807,863</b>	<b>\$822,060</b>	<b>4.5%</b>	<b>1.8%</b>
<b><u>Casino Revenue Fund</u></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b><u>Casino Control Fund</u></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$972,735</b>	<b>\$1,042,926</b>	<b>\$1,023,278</b>	<b>5.2%</b>	<b>-1.9%</b>
<b><u>Federal Funds</u></b>	<b>\$177,146</b>	<b>\$197,184</b>	<b>\$191,456</b>	<b>8.1%</b>	<b>-2.9%</b>
<b><u>Other Funds</u></b>	<b>\$9,749</b>	<b>\$36,458</b>	<b>\$35,537</b>	<b>264.5%</b>	<b>-2.5%</b>
<b>Grand Total</b>	<b>\$1,159,630</b>	<b>\$1,276,568</b>	<b>\$1,250,271</b>	<b>7.8%</b>	<b>-2.1%</b>

#### PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 1999	Revised FY 2000	Funded FY 2001	Percent Change	
				1999-01	2000-01
State	592	619	656	10.8%	6.0%
Federal	244	252	258	5.7%	2.4%
All Other	91	92	96	5.5%	4.3%
<b>Total Positions</b>	<b>927</b>	<b>963</b>	<b>1,010</b>	<b>9.0%</b>	<b>4.9%</b>

FY 1999 (as of December) and revised FY 2000 (as of September) personnel data reflect actual payroll counts. FY 2001 data reflect the number of positions funded.

#### AFFIRMATIVE ACTION DATA

Total Minority Percent	28.8%	29.5%	29.5%	---	---
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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COMMUNITY  
DEVELOPMENT  
MANAGEMENT

GRANTS-IN-AID-  
GENERAL FUND

<b>Emergency Disaster Relief Act Grants</b>	<b>\$20,000</b>	<b>\$0</b>	<b>(\$20,000)</b>	<b>(100.0)%</b>	<b>D-42</b>
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The FY 2000 \$20.0 million appropriation was made pursuant to the "Emergency Disaster Relief Act of 1999" P.L.1999, c.262, for emergency assistance in 1999 to the county and municipal governments of nine New Jersey counties declared federal disaster areas to compensate individuals, businesses and public and private entities for disaster losses not recouped from other sources and to meet other Hurricane Floyd disaster recovery costs. According to the department, the FY 2000 funds are adequate to compensate individuals, businesses and other entities for disaster losses not recouped from other sources and to meet other disaster recovery costs.

<b>John J. Heldrich Center for Workforce Development at Rutgers University</b>	<b>\$1,700</b>	<b>\$0</b>	<b>(\$1,700)</b>	<b>(100.0)%</b>	<b>D-42</b>
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This FY 2001 \$1.7 million program was an FY 2000 supplemental appropriation to fund the initial development costs of the John J. Heldrich Center for Workforce Development, a redevelopment project in the city of New Brunswick. The funding is to be used, as required by law, pursuant to an interagency agreement between the State Treasurer and the New Jersey Redevelopment Authority. FY 2000 funds are to defray one-time project costs related to site acquisition and preparation, and therefore funding is not recommended by the Governor in FY 2000.

<b>Brownfield Redevelopment Grants</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>—</b>	<b>D-42</b>
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This FY 2001 \$15.0 million Grants-In-Aid General Fund recommended appropriation is for a program of grants and other financial incentives to 68 Urban Coordinating Council (UCC) eligible municipalities for the acquisition and remediation of brownfield sites, in circumstances where there is no realistic prospect of private development absent financial assistance. These funds will be administered by the New Jersey Redevelopment Authority, in conjunction with its Urban Sites Acquisition Program. Assistance will be made available to the 68 UCC eligible municipalities that have adopted a redevelopment plan, and will enable municipalities to cleanup and assemble sites that stand in the way of redevelopment plans.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Thermal Imaging Camera Grant Program</b>	<b>\$7,500</b>	<b>\$0</b>	<b>(\$7,500)</b>	<b>(100.0)%</b>	<b>D-42</b>

This FY 2000 \$7.5 million funds the program that was enacted pursuant to P.L.1999, c.229. P.L.1999, c.229 charged the Division of Fire Safety with the responsibility of making cameras available to governing fire organizations at a cost lower than those agencies would pay to obtain the cameras on their own. According to the department, the division can fulfill the program's intent of greater deployment and use of these devices with the \$7.5 million sum in FY 2000. P.L.1999, c.229 authorized the division to make grants available to governing fire organizations that apply and assist them in the purchase of thermal imaging cameras or reimburse them for public funds other than State funds that have been expended for the purchase of thermal imaging cameras. Although established as a grant program, language contained in the FY 2000 Appropriations Act directed DCA to procure the thermal imaging cameras. Language recommended in the FY 2001 Budget would appropriate the unexpended balance in the program for grants to regional and local fire organizations.

<b>UTCA Construction Safety Training</b>	<b>\$50</b>	<b>\$0</b>	<b>(\$50)</b>	<b>(100.0)%</b>	<b>D-42</b>
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This FY 2000 \$50,000 Grants-In-Aid General Fund adjusted appropriation provides for a grant to the Utility and Transportation Contractor's Association from the Division of Workplace Standards in the DCA so that the association can provide OSHA classes to improve the safety and health of New Jersey Workers employed in the utility transportation construction workforce.

<b>Cyberdistricts</b>	<b>\$0</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>—</b>	<b>D-68</b>
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This FY 2001 \$2.0 million Grants-In-Aid General Fund recommended appropriation is designed to provide planning grants to any of the 68 Urban Coordinating Council eligible municipalities interested in exploring the feasibility of starting a cyberdistrict within their borders. A cyberdistrict is an area of a city where young and growing technology companies are encouraged to set up shop, attracted by reasonable rents, low-cost Internet access, and high-speed bandwidth.

**STATE AID-  
GENERAL FUND**

<b>Special Municipal Aid Act</b>	<b>\$40,500</b>	<b>\$54,500</b>	<b>\$14,000</b>	<b>34.6%</b>	<b>D-43</b>
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This FY 2001 \$54.5 million State Aid - General Fund recommended appropriation represents \$14.0 million in increased funding for a program pursuant to section 11, of P.L.1999, c.156, directed at urban municipalities with structural deficits that cannot be resolved without additional State funds. The department indicated this aid will be distributed to the same five municipalities which received aid under this act during the State FY 2000.

**Significant Changes/New Programs (\$000) (Cont'd)**

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<b>Emergency Disaster Relief Aid to Local Governments</b>	<b>\$5,000</b>	<b>\$0</b>	<b>(\$5,000)</b>	<b>(100.0)%</b>	<b>D-43</b>
<p>This FY 2001 \$5.0 million program was an FY 2000 supplemental appropriation, the "Emergency Disaster Relief Act of 1999" P.L.1999, c.262, for emergency assistance in 1999 to the county and municipal governments of nine New Jersey counties declared federal disaster areas to compensate their local government units for costs incurred in responding to and recovering from the damage caused by Hurricane Floyd and its associated flooding. The department indicates that Hurricane Floyd recovery need costs have been satisfied and that additional funds are not required for that purpose.</p>					
<b>Watershed Moratorium Offset Aid</b>	<b>\$3,400</b>	<b>\$5,185</b>	<b>\$1,785</b>	<b>52.5%</b>	<b>D-43</b>
<p>This FY 2001 \$5.2 million State Aid - General Fund recommended appropriation represents \$1.8 million in increased funding for a new program created by P.L.1999, c.225 which provides for annual payments, of \$68.50 per acre of watershed lands, to certain municipalities to help offset the loss of property tax revenues due to the imposition of a moratorium on watershed lands. This \$1.8 million increase is comprised of two components, an annual inflator that is tied to the increase or decrease in the CPI (an increase of 2.5%), and an expansion of the program to include every municipality in New Jersey that contains watershed property within its borders.</p>					
<b>Hackensack River Basin Area Flood Control Study</b>	<b>\$1,000</b>	<b>\$0</b>	<b>(\$1,000)</b>	<b>(100.0)%</b>	<b>D-43</b>
<p>This FY 2001 \$1.0 million program was an FY 2000 supplemental appropriation to provide resources to the Hackensack Meadowlands Development Commission with which to defray preliminary study and design costs in an effort to find an area-wide solution to flooding problems in the Hackensack River Basin. The program was not recommended for funding by the Governor in FY 2001.</p>					
<b>STATE AID - PTRF - GENERAL FUND</b>					
<b>Extraordinary Aid</b>	<b>\$30,000</b>	<b>\$25,000</b>	<b>(\$5,000)</b>	<b>(16.7)%</b>	<b>D-43</b>
<p>According to the DCA this FY 2001 \$5.0 million recommended appropriation reduction represents a phase-down of the Extraordinary Aid Program from its FY 2000 \$30.0 million appropriation. According to the department the \$5.0 million, or 16.7 percent, reduction from the FY 2000 \$30.0 million appropriation for Extraordinary Aid will leave \$25.0 million of funding in place that should be adequate to address those extraordinary municipal fiscal contingencies for which no viable solutions are immediately present.</p>					
<b>Consolidated Municipal Property Tax Relief Aid</b>	<b>\$767,863</b>	<b>\$787,060</b>	<b>\$19,197</b>	<b>2.5%</b>	<b>D-43</b>

## Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2000</u>	<u>Recomm. FY 2001</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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The FY 2001 recommended increase of \$19.2 million is for a proposed inflationary increase to the Consolidated Municipal Property Tax Relief Aid program. This inflationary increase of 2.5 % represents a cost of living increase adjustment for municipalities under the Consolidated Municipal Property Tax Relief Aid (CMPTRA) program. The Budget-in-Brief indicates that this recommendation will continue to provide municipal governments with a growing base of revenue to address their needs for local public services.

**GRANTS-IN-AID**

<b>Social Services Programs</b>	<b>\$43,533</b>	<b>\$11,265</b>	<b>(\$32,268)</b>	<b>(74.1)%</b>	<b>D-49</b>
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The \$32.3 million recommended decrease in FY 2001 Grants-In-Aid total grants is due in major part to the elimination of 299 individual grants for local governments and non-profit social services programs added by the Legislature that totaled \$32.7 million in FY 2000. These grants are not recommended for FY 2001.

**Women's Micro-Business**

<b>Pilot Program</b>	<b>\$0</b>	<b>\$750</b>	<b>\$750</b>	<b>—</b>	<b>D-65</b>
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This FY 2001 \$750,000 recommended appropriation would provide funds to implement the "New Jersey Women's Micro-Business Assistance Act" P.L.1999, c.239, for a pilot program, to be conducted in consultation with the New Jersey Economic Development Authority, that will offer loans, loan guarantees, training and technical assistance to women seeking to launch independently owned and operated business enterprises. According to the DCA, three nonprofit community development corporations will be certified by the department to receive development loans, generate matching contributions from other sources, and administer loans and services to program participants.

**FEDERAL FUNDS-**

<b>Housing Services</b>	<b>\$159,511</b>	<b>\$154,015</b>	<b>(\$5,496)</b>	<b>(3.4)%</b>	<b>D-43</b>
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There are two reductions in this program class that account for almost all of the reductions. \$1.5 million in HUD Disaster Recovery Initiative funding is eliminated, a one-time program that assisted localities in recovering from damage caused by the winter storms of 1998. In addition, \$4.0 million for Lead-Based Paint Abatement in Low and Moderate Income Housing anticipated funding is not continued.

Language Provisions

2000 Appropriations Handbook

2001 Budget Recommendations

p. C-3

p. D-45

The amount hereinabove for the Thermal Imaging Camera Grant Program shall be available for grants to regional and local fire organizations. The thermal imaging cameras shall be procured by the Department of Community Affairs.

~~The amount hereinabove for the Thermal Imaging Camera Grant Program shall be available for grants to regional and local fire organizations.~~ The unexpended balance as of June 30, 2000 in the Thermal Imaging Camera Grant Program is appropriated for grants to regional and local fire organizations. The thermal imaging cameras shall be procured by the Department of Community Affairs.

Explanation

This recommended FY 2001 carry forward language has been requested because, due to delays in the State procurement process, the department has not yet been able to begin the purchase of the thermal imaging cameras. The department wishes to preserve all funds earmarked for this purpose in FY 2000 to purchase the thermal imaging cameras. The department has indicated that if delays continue, the department may not be able to complete all camera purchases before the end of FY 2000.



2000 Appropriations Handbook

2001 Budget Recommendations

p. C-4

No similar language.

The State Treasurer is authorized to enter into a contract with the New Jersey Redevelopment Authority related to the development and financing of a project by the Authority for the John J. Heldrich Center for Workforce Development at Rutgers, State University in the city of New Brunswick. Any such contract shall be executed in accordance with, and shall in all respects comply with the provisions of the "New Jersey Redevelopment Act," P.L.1996, c.62 (C.55:19-20 et al.). There are appropriated such amounts, not to exceed \$1,700,000, subject to the Director of the Division of Budget and Accounting.

Explanation

The Governor has not recommended this language for FY 2001 because the State Treasurer in FY 2000 entered into a contract with the New Jersey Redevelopment Authority related to the development and financing of a project by the Authority for the John J. Heldrich Center for Workforce Development at Rutgers, the State University, in the city of New Brunswick. As the contract currently exists, this language is no longer required.



## Language Provisions (Cont'd)

2000 Appropriations Handbook2001 Budget Recommendations

p. D-2

In addition to any other powers conferred by law, the Local Finance Board is hereby authorized to create, by resolution, a financial review board to approve, implement and enforce a financial plan for any municipality for which the Director of the Division of Local Government Services in the Department of Community Affairs has determined that conditions exist that create extreme difficulty in adopting a budget in compliance with Local Budget Law, in issuing indebtedness as permitted by law, or in funding capital improvements essential to the protection of the public health, safety and welfare. Any financial review board so created shall consist of seven members appointed by the Governor, and shall exercise its powers and duties under rules and regulations adopted by the Local Finance Board. Any municipality subject to said board shall establish a financial plan, subject to the board's approval, to address the budgetary, operational, capital and economic development needs of the municipality. The financial review board shall have the power to approve: the annual budget of the municipality, the issuance of debt, all contracts entered into during the time of supervision of the financial review board and municipal expenditures if so directed by the Local Finance Board, to the extent that the Board shall specify.

No similar language.

Explanation

P.L.1999, c.156 authorized the creation of financial review boards in municipalities found by the Director of the Division of Local Government Services to be experiencing conditions that create extreme difficulty in adopting a budget in compliance with Local Budget Law, in issuing indebtedness as permitted by law, or in funding capital improvements essential to the protection of the public health, safety and welfare. This FY 2000 appropriations act language has been rendered unnecessary due to the enactment of that law.

Language Provisions (Cont'd)

2000 Appropriations Handbook

2001 Budget Recommendations

p. G-2

p. D-47

Notwithstanding any law to the contrary, the amount hereinabove for Consolidated Municipal Property Tax Relief Aid shall be distributed in the same amounts, and to the same municipalities which received funding pursuant to the fiscal year 1999 annual appropriations act, P.L.1998, c.45 , or pursuant to other amendatory or supplementary law.

Notwithstanding any law to the contrary, the amount hereinabove for Consolidated Municipal Property Tax Relief Aid shall be distributed in the same amounts, and to the same municipalities which received funding pursuant to the fiscal year ~~1999~~ 2000 annual appropriations act, ~~P.L.1998, c.45~~ P.L.1999, c.138, and adjusted according to the provisions of P.L.1999, c. 168, or pursuant to other amendatory or supplementary law.

Explanation

This recommended FY 2001 budget language reflects the enactment of P.L.1999, c.168 which provided for an annual inflation adjustment increase in Consolidated Municipal Property Tax Relief Aid (CMPTRA) to municipalities. This language requires that the CMPTRA funding received by the eligible municipalities be adjusted to include the inflation increase mandated under P.L.1999, c.168.



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2001 Budget Recommendations

p. D-47

No similar language.

The amount hereinabove for the Regional Efficiency Development Incentive Grant Program shall be reduced by any amounts expended in fiscal year 1999 for the same purpose, such that the total amount made available for fiscal years 1999 and 2000 shall not exceed \$10,000,000, as determined by the Director of the Division of Budget and Accounting.

Explanation

The deletion of this FY 2000 budget language reflects the enactment of P.L.1999, c.60 establishing the Regional Efficiency Development Incentive in statutory law. The deleted language, which capped appropriations over a two-year period for this purpose, is no longer necessary because the existence of the Regional Efficiency Development Incentive program in statutory law removes the uncertainty faced by the department early in the FY 2000 budget process concerning the timing of the enactment of the program. P.L.1999, c.60 was signed into law by the Governor on April 13, 1999.



Language Provisions (Cont'd)

2000 Appropriations Handbook

p. D-47

There is appropriated an amount not to exceed \$25,000,000 for the Regional Efficiency Aid Program, subject to the approval of the State Treasurer. This amount shall be reduced by any unexpended balances from appropriations made for the same purpose in fiscal year 1999, such that the total available amount for this program in fiscal year 2000 does not exceed \$25,000,000, as determined by the Director of the Division of Budget and Accounting.

2001 Budget Recommendations

p. D-47

There is appropriated from the Property Tax Relief Fund an amount not to exceed \$25,000,000 for the Regional Efficiency Aid Program, subject to the approval of the State Treasurer. ~~This amount shall be reduced by any unexpended balances from appropriations made for the same purpose in fiscal year 1999, such that the total available amount for this program in fiscal year 2000 does not exceed \$25,000,000, as determined by the Director of the Division of Budget and Accounting.~~

Explanation

This recommended FY 2001 budget language reflects the enactment of P.L.1999, c.61 establishing the Regional Efficiency Aid Program in statutory law. The deleted language, which capped appropriations over a two-year period for this purpose, is no longer necessary because the existence of the Regional Efficiency Aid Program in statutory law removes the uncertainty faced by the department early in the FY 2000 budget process concerning the timing of the enactment of the program. P.L.1999, c.61 was signed into law by the Governor on April 13, 1999.



2000 Appropriations Handbook

No similar language.

2001 Budget Recommendations

p. D-46

Of the sum hereinabove for Neighborhood Preservation, an amount not to exceed \$200,000 is payable from revenues transferred to the General Fund from the Mortgage Assistance Fund created pursuant to section 4 of P.L.1976, c.94, and shall be expended for purposes authorized by section 5 of P.L.1976, c.94 which are also authorized by P.L.1975, c.248 (C.52:27D-142 et seq.) or P.L.1975, c.249 (C.52:27D-152 et seq.).

Explanation

This recommended FY 2001 language directs that of the amount appropriated for the Neighborhood Preservation program, up to \$200,000, is to be charged to the Mortgage Assistance bond fund balances, which are anticipated as General Fund revenue in the State budget process. The specific purposes for which the funds are directed is for the construction, rehabilitation and maintenance of housing for persons of low and moderate income.



Language Provisions (Cont'd)

2000 Appropriations Handbook

2001 Budget Recommendations

p. F-3

No similar language.

There is appropriated \$200,000 from the Mortgage Assistance Fund for transfer to the General Fund as State revenue.

Explanation

The Governor has recommended this General Provisions budget language for FY 2001 to transfer \$200,000 from the Mortgage Assistance Fund to the General Fund, for appropriation to the Neighborhood Preservation program, which provides funding for the construction, rehabilitation and maintenance of housing for persons of low and moderate income. (This recommended language provision is tied to the recommended language provision concerning the Mortgage Assistance Fund discussed above.)

2000 Appropriations Handbook

2001 Budget Recommendations

p. G-3

In the event that \$30,000,000 is not appropriated as supplementary Extraordinary Aid, there is appropriated such sum for such purpose.

No similar language.

Explanation

The Governor has not recommended this language for FY 2001 because the FY 2001 budget recommends a \$25,000,000 appropriation for Extraordinary Aid, obviating the need for any language concerning supplementary Extraordinary Aid. In FY 2000, the language authorization was not used since \$30,000,000 was appropriated for distribution as extraordinary aid pursuant to P.L.1999, c.156.

## Language Provisions (Cont'd)

2000 Appropriations Handbook

No similar language.

2001 Budget Recommendations

## P. F-10

The amount recommended for the Business Personal Property Tax Depreciation Adjustment shall be allocated to municipalities that will experience a reduction in tax revenues from business personal property reported by local exchange telephone companies as a result of a change in the tax depreciation method used by the taxpayer. The allocation methodology will be developed in cooperation with the Commissioner of the Department of Community Affairs and the State Treasurer.

Explanation

This recommended FY 2001 budget language is intended to allow the State Treasurer, in cooperation with the Commissioner of Community Affairs, to allocate the \$33.8 million in recommended Business Personal Property Tax Depreciation Adjustment funds among the municipalities affected by a loss of tax revenue from Bell Atlantic. This loss is directly attributable to Bell Atlantic's decision to change the method it used of calculating the value of its business personal property on which local taxes are based pursuant to P.L.1966, c.138 (C.54:4-2.45).

2000 Appropriations Handbook

No similar language.

2001 Budget Recommendations

## p. F-4

The unexpended balances as of June 30, 2000 in all accounts established to provide relief to victims of Hurricane Floyd, including accounts established for administration of the relief program, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This recommended FY 2001 carry forward language has been requested to ensure that the relief funds for Hurricane Floyd victims remain available for all appropriate flood relief needs. Local governments, businesses and individuals must first obtain federal financial assistance, often a lengthy process, before State funds can be received. Also, certain types of relief efforts, such as the development of community redevelopment plans for affected areas and buy out plans for seriously affected properties, take significant time to accomplish. This carry forward language will ensure that the department will continue to have any unexpended funds available in FY 2001 to accommodate claims.

## Discussion Points

1. The department's response to an OLS discussion point in FY 2000 concerning the preparation method and publication timetable for the Annual Report of the Division of Local Government Services, which contains the statements of financial condition of counties and municipalities, indicated that the division had concluded its feasibility study of its long-planned Local Unit Budget Approval and Reporting System (LUBARS) and was starting its implementation plan. The department indicated that the first phase of the project would be database design and development. LUBARS is intended to improve and shorten the budget review and approval process by permitting local units to submit draft and final budget documents to the DCA electronically.

**! Question:** Has the LUBARS implementation plan been completed? If it has been completed, what are the elements of the plan? If it has not been completed, what is the status of the plan? What is the status of the database design and development project and what is the overall project timetable?

2. The department's website concerning brownfields states that the New Jersey Brownfields Task Force is staffed by the Office of State Planning (OSP). According to the website, the Brownfields Task Force, which was created in 1998 under section 5 of the New Jersey Brownfield and Contaminated Site Remediation Act, is assigned the responsibility of facilitating the redevelopment of brownfields. According to the [Budget in Brief](#), the FY 2001 recommended Budget provides an appropriation of \$15.0 million for the Brownfields Redevelopment Grants program to the New Jersey Redevelopment Authority (NJRA) .

**! Question:** How will the Brownfields Task Force, which is charged with facilitating the redevelopment of brownfield sites, coordinate with the NJRA in the awarding of the \$15.0 million in Brownfields Redevelopment Grants?

3. The Extraordinary Aid program (formerly called discretionary aid), is recommended to be funded in FY 2001 at \$25.0 million, a \$5.0 million reduction from the FY 2000 adjusted appropriation. According to the [Budget in Brief](#), the purpose of the Extraordinary Aid program is to provide for short-term assistance to municipalities experiencing a catastrophic loss of tax ratables. P.L.1999, c.156 amended the law to change the name "discretionary aid" to "extraordinary aid" and to augment the criteria to be utilized in selecting the municipalities and funding amounts under the program. Language contained in law since inception of the discretionary aid program directed the use of criteria including whether a municipality is experiencing fiscal distress, whether the cost of providing municipal services is extraordinarily high, and whether the tax base is inadequate to meet property tax demands. The 1999 amendment placed in permanent law criteria that had previously been contained in budget language, namely whether a municipality will use the extraordinary aid for costs associated with activities that improve operations and provide short-term and long-term property tax savings, including but not limited to shared and regionalized services, enhanced tax and revenue collection efforts and other activity that can be demonstrated to meet those requirements. The 1999 amendment also added whether a municipality had incurred other unusual or atypical expenses as another criteria for consideration.

**! Question:** What relative weight is given to each of the specific criteria set forth in law? Which, if any, of the current municipal recipients of extraordinary aid will be eliminated or have their funding reduced under the augmented criteria established by P.L.1999, c.156?

4. The "Urban and Rural Centers Unsafe Buildings Demolition Bond Act" (P.L.1997, c.125) approved by the voters in November 1997, established a \$20.0 million loan program to finance the

## Discussion Points (Cont'd)

demolition and disposal of unsafe buildings in urban and rural centers. P.L.1999, c.144 implemented the provisions of the "Urban and Rural Centers Unsafe Buildings Demolition Bond Act" and appropriated \$14,774,450 to the DCA to be used for loans for building demolition and disposal projects in seventeen municipalities. All appropriated funds that are not expended within the time period allowed under the rules adopted by the Commissioner of Community Affairs are to be returned to the "Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund."

**!** *Question:* What is the amount of the loans approved to date? Please indicate the number of loans that were made to municipalities for the following projects that: first, involve the demolition and disposal of an unsafe building (a) as a prerequisite to the municipally approved erection of a new building by a public or private entity, or (b) that poses an imminent and extreme hazard to the health and safety of the community; second, to unsafe buildings in redevelopment areas that do not pose such imminent and extreme hazard; and third, to unsafe buildings not located in redevelopment areas.

5. The Governor in FY 2000 initiated two new programs, called the Regional Efficiency Development Incentive (REDI) grant program and the Regional Efficiency Aid Program (REAP) to help local governments and school districts study sharing services or merging. The FY 2001 Budget recommends continued funding for those two programs at the same funding levels as in FY 2000; \$10.0 million for REDI, and \$25.0 million for REAP. According to the Budget in Brief, the REDI program provides incentive grants to local governments and school districts to explore the possibility of regionalizing or establishing shared service agreements. The REAP program, again funded through a language provision, is designed to provide a property tax credit directly to the public to reward local governments and school districts for entering into shared service agreements.

**!** *Question:* How many municipalities, counties and school districts have applied for a grant under the REDI program to date? What is the number and total amount of REDI grants that have been awarded to date by type of local government unit? How many, if any, municipalities will qualify for REAP funding in FY 2001?

6. The FY 2001 Budget recommends continuing the College and University Homebuyers' Fund at the same level of funding as in FY 2000, which was \$2.5 million. The Budget in Brief indicates that this program will offer financial incentives to faculty and staff members of New Jersey State colleges, universities and community colleges located in city neighborhoods to purchase homes in those neighborhoods. In addition, faculty and staff who already own homes in the target areas may obtain matching funds toward exterior home improvements.

**!** *Question:* What is the number and amount of the financial incentives approved to date for the purchase of homes? What is the number and amount of the matching funds approved to date for exterior home improvements? Please provide the requested information by county and municipality.

7. The Budget in Brief indicates that the recommended FY 2001 Budget includes funding of \$2.0 million for Cyberdistricts, a new initiative that will offer planning grants to any of the 68 Urban Coordinating Council eligible municipalities interested in exploring the feasibility of starting a cyberdistrict within their borders. A cyberdistrict is an area of a city where young and growing technology companies are encouraged to set up shop, attracted by reasonable rents, low-cost Internet access and high-speed bandwidth.

## Discussion Points (Cont'd)

! **Question:** What, if any, is the maximum planning grant amount envisioned for any one municipality? What criteria will be used to select the municipalities that apply for cyberdistrict planning grants?

8. The Budget in Brief indicates that the FY 2001 Budget includes funding of \$750,000 for a Women's Micro-Business Pilot program, to be administered by the Division on Women. This new initiative would provide loans and loan guarantees to qualified recipients from three certified nonprofit community development corporations selected by the department.

! **Question:** What criteria will be used to select the three certified nonprofit community development corporations? Will there be a maximum loan or loan guarantee established for qualified recipients? What will be the selection criteria used to award loans and loan guarantees to qualified recipients?

9. The FY 2001 Budget indicates that the second largest Grants-In-Aid line item recommended for elimination in FY 2001 is \$7.5 million in funding for the Thermal Imaging Camera Grant Program. Recommended language in FY 2001 directs that the unexpended balance as of June 30, 2000 in the Thermal Imaging Camera Grant Program be appropriated for grants to regional and local fire organizations and that the thermal imaging cameras shall be procured by the Department of Community Affairs. Section 1 of P.L.1999, c.229 created a thermal imaging camera grant program under which grants, supported by the FY 2000 State Appropriations Act, were to be made available to governing fire organizations that applied to the Division of Fire Safety in the DCA to assist them in the purchase of thermal imaging cameras or to reimburse governing fire organizations for public funds other than State funds that had been expended for the purchase of thermal imaging cameras.

! **Question:** What is the current status of the Thermal Imaging Camera Grant Program? Please indicate the purposes to be accomplished in that the FY 2001 recommended language directs that the unexpended balance as of June 30, 2000 in the grant program be appropriated for grants to regional and local fire organizations and not governing fire organizations as defined in current law?

10. A FY 2001 Budget recommendation indicates that receipts from divorce filing fees collected pursuant to P.L.1993, c.188 be appropriated.

! **Question:** What is the estimated amount to be appropriated for FY 2001 from these divorce filing fees? What specifically will these funds be used for in FY 2001?

11. The FY 2001 Budget includes \$5.2 million for Watershed Moratorium Offset Aid, a \$1.8 million increase over the FY 2000 adjusted appropriation of \$3.4 million that was enacted pursuant to P.L.1999, c.225. According to the Budget in Brief, this increase has two components: a 2.5 percent increase to account for inflation, and an expansion of the program to include every municipality in New Jersey that contains watershed property within its borders. P.L.1999, c.225 indicates that the \$3.4 million FY 2000 adjusted appropriation, a \$1.4 million increase over the \$2.0 million expended for Watershed Moratorium Offset Aid during FY 1999, reflects the increased cost of expanding the program to all watershed municipalities. P.L.1999, c.225 requires funding under this aid program to be adjusted annually to reflect inflation. The inflation adjustment for FY 2001 would increase the cost of the aid program by less than \$100,000 over the FY 2000 adjusted appropriation of \$3.4 million.

! **Question:** As P.L.1999, c.225 apparently added funds for all watershed municipalities, please explain the need for an additional \$1.7 million in FY 2001.

## Background Paper: Faith-Based Community Development Initiative

Budget Page.... D-64

The FY 2000 Appropriations Act contains a \$5 million Grant-In-Aid appropriation for a second round Faith-Based Community Development Initiative that will enable faith-based organizations to provide a broad range of neighborhood revitalization and social service programs across the State. A July 15, 1999 news release from the Office of the Governor announced that \$1,650,000 in Faith-Based Community Development Initiative one year grants will be distributed among 27 faith-based organizations. These grants, according to the news release, went to Christian, Jewish and inter-faith organizations located in Northern, Central and Southern New Jersey to fund programs such as day care, job readiness training and senior citizen services.

According to the news release, the Governor said the initiative is the first such program of its kind in the nation which recognizes the unique and crucial role that religious leaders and organizations play in revitalizing neighborhoods and assisting people in need. These funds make it possible for New Jersey's Faith-Based community organizations to help the people of our State by making it possible for them to expand the important work they are doing in their communities, the Governor said.

These funds, according to the department, do not directly fund churches, synagogues or mosques. Rather, the funding goes to separate, nonprofit agencies established by the houses of worship to manage community development and social services activities. Any house of worship that formed a community development corporation was eligible to apply to the Department of Community Affairs for funding. The department selected the recipients after a competitive application process. According to the department, a total of 73 faith-based groups applied for funding. The 27 groups that were selected received grants ranging from \$5,000 to \$150,000.

The first round of grants, announced in December of 1998, had 83 faith-based groups apply to participate and 39 of them received a one year grant. Those grants comprised \$3,690,000 out of a total FY 1999 \$5,000,000 appropriation. Specific recipient information is included in the April 1999 budget analysis of the department that was prepared by this office.

According to the department, churches, synagogues, mosques and temples are developing thousands of new and rehabilitated housing units every year, affordable to low-income, elderly and disabled residents of their communities; they are also building day care centers and schools and developing commercial strips in low- and moderate-income communities.

In making the second round grant awards the department looked for geographic diversity, religious diversity and innovative programs so that the organizations selected would touch all of New Jersey's urban, suburban and rural people and cover its north, south and its central areas so that all of New Jersey would benefit from their work.

The information contained in the chart on the following page was taken from the news release report issued July 15, 1999.

The Faith-Based Community Development Initiative is recommended to receive \$5 million again in FY 2001.

## Background Paper: Faith-Based Community Development Initiative (Cont'd)

FAITH-BASED COMMUNITY DEVELOPMENT INITIATIVE  
JULY '99 REPORT

<u>ORGANIZATION</u>	<u>LOCATION</u>	<u>RECOMMENDED \$'s</u>
AHOME	Millville	\$ 70,000
Antioch CDC	New Brunswick	5,000
Bethlehem CDC	East Orange	5,000
Center for Great Expectations	Somerville	10,000
Christ Church CDC	Hackensack	50,000
Christian Caring Center	Browns Mills	5,000
Clear View CDC	Newark	90,000
Coastal Caregivers	Pt. Pleasant Beach	50,000
Communities of Faith for Housing	Hoboken	65,000
Ebenezer CDC	New Brunswick	75,000
Elijah's Promise	New Brunswick	90,000
Heart of Camden	Camden	35,000
Irvington Clergy Association	Irvington	10,000
Jewish Federation	Clifton/Passaic	35,000
Jewish Renaissance Foundation	Perth Amboy	70,000
Lakewood Community Services	Lakewood	150,000
Macedonia CDC	Trenton	90,000
Mercer County IHN	Mercer County	50,000
MIPH	Edison	75,000
Mizpah Inland Human Services	Hamilton (Atlantic Co.)	75,000
People's CDC	New Brunswick	95,000
Rainbow of Hope	Marlton	45,000
Shiloh Baptist CDC	Port Norris	90,000
St. Francis Family Services	Brant Beach	50,000
St. Matthew NIDA	Orange	80,000
Temple CDC	South Toms river	90,000
<u>True Servant CDC</u>	<u>Trenton</u>	<u>95,000</u>
Total		\$1,650,000

## Background Paper: Downtown Living Initiative

Budget Pages.... D-42

The FY 2001 Appropriations Act recommends continuing the same \$7.5 million level of funding that was included in FY 2000 for the Downtown Living Initiative. This initiative was one of the two elements of a Special Urban Services Program that was created in FY 2000 as part of an economic revitalization effort. The two elements were the Downtown Living Initiative, which provides low-interest loans to spur rental housing construction in urban areas which was appropriated \$7.5 million in FY 2000 and the College and University Homebuyers' Fund which was appropriated \$2.5 million in FY 2000.

According to the Division of Housing and Community Resources in DCA the Downtown Living Initiative program was designed to offer low-interest loans to help stimulate development of market rate rental housing in New Jersey's urban areas. This program, according to the division, evolved from a previous initiative, the Urban Rental Production initiative (URPI), which was successful in creating some of the first market rate rental housing in the cities of New Brunswick and Morristown in more than 20 years. The division indicated the following.

- # Applications were first accepted from for-profit and nonprofit housing sponsors on or before September 3, 1999. As of March 15, 2000 the FY 2000 grants have not yet been made.
- # Primary consideration will be given to projects that demonstrate how a market rate rental project can be integrated with, or provide stimulus to, other development projects, such as retail, office or urban homeownership.
- # The proposed project must be located in an area of an eligible municipality that has been designated as one of the following: an Urban Coordinating Council Community, a Strategic Neighborhood Assistance Program Community, a Designated Center Community, an Urban Aid Community, or an Urban Home Ownership Recovery Program Community.

The eligible municipalities information contained in the table on the following page was obtained from the Housing Production and Community Development element of the Division of Housing and Community Resources in the Department of Community Affairs.

The Downtown Living Initiative is recommended to receive \$7.5 million again in FY 2001.

Background Paper: Downtown Living Initiative (Cont'd)

ELIGIBLE MUNICIPALITIES WITH AREAS THAT QUALIFY UNDER THE DOWNTOWN LIVING INITIATIVE							
1 Indicates Qualifying Community Criteria							
NO.	MUNICIPALITY	COUNTY	UCC	SNAP	DC	UAM	UHORP
1	ATLANTIC CITY	ATLANTIC			1		1
2	PLEASANTVILLE CITY	ATLANTIC	1			1	1
3	BERGENFIELD BOR	BERGEN					1
4	ENGLEWOOD CITY	BERGEN					1
5	GARFIELD CITY	BERGEN				1	1
6	HACKENSACK CITY	BERGEN				1	1
7	LODI BOR	BERGEN				1	1
8	RIDGEFIELD BOR	BERGEN			1		
9	BURLINGTON CITY	BURLINGTON					1
10	MOUNT HOLLY TWP	BURLINGTON				1	1
11	PEMBERTON BOR	BURLINGTON					1
12	PEMBERTON TWP	BURLINGTON				1	
13	WILLINGBORO TWP	BURLINGTON				1	1
14	CAMDEN CITY	CAMDEN	1		1	1	1
15	GLOUCESTER CITY	CAMDEN			1	1	1
16	GLOUCESTER TWP	CAMDEN				1	1
17	LINDENWOLD BOR	CAMDEN				1	1
18	PENNSAUKEN TWP	CAMDEN				1	1
19	WINSLOW TWP	CAMDEN				1	1
20	WOODLYNNE BOR	CAMDEN					1
21	CAPE MAY CITY	CAPE MAY			1		
22	LOWER TWP	CAPE MAY					1
23	NORTH WILDWOOD CITY	CAPE MAY			1		
24	WEST WILDWOOD BOR	CAPE MAY			1		
25	WILDWOOD CITY	CAPE MAY			1		1
26	WILDWOOD CREST BOR	CAPE MAY			1		
27	WOODBINE BOR	CAPE MAY					1
28	BRIDGETON CITY	CUMBERLAND				1	1
29	COMMERCIAL TWP	CUMBERLAND					1
30	FAIRFIELD TWP	CUMBERLAND					1
31	MILLVILLE CITY	CUMBERLAND			1	1	1
32	VINELAND CITY	CUMBERLAND	1	1	1	1	1
33	BELLEVILLE TWP	ESSEX				1	1
34	BLOOMFIELD TWP	ESSEX				1	1
35	EAST ORANGE CITY	ESSEX				1	1
36	IRVINGTON TWP	ESSEX	1			1	1
37	MONTCLAIR TWP	ESSEX				1	1
38	NEWARK CITY	ESSEX	1		1	1	1
39	ORANGE TWP	ESSEX				1	1
40	DEPTFORD TWP	GLOUCESTER					1
41	GLASSBORO BOR	GLOUCESTER				1	1
42	MONROE TWP	GLOUCESTER				1	1
43	PAULSBORO BOR	GLOUCESTER					1
44	WOODBURY CITY	GLOUCESTER				1	1

Background Paper: Downtown Living Initiative (Cont'd)

ELIGIBLE MUNICIPALITIES WITH AREAS THAT QUALIFY UNDER THE DOWNTOWN LIVING INITIATIVE							
1 Indicates Qualifying Community Criteria							
NO.	MUNICIPALITY	COUNTY	UCC	SNAP	DC	UAM	UHORP
45	BAYONNE CITY	HUDSON				1	1
46	GUTTENBERG TOWN	HUDSON					1
47	HOBOKEN CITY	HUDSON				1	1
48	JERSEY CITY	HUDSON	1	1	1	1	1
49	KEARNY TOWN	HUDSON				1	1
50	NORTH BERGEN TWP	HUDSON				1	1
51	UNION CITY	HUDSON				1	1
52	WEEHAWKEN TWP	HUDSON				1	
53	WEST NEW YORK TOWN	HUDSON				1	1
54	RARITAN TWP	HUNTERDON			1		
55	HAMILTON TWP	MERCER					1
56	HIGHTSTOWN BOR	MERCER			1		
57	HOPEWELL BOR	MERCER			1		
58	PRINCETON BOR	MERCER			1		
59	TRENTON CITY	MERCER	1		1	1	1
60	WASHINGTON TWP	MERCER			1		
61	CARTERET BOR	MIDDLESEX				1	1
62	CRANBURY TWP	MIDDLESEX			1		
63	METUCHEN BOR	MIDDLESEX			1		
64	NEW BRUNSWICK CITY	MIDDLESEX	1		1	1	1
65	OLD BRIDGE TWP	MIDDLESEX				1	1
66	PERTH AMBOY CITY	MIDDLESEX	1			1	1
67	PISCATAWAY TWP	MIDDLESEX					1
68	SAYREVILLE BOR	MIDDLESEX					1
69	WOODBRIIDGE TWP	MIDDLESEX				1	1
70	ASBURY PARK CITY	MONMOUTH	1			1	1
71	FREEHOLD BOR	MONMOUTH			1		
72	KEANSBURG BOR	MONMOUTH					1
73	LONG BRANCH CITY	MONMOUTH	1		1	1	1
74	NEPTUNE CITY BOR	MONMOUTH	1			1	1
75	NEPTUNE TWP	MONMOUTH				1	1
76	RED BANK BOR	MONMOUTH			1		1
77	TINTON FALLS BOR	MONMOUTH					1
78	DOVER TOWN	MORRIS			1		1
79	MENDHAM BOR	MORRIS			1		
80	MORRISTOWN TOWN	MORRIS			1		1
81	BERKELEY TWP	OCEAN					1
82	BRICK TWP	OCEAN				1	1
83	DOVER TWP	OCEAN	1	1			1
84	LAKESWOOD TWP	OCEAN				1	1
85	MANCHESTER TWP	OCEAN					1
86	PLUMSTED TWP	OCEAN			1		
87	STAFFORD TWP	OCEAN			1		
88	BLOOMINGDALE BOR	PASSAIC			1		

Background Paper: Downtown Living Initiative (Cont'd)

ELIGIBLE MUNICIPALITIES WITH AREAS THAT QUALIFY UNDER THE DOWNTOWN LIVING INITIATIVE							
1 Indicates Qualifying Community Criteria							
NO.	MUNICIPALITY	COUNTY	UCC	SNAP	DC	UAM	UHORP
89	CLIFTON CITY	PASSAIC					1
90	PASSAIC CITY	PASSAIC				1	1
91	PATERSON CITY	PASSAIC			1	1	1
92	TOTOWA BOR	PASSAIC			1		
93	WANAQUE BOR	PASSAIC			1		
94	ELMER BOR	SALEM			1		
95	PENNS GROVE BOR	SALEM				1	1
96	SALEM CITY	SALEM				1	1
97	WOODSTOWN BOR	SALEM			1		
98	BRIDGEWATER TWP	SOMERSET			1		
99	FRANKLIN TWP	SOMERSET	1				
100	SOMERVILLE BOR	SOMERSET			1		1
101	ANDOVER BOR	SUSSEX			1		
102	HOPATCONG BOR	SUSSEX			1		
103	NEWTON TOWN	SUSSEX			1		
104	ELIZABETH CITY	UNION	1		1	1	1
105	HILLSIDE TWP	UNION				1	1
106	LINDEN CITY	UNION					1
107	PLAINFIELD CITY	UNION	1			1	1
108	RAHWAY CITY	UNION				1	1
109	ROSELLE BOR	UNION				1	1
110	OXFORD TWP	WARREN			1		
111	PHILLIPSBURG TOWN	WARREN				1	1
<b>STATE TOTALS</b>			<b>16</b>	<b>3</b>	<b>43</b>	<b>56</b>	<b>82</b>
UCC: URBAN COORDINATING COUNCIL (Designated Communities) SNAP: STRATEGIC NEIGHBORHOOD ASSISTANCE DC: DESIGNATED CENTER UAM: URBAN AID MUNICIPALITY UHORP: URBAN OWNERSHIP RECOVERY PROGRAM							

## Background Paper: Watershed Moratorium Offset Aid

Budget Page.... D-43

Chapter 225, of P.L.1999 created the Watershed Moratorium Offset Aid State Aid program. The FY 2001 State Budget shows an FY 2000 \$3,400,000 Adjusted Appropriation for Watershed Moratorium Offset Aid.

This State Aid program provides for annual payments to certain municipalities to help offset the loss of property tax revenues due to the imposition and prolonged continuance of a statutory moratorium on the sale of certain watershed lands in those municipalities.

The "watershed moratorium," imposed by P.L.1988, c.163, was intended to be temporary until legislation could be crafted to help safeguard public water supplies through the protection and preservation of watershed lands from development or pollution by other means. However, that legislation has never been enacted and the moratorium continues.

Because of the depressed value of watershed lands due to the moratorium, watershed land owners have succeeded in their efforts to reduce their property tax liability in municipalities where they own watershed lands. This loss in property tax revenue has adversely affected the budgets of the mostly rural municipalities where these lands are located. Each year, beginning in State FY1997, the annual appropriations act has included a State aid appropriation of \$2 million to six municipalities in which affected watershed lands are located. Chapter 225, of P.L.1999 made more permanent the municipal financial aid offset program for these municipalities and extended aid under the program to other municipalities affected by the moratorium.

The amount of aid to be provided annually to each municipality within which lands subject to the watershed moratorium are located is based on a formula of \$68.50 per acre of such lands in the municipality, as adjusted annually starting on July 1, 2000, by reference to the Consumer Price Index for all urban consumers in the New York City area as reported by the United States Department of Labor. The law also includes a self-executing repealer conditioned upon the termination of the watershed land conveyance moratorium imposed pursuant to section 1 of P.L.1988, c.163 and section 1 of P.L.1990, c.19, or by a final, unappealed order of a court of competent jurisdiction, whichever occurs sooner.

According to the department, as shown in the table on the following page, Watershed Moratorium Offset Aid payments to 56 municipalities in CY 2000 total \$3,226,638.39 and amount to a \$1,226,638.39 increase over the CY 1999 aid payments. In CY 1999 the information shown in the table indicates that 6 municipalities received \$2,000,000 in aid.

Watershed Moratorium Offset Aid program is recommended to received \$5,185,000 in FY 2001, an amount that includes an inflation adjustment estimate for eligible municipalities.

## Background Paper: Watershed Moratorium Offset Aid (Cont'd)

WATERSHED MORATORIUM OFFSET AID PAYMENTS				
<u>NO.</u>	<u>MUNICIPALITY</u>	<u>COUNTY</u>	<u>CY 1999</u>	<u>CY 2000*</u>
1	ABSECON CITY	ATLANTIC	0.00	\$4,847.75
2	EGG HARBOR TWP	ATLANTIC	0.00	24,482.52
3	GALLOWAY TWP	ATLANTIC	0.00	11,232.29
4	CLOSTER BOROUGH	BERGEN	0.00	19,722.52
5	EMERSON BOROUGH	BERGEN	0.00	28,884.94
6	FRANKLIN LAKES BOUROUGH	BERGEN	0.00	8,694.29
7	HARRINGTON PARK BOR	BERGEN	0.00	31,799.41
8	HAWORTH BOROUGH	BERGEN	0.00	29,059.21
9	HILLSDALE BOROUGH	BERGEN	0.00	3,486.17
10	NORWOOD BOROUGH	BERGEN	0.00	9,400.80
11	OLD TAPPAN BOROUGH	BERGEN	0.00	65,127.88
12	ORADELL BOROUGH	BERGEN	0.00	12,521.05
13	PARK RIDGE BOROUGH	BERGEN	0.00	2,265.23
14	RIVER VALE TOWNSHIP	BERGEN	0.00	34,262.67
15	WOODCLIFF LAKE BOROUGH	BERGEN	0.00	14,576.12
16	CEDAR GROVE TOWNSHIP	ESSEX	0.00	8,264.73
17	LIVINGSTON TOWNSHIP	ESSEX	0.00	15,775.07
18	MILLBURN TOWNSHIP	ESSEX	0.00	40,305.61
19	WEST ORANGE TOWNSHIP	ESSEX	0.00	7,618.78
20	WEEHAWKEN TOWNSHIP	HUDSON	0.00	1,066.48
21	WEST AMWELL TOWNSHIP	HUNTERDON	0.00	31,515.75
22	TRENTON CITY	MERCER	0.00	1,023.73
23	EAST BRUNSWICK TWP	MIDDLESEX	0.00	11,032.47
24	NORTH BRUNSWICK TWP	MIDDLESEX	0.00	6,769.92
25	SOUTH BRUNSWICK TWP	MIDDLESEX	0.00	1,426.38
26	COLTS NECK TOWNSHIP	MONMOUTH	0.00	41,402.09
27	HOLMDEL TOWNSHIP	MONMOUTH	0.00	7,414.99
28	MIDDLETOWN TOWNSHIP	MONMOUTH	0.00	11,276.40
29	WALL TOWNSHIP	MONMOUTH	0.00	12,798.88
30	BOONTON TOWN	MORRIS	0.00	8,329.05
31	CHATHAM BOROUGH	MORRIS	0.00	3,353.49
32	JEFFERSON TOWNSHIP	MORRIS	250,000.00	281,012.96
33	KINNELON BOROUGH	MORRIS	9,000.00	63,719.73
34	MENDHAM TOWNSHIP	MORRIS	0.00	40,888.47
35	MONTVILLE TOWNSHIP	MORRIS	0.00	2,168.85
36	MOUNT OLIVE TOWNSHIP	MORRIS	0.00	13,519.71
37	PARSIPPANY-TROY HILLS TWP	MORRIS	0.00	79,441.98

## Background Paper: Watershed Moratorium Offset Aid (Cont'd)

<u>NO.</u>	<u>MUNICIPALITY</u>	<u>COUNTY</u>	<u>CY 1999</u>	<u>CY 2000*</u>
38	RANDOLPH TOWNSHIP	MORRIS	0.00	24,113.64
39	ROCKAWAY TOWNSHIP	MORRIS	136,000.00	250,851.93
40	WASHINGTON TOWNSHIP	MORRIS	0.00	1,322.46
41	LITTLE FALLS TOWNSHIP	PASSAIC	0.00	2,088.43
42	NORTH HALEDON BOROUGH	PASSAIC	0.00	1,634.20
43	PATERSON CITY	PASSAIC	0.00	506.76
44	WAYNE TOWNSHIP	PASSAIC	0.00	33,222.57
45	WEST MILFORD TOWNSHIP	PASSAIC	1,027,000.00	1,104,274.59
46	WEST PATERSON BOROUGH	PASSAIC	0.00	8,338.16
47	ALLOWAY TOWNSHIP	SALEM	0.00	369.97
48	QUINTON TOWNSHIP	SALEM	0.00	4,051.84
49	FRANKFORD TOWNSHIP	SUSSEX	0.00	20,618.57
50	FRANKLIN BOROUGH	SUSSEX	0.00	5,945.66
51	HARDYSTON TOWNSHIP	SUSSEX	244,000.00	283,808.86
52	SANDYSTON TOWNSHIP	SUSSEX	0.00	168.65
53	SPARTA TOWNSHIP	SUSSEX	0.00	39,316.74
54	VERNON TOWNSHIP	SUSSEX	334,000.00	429,182.85
55	WANTAGE TOWNSHIP	SUSSEX	0.00	6,710.40
56	WHITE TOWNSHIP	WARREN	0.00	19,623.74
	<b>TOTAL</b>		<b>2,001,999.00</b>	<b>\$3,228,638.39</b>

\* Represents preliminary list of eligible municipalities and estimated aid payments. Before final aid is calculated, the DCA must verify eligible municipal acreage and therefore these aid payments are subject to change.

## Background Paper: The REDI and REAP Programs

Budget Pages....	p. D-43 and D-47
Funding (\$000)	\$10,000 (REDI) \$25,000 (REAP)

### BACKGROUND

The REDI program was enacted as P.L.1999, c.60, effective April 13, 1999. It is intended as an evolution of the Department of Community Affairs' Joint Services Incentive Program, which had limited funding of \$0.5 million beginning in the State FY 1997 Budget. The REDI program, proposed in recommendation number 2.2 in the September 1998 "Property Tax Commission Report of Recommendations to Governor Christine Todd Whitman," represents growth of the former DCA program. Under the REDI program, counties and taxing districts such as municipalities, school districts and fire districts may apply throughout the year for planning grants to study the feasibility and economies of shared services and for start-up grants to implement a new shared service. Once their applications are approved, the grant money is available as reimbursement of expenses actually incurred for the studies and implementation.

The sister program, REAP, enacted as P.L.1999, c.61, effective April 13, 1999, and also proposed by the same recommendation of the Governor's Property Tax Commission, is intended to provide direct property tax relief to residential property owners and renters (those eligible for the NJ SAVER property tax relief program) based on types of shared services implemented in their taxing districts after July 1, 1997. REAP aid is to be distributed as a credit against the taxpayer's property tax bill. The taxing district has to apply for the aid and the taxpayer is not required to do anything to receive the benefits of the REAP aid. The administration of the grants and aid, including grants to school districts, is handled by the Department of Community Affairs with Department of Education personnel assisting in the evaluation of REDI and REAP grant and aid applications.

The REDI and REAP programs rely on local units applying for State aid grants. DCA has made extensive efforts to publicize the program in the past year. Information is available on the DCA website ([www.state.nj.us/redi](http://www.state.nj.us/redi)), several pamphlets have been prepared and distributed to local units. A seminar was conducted at the annual League of Municipalities Conference in Atlantic City in November 1999 and the League of Municipalities has scheduled a shared services conference for April 5, 2000. Articles in various government related magazines have been published, and two to three oral presentations per month are made by DCA staff before citizen groups, professional organizations and local officials. Although the REDI program operates on an open application cycle, to be eligible to participate in the REAP program in CY 2000, local units were required to return an "Intent to Apply for Aid" form to the New Jersey REDI/REAP Office by March 17, 2000.

### CURRENT STATUS

P.L.1999, c.60 appropriated \$10 million for the REDI program during the last three months of State FY 1999. Those funds were lapsed and \$10 million was appropriated in the FY 2000 Budget. As of this writing, \$3.6 million has been expended and another \$742,000 either encumbered or pre-encumbered.

As of March 9, 2000, DCA had received about 25 grant applications from school districts, municipalities and counties. DCA estimates that they are receiving at least six new REDI applications per month. At least ten of the current applications have been approved, resulting in

## Background Paper: The REDI and REAP Programs (Cont'd)

a commitment of \$4 million for the implementation of the North Hudson Fire and Rescue Joint Meeting and commitments aggregating \$400,000 for feasibility studies, challenge grants and implementation assistance to nine other local units.

As of March 15, 2000, over 200 initial applications for participation in the REAP program by various counties and taxing districts had been received by DCA. Monies awarded for CY 2000 following the approval of final REAP applications is expected to be funded from language authority contained in the State FY 2001 Budget and should be received in time to appear as a credit against tax bills issued in the second half of CY 2000.

According to DCA, the recommended budget appropriations should remain sufficient for the current growth in both programs. As of March 15, 2000, however, final REAP applications have not been filed; consequently, no REAP allocation amount has been determined by DCA to date.

## Background Paper: Brownfields Redevelopment Grants

Budget Pages... D-42

### INTRODUCTION

The FY 2001 budget recommends \$15 million for a Brownfields Redevelopment Grant program to be administered by the New Jersey Redevelopment Authority (NJRA). According to the Budget in Brief, "...this program will make available grants to municipalities for the acquisition and remediation of brownfields in cases where the land has no realistic prospect of attracting a private developer...." Grants will be made available in the 68 qualified municipalities in which the NJRA operates under P.L.1996, c.62 (list attached as Appendix 1).<sup>1</sup> This program, according to the Governor's State of the State message,<sup>2</sup> will serve as an expansion of the existing Urban Site Acquisition (USA) Program which began in 1998.

This paper will attempt to explain the new Brownfields Redevelopment Grant program and discuss its place within the existing USA program based on information made available to OLS by the executive branch and from outside sources.

### EXISTING USA PROGRAM

The New Jersey Urban Site Acquisition Program, initiated in 1998 and administered by the NJRA, is designed to facilitate the planning, acquisition, site assembly and redevelopment of properties that are part of urban redevelopment plans. Funding is available for redevelopment projects in any of the 68 qualified municipalities in which the NJRA operates.

USA assists local governments working with not-for-profits and other private organizations in their efforts to acquire clear legal title to tax-delinquent properties needed in order to implement viable redevelopment plans. The program also identifies State and other funding sources for site preparation, construction and all other aspects of redevelopment.

The \$25 million for USA which was appropriated in the FY99 budget is referred to as the "working capital" component of the program, and loans continue to be made as previous loans are repaid. This year's budget contains no further appropriation beyond the original \$25 million. The program also includes \$400 million of economic development and housing financing out of existing bond authorizations by the New Jersey Economic Development Authority (EDA) and the New Jersey Housing and Mortgage Finance Agency (NJHMFA).

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<sup>1</sup>The NJRA is granted broad discretion to finance certain projects, with first priority to be given to any project situated in a "qualified municipality." By definition, a "qualified municipality" is one which either is eligible to receive aid under the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.) or is coextensive with a "special needs district" under the "Quality Education Act of 1990," P.L.1990, c.52 (C.18A:7D-1 et seq.). However, given that the two acts governing the definition of "qualified municipality" have been rendered obsolete by subsequent enactments, the NJRA has sought the guidance of the Attorney General in designating qualified municipalities.

<sup>2</sup>Several initiatives are posted on the Governor's State of the State website, including one entitled "Brownfields Redevelopment Grants." The depiction of this program in relation to existing DCA programs relies on the information contained within that document.

## Background Paper: Brownfields Redevelopment Grants (Cont'd)

### Project Financing

#### *Working Capital Program*

Loans made under the \$25 million working capital program are short-term in nature and are generally made for a term of anywhere between 6 and 24 months. The interest rate and term of the loan are tailored to the needs of each project in order to ensure the economic feasibility of the development, although the rate of interest is usually below market. Planning loans are rolled into total project financing and are forgivable if the project does not come to fruition. A list of projects which have received financing under the USA program is attached as Appendix 2.

Of the original \$25 million, \$24 million was set aside for acquisition grants and the remaining \$1 million, for planning grants. As of February 29, 2000, there remained \$12,031,300 in the USA account, of which \$11,656,300 was earmarked for acquisition loans, and \$375,000 for planning loans.

Loans are to be repaid from the proceeds realized upon the sale of the site to the developer or at the commencement of redevelopment activity. There are no maximum loan amounts.

#### *\$400 Million Economic Development and Housing Program Financing*

It appears that the \$400 million component of the program refers to moneys which are otherwise made available by NJHMFA and EDA for projects undertaken in NJRA "qualified municipalities," such as low income housing tax credits.

To date, only \$10 million has been set aside by NJHMFA to leverage projects that have received site acquisition funds. That set-aside occurred as a result of a request for action by members of NJHMFA asking for approval of a reservation from the proceeds of the refunding portion of the Agency's Home Buyer Revenue Bonds, 1998 series, of \$10 million for use in support of single-family and multifamily housing initiatives under the NJ-USA program. Notwithstanding the set-aside, each project must still be reviewed and evaluated by NJHMFA, even if it has otherwise received site acquisition funds.

Whereas tax credits and other NJHMFA financing tools may be made available for projects which have received funding out of the \$25 million working capital fund, receipt of those moneys does not necessarily confer any priority on the grant recipient for funding out of the \$400 million.

### Application Process

No specific application form, application cycle or rules and regulations outlining program parameters have been promulgated. The NJRA distributes a USA Fact Sheet and Funding Assessment Guidelines to qualified municipalities. Applicants are asked to provide detailed information regarding the project, the site, the borrower, and the project budget. It appears from the guidelines that an important factor in awarding loans is the impact of the project on the surrounding neighborhood and how the proposed project supports strategic neighborhood planning objectives.

### Loan Approval

A project committee composed of representatives from the NJRA, EDA, NJHMFA and DCA has been established to review funding applications. To the extent possible, efforts are made to

## Background Paper: Brownfields Redevelopment Grants (Cont'd)

leverage USA assistance with available financing from other government programs.

Attached is a list of those projects for which USA loans have been made. This information was provided by the NJRA, but does not include the length of the loans or their respective interest rates.

### **BROWNFIELDS REDEVELOPMENT GRANT PROGRAM**

As mentioned above, the Brownfields Redevelopment Grant program would provide grants to "qualified municipalities" for the acquisition and remediation of brownfields sites where the land has no realistic prospect of attracting a private developer without that assistance. The rationale for this program is that while municipalities are eligible for State grants to perform investigation activities under the "Industrial Site Recovery Act," P.L.1983, c.330 (C.13:1K-6 et al.),<sup>3</sup> including preliminary assessment, site investigation and remedial investigation, only loans are available to municipalities for site remediation.

Although many sites have been targeted by municipalities for redevelopment, the high cost of remediation relative to property value often precludes the leveraging of private investment. Those municipalities which are within the jurisdiction of the NJRA often cannot afford to borrow money to underwrite the costs of cleanup and are in need of State assistance. Not infrequently, the costs of cleaning up a contaminated site can exceed its acquisition costs, thereby discouraging a municipality from intervening to initiate the redevelopment of a site which has been abandoned.

The Governor's proposal outlines the need for a program which would make available to municipalities grant money for remediation and the commitment of such money prior to the actual acquisition by a municipality of the contaminated site.

Unlike other State programs which require the ownership of a site as a precondition for making a commitment of funds, it is anticipated that the Brownfields Redevelopment Grant program will not require that a municipality own a site for which it is seeking grant assistance. It is anticipated by NJRA officials that grant commitments will be made to municipalities that intend to acquire a site and that the receipt of funds will be made contingent upon the acquisition of the site. It is in this way that the Brownfields Redevelopment Grant program will act as an extension of the USA loan program.

Although the program details are only currently being developed by the NJRA, it would seem likely that those municipalities which have already received grants or loans for preliminary assessments, site investigations and remedial investigations would be poised for seeking grants under the Brownfields Redevelopment Grant program. Those qualified municipalities which received grants or loans in the 1999 calendar year include Pleasantville City, Hackensack City, Willingboro Township, Camden City, Pennsauken Township, Millville City, Vineland City, Newark City, Irvington Town, Glassboro Borough, Woodbury City, Hoboken City, Bayonne City, Jersey City, Kearny Town, North Bergen Township, Harrison Town, Trenton City, Hamilton Township

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<sup>3</sup>Under the "Industrial Site Recovery Act," P.L.1983, c.330 (C.13:1K-6 et al.), moneys in the Hazardous Discharge Site Remediation Fund are dedicated for the provision of financial assistance or grants to municipal governmental entities, the New Jersey Redevelopment Authority, individuals, corporations, partnerships, and other private business entities, for the purpose of financing remediation activities at sites at which there is, or is suspected of being, a discharge of hazardous substances or hazardous wastes.

## Background Paper: Brownfields Redevelopment Grants (Cont'd)

(Mercer), Perth Amboy City, Old Bridge Township, Woodbridge Township, Asbury Park, Neptune Township, Brick Township, Penns Grove Borough, Salem City, Elizabeth City, Rahway City, Hillside Township, and Phillipsburg Town.

The Brownfields Redevelopment Grant program would implement one of the recommendations made by the Brownfields Team in September 1999<sup>4</sup>. The Brownfields Team was established in July 1997 as an interagency team representing departments or programs with a particular interest in the redevelopment of brownfields. Staffed by the Office of State Planning, the 21-member team includes representatives of various State departments and authorities.

The September 1999 recommendations of the Brownfields Team were proposed for consideration by the Brownfields Redevelopment Task Force which was created under the "Brownfield and Contaminated Site Remediation Act," P.L.1997, c.278 (C.58:10B-1.1 et al.). The Brownfields Team, in its report to the Task Force, recommended that grants be "recoverable" when the municipality has adopted a redevelopment plan but has no method to finance the cleanup. Once the site is redeveloped, the grant would become a loan, subject to repayment. It has not yet been determined whether the program will be a pure grant program or whether grants will be "recoverable" upon the redevelopment of the site.

Currently, NJRA program administrators are in discussions with DCA and DEP in order to develop program guidelines. At this time, it is not clear how the grant program will operate relative to the USA program; for example, the extent to which the receipt of a brownfields redevelopment grant will gain the grant recipient priority for USA funding or vice versa. Certainly if the intent of the program is to provide municipalities with greater certainty with regard to remediation funding and given that sites can be more expensive to clean up than to acquire, it would make sense for there to be a strong link between acquisition and cleanup financing.

### CONCLUSIONS

The redevelopment of brownfields is a complicated, lengthy and expensive undertaking. For municipalities which house abandoned industrial sites, the difficulties are enormous. Sites which are abandoned may have little market potential, but left undeveloped, their state of disrepair and decay can have devastating impacts on surrounding neighborhoods.

Many related factors conspire to prevent the redevelopment of these sites. Current municipal funding programs for brownfields redevelopment are limited to grants for site assessments and investigations. Loans for municipal cleanups are problematic if the marketability of a site is not clear from the outset. Most existing government programs require a grant or loan applicant to own a site prior to applying for funds. Yet a relatively poor municipality would be reluctant to acquire a site if the availability of cleanup funding were not certain up front.

Perhaps most obviously, the Brownfields Redevelopment Grant program will serve as an extension of the existing hazardous site remediation funding, which stops short of providing grants to municipalities for brownfields cleanups. Additionally, the Brownfields Redevelopment Grant program, working in tandem with the existing USA program, holds the potential of overcoming the considerable reluctance of municipalities to play a significant role in the recycling of heretofore unmarketable brownfields sites across the State.

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<sup>4</sup>The September 1999 recommendations are posted on the New Jersey Office of State Planning website (see: [www.state.nj.us/osp/brownfld/bfti0899.htm](http://www.state.nj.us/osp/brownfld/bfti0899.htm)).

**Background Paper: Brownfields Redevelopment Grants (Cont'd)****APPENDIX 1****Qualified Municipalities under P.L. 1996, c.62**

Asbury Park City	Millville City
Bayonne City	Monroe Twp (Glouc.)
Belleville Twp	Montclair Township
Bloomfield Twp	Mount Holly Twp
Brick Twp	Neptune City Boro
Bridgeton City	Neptune Twp
Burlington City	New Brunswick City
Camden City	Newark City
Carteret Borough	North Bergen Twp
East Orange City	Old Bridge Twp
Edgewater Boro	Orange City
Elizabeth City	Passaic City
Ewing Twp	Paterson City
Garfield City	Pemberton Twp
Glassboro Boro	Penns Grove Boro
Gloucester City	Pennsauken Twp
Gloucester Twp	Perth Amboy City
Guttenberg Town	Phillipsburg Twp
Hackensack City	Plainfield City
Hamilton Twp	Pleasantville City
Harrison Town	Rahway City
Highlands Boro	Ridgefield Borough
Hillside Twp	Roselle Borough
Hoboken City	Salem City
Irvington Town Twp	South Amboy City
Jersey City	Trenton City
Keansburg Boro	Union City
Kearny Town	Vineland City
Lakewood Twp	Weehawken Twp
Lawnside Boro	West New York Town
Lindenwold Boro	Willingboro Twp
Lodi Boro	Winslow Twp
Long Branch City	Woodbridge Twp
Manchester Twp	Woodbury City

URBAN SITE ACQUISITION PROGRAM STATUS REPORT AS OF FEBRUARY 29, 2000

APPENDIX 2

<u>PROJECT</u>	<u>CITY</u>	<u>FUND USED FOR</u>	<u>USA LOAN</u>	<u>TOTAL DEV COST</u>	<u>BOARD APPROVAL</u>	<u>NJRA STATUS</u>	<u>PROJECT DESCRIPTION</u>
PRAB Day Care Center	New Brunswick	Acqu.Planning/Predev	\$657,700	\$2,066,000	12/10/98	Closed 07/21/99	Day Care Center
Woodbury Mews	Woodbury	Tax LiensPIng&Predev	\$1,400,000	\$34,215,000	12/22/99	Closed 12/31/99	Senior Living Campus
Resource Community Center	Jersey City	Acqu-Tax Liens	\$60,000	\$360,000	02/23/99	Closed 10/21/99	Resource Center Housing
Magnolia Mini Mall Parking	Elizabeth	Acqu-Tax Liens/Demo	\$40,000	\$1,034,000	12/10/99	CL.Execu. 1/15/99	Parking Magnolia Mini Mall
West Electronics	Burlington	Acqu-Tax Liens	\$200,000	\$4,551,000	12/10/99	CL.Execu. 11/30/99	Subsidized Senior Housing
First Street Studios	Jersey City	Acquisition	\$4,000,000	\$23,000,000	08/24/99	CL.Execu. 11/1/99	Work/Live Artist Hsg. with first floor commercial
Camner Square	New Brunswick	Acquisition	\$350,000	\$3,405,000	09/28/99	CL.Execu. 12/13/99	Affordable Housing/Commercial Development
East Camden Gateway	Camden	Acquisition	\$136,000	\$1,440,000	01/08/00	CL.Execu. 02/22/00	Affordable Housing
Hoboken NW Redev.Area							
Supermarket	Hoboken	Acquisition	\$4,750,000	\$14,900,000	02/29/00	CL. Being Drafted	Commercial Development
Elizabeth-Marina Village	Elizabeth	Acquisition	\$750,000	\$5,740,000	02/29/00	CL. Being Drafted	37 Affordable Rental Units
Long Branch	Long Branch	Planning	\$75,000	\$135,000	04/27/99	Signed 07/27/99	Feasibility study for concept and design of Pier
Keansburg Redev Agency	Keansburg	Planning	\$25,000	\$35,000	04/27/99	Signed 09/27/99	Plan for designated redevelopment area
Newark Economic Dev Corp	Newark	Planning	\$50,000	\$70,000	07/27/99	Signed 09/24/99	Redev Plan for Pabst Brewery Site
Asbury Park	Asbury Park	Planning	\$150,000	\$150,000	08/24/99	CL.Sent 09/17/99	Redevelopment Plan for city's waterfront area
City of Trenton	Trenton	Planning	\$25,000	\$25,000	09/28/99	Signed 11/22/99	Redevelopment Plan for Old Trenton neighborhood
Upper Monroe St Improv Corp	Passaic	Planning	\$25,000	\$25,000	04/27/99	Signed 01/06/00	Redev Plan for Upper Monroe Neighborhood
Delaware River	Camden/						
Port Authority	Pennsauken	Planning	\$250,000	\$250,000	09/28/99	CL.Sent 10/15/99	Redevelopment Plan for Admiral Wilson Blvd
Mount Holly Gardens Redev	Mt. Holly	Planning	\$25,000	\$25,000	02/29/00	Being Drafted	Redevelopment Plan for Mt. Holly Gardens
Broadway Gateway	Long Branch	Acquisition	\$1,500,000	\$10,500,000	11/24/98	Canceled 7/9/99	Environ cleanup delays start of project by one year
Upper Monroe	Passaic	Acqu-Tax Liens	\$212,000	\$1,500,000	12/10/98	Canceled 08/10/99	City able to foreclose on property & dev plans changed
Riverfront Redev	Phillipsburg	Acquisition	\$875,000	\$18,800,000	12/10/98	Withdrawn 08/20/99	City is reviewing acquisition structure
Glasstown Centre	Millville	Acquisition	\$502,000	\$7,497,000	02/23/99	Withdrawn 11/30/99	City to use city bond financing
RPM Worthington Pump	Nwk/E Orange	Acqu/PIng/Predev	\$715,000	\$30,100,000	05/25/99	Canceled 01/27/00	CL Expired; remediation issues

URBAN SITE ACQUISITION PROGRAM STATUS REPORT AS OF FEBRUARY 29, 2000 (Cont'd)

APPENDIX 2

<u>PROJECT</u>	<u>CITY</u>	<u>FUND USED FOR</u>	<u>USA</u> <u>LOAN</u>	<u>TOTAL</u> <u>DEV COST</u>	<u>BOARD</u> <u>APPROVAL</u>	<u>NJRA</u> <u>STATUS</u>	<u>PROJECT DESCRIPTION</u>
Heldrich Ctr for Wkfrce Dev	New Brunswick	Acquisition	\$1,650,000	\$23,000,000	04/27/99	Canceled 02/08/00	Statewide training and research facility
Westport Homes Elizabethport	Elizabeth	Acqu.Planning/Predev	\$3,000,000	\$16,731,710	02/23/99	Repaid 02/22/00	Infill affordable rental housing
<b>Total Committed \$/Dev. Cost since Program start</b>			<b>21,422,700</b>				
Canceled/Withdrawn			\$5,454,000				
Repaid			\$3,000,000				
<b>Total Current Commitments/Dev Costs</b>			<b>12,968,700</b>				
Current \$s Committed for Acquisition Loans			12,343,700				
Current \$s Committed for Planning Loans			\$ 625,000				
<b>Balance Remaining in USA Account</b>			<b>12,031,300</b>				
Balance Remaining for Acquisition Loans			11,656,300				
Balance Remaining for Planning Loans			375,000				

CL - Commitment letter

Source: NJ Redevelopment Authority, March 2000

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