

ASSEMBLY, No. 3257

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 8, 2006

Sponsored by:

Assemblyman JOHN J. BURZICHELLI

District 3 (Salem, Cumberland and Gloucester)

SYNOPSIS

Revises procedures for the use of eminent domain in municipal redevelopment programs.

CURRENT VERSION OF TEXT

As introduced.



A3257 BURZICHELLI

2

1 AN ACT concerning redevelopment, amending P.L.1975, c.291, and
2 amending and supplementing P.L.1992, c.79.

3

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

6

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

8 a. Since 1949, municipalities have been authorized by the
9 Legislature to undertake programs of redevelopment, rehabilitation,
10 and incentives to promote the expansion and improvement of
11 commercial, industrial, residential and civic facilities in blighted
12 areas.

13 b. Since 1949, municipalities have used these programs to
14 arrest and reverse conditions of deterioration and inefficiency in
15 housing and commercial and industrial facilities, and to promote
16 sound planning, revitalize their tax bases, and improve the public
17 safety, health, morals, and welfare of their communities. In
18 exercising their responsibilities and implementing such programs
19 municipalities have, in certain circumstances, exercised the power
20 to acquire property by eminent domain in order to transfer such
21 property to a private interest to undertake a project in accordance
22 with an approved redevelopment plan; and such use of the power of
23 eminent domain has contributed to the overall effectiveness and
24 success of such redevelopment programs.

25 c. Since 1949, the laws authorizing such redevelopment
26 programs have been amended from time to time and were last re-
27 codified in 1992 into one law designed to simplify prior enactments
28 in order to make the legal mechanisms for exercising such
29 responsibilities and powers in undertaking redevelopment
30 improvements more efficient to use. These changes to the law,
31 together with changing land use and development patterns, have
32 resulted in redevelopment programs being undertaken by
33 municipalities of urban, suburban, and rural character.

34 d. The increase in redevelopment activity throughout the State,
35 including the use of eminent domain, together with the 2005 United
36 States Supreme Court decision in Kelo v. City of New London,
37 Connecticut, have focused public attention and scrutiny on
38 municipal redevelopment activities. This scrutiny has led to a
39 comprehensive review of redevelopment programs by the
40 Legislature and the process undertaken by municipalities for
41 authorizing such redevelopment programs.

42 e. The Legislature's comprehensive review has included a
43 series of public meetings and the receipt of testimony and
44 correspondence from various stakeholders in redevelopment
45 programs, including, but not limited to, municipal officials,

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

Matter underlined thus is new matter.

1 property owners, developers, real estate professionals, civil
2 libertarians, academics, and members of the general public.

3 f. Following this comprehensive review, the Legislature
4 declares that redevelopment remains a valid and important public
5 purpose and public use; that the implementation of redevelopment
6 programs continues to be a vital tool for municipal officials that
7 must be maintained to allow such officials to continue to meet their
8 governmental responsibilities to arrest and reverse deleterious
9 property conditions within their municipal borders; and that the
10 power of eminent domain remains necessary to effectively
11 implement such redevelopment responsibilities and powers.

12 g. Following this comprehensive review, the Legislature also
13 declares that changes to the existing law are necessary to ensure
14 that affected property owners and the general public are provided
15 adequate notice of a municipality's interest in developing a
16 redevelopment program so as: to afford these stakeholders the
17 opportunity to be heard during the process undertaken to develop
18 such programs; to add transparency to the exercise of a legitimate
19 governmental function; to create certainty that redevelopment
20 programs are authorized and undertaken in a deliberative and open
21 process; to ensure that the social and economic impacts of
22 redevelopment are adequately addressed, including affordable
23 housing and comparable replacement housing for households
24 displaced by redevelopment; to provide that such programs, once
25 properly adopted, are implemented in a fair and certain manner,
26 including a public process where appropriate for the selection of
27 redevelopers seeking the assistance of municipal officials in
28 constructing a redevelopment project on municipally owned or
29 acquired property; to provide a just measure of compensation to
30 property owners who are subject to eminent domain; and to afford
31 protection and finality to such redevelopment programs properly
32 created under these heightened standards for enactment. These
33 changes will restore public confidence in local redevelopment
34 programs by assuring that interested parties are provided access into
35 an open and deliberative process.

36 h. The Legislature also recognizes that local redevelopment
37 programs are necessary to promote State policies that encourage:

38 (1) the reuse of existing property, as opposed to the loss of
39 agricultural property and open space to development; and

40 (2) construction in areas already serviced by public utilities, so
41 that existing infrastructure can be maintained and used in the
42 furtherance of the public good.

43

44 2. Section 3 of P.L.1992, c.79 (C.40A:12A-3) is amended to
45 read as follows:

46 3. As used in this act:

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

4 “Comparable affordable replacement housing” means housing
5 offered to households being displaced as a result of a
6 redevelopment project, that is affordable to that household as
7 defined by the Council on Affordable Housing in the Department of
8 Community Affairs, and that is comparable to the household’s
9 dwelling in the redevelopment area with respect to the size and
10 amenities of the dwelling unit, the quality of the neighborhood, and
11 the level of public services and facilities offered by the municipality
12 in which the redevelopment area is located.

13 “Detrimental to the safety, health, or welfare of the community”
14 means objective evidence of detriment, including, but not limited
15 to, substantial building or health code violations, excessive police
16 activity, a lack of structural integrity, or a continuing exterior
17 appearance that degrades the surrounding properties. For
18 commercial properties, the objective evidence of detriment also
19 may include a lack of proper utilization of the land or structures that
20 leads to stagnant or not fully productive condition of the land.

21 “Development” means the division of a parcel of land into two or
22 more parcels, the construction, reconstruction, conversion,
23 structural alteration, relocation, or enlargement of any building or
24 other structure, or of any mining, excavation or landfill, and any use
25 or change in the use of any building or other structure, or land or
26 extension of use of land, for which permission may be required
27 pursuant to the “Municipal Land Use Law,” P.L.1975, c.291
28 (C.40:55D-1 et seq.).

29 “Governing body” means the body exercising general legislative
30 powers in a county or municipality according to the terms and
31 procedural requirements set forth in the form of government
32 adopted by the county or municipality.

33 “Housing authority” means a housing authority created or
34 continued pursuant to this act.

35 “Housing project” means a project, or distinct portion of a
36 project, which is designed and intended to provide decent, safe and
37 sanitary dwellings, apartments or other living accommodations for
38 persons of low and moderate income; such work or undertaking
39 may include buildings, land, equipment, facilities and other real or
40 personal property for necessary, convenient or desirable
41 appurtenances, streets, sewers, water service, parks, site
42 preparation, gardening, administrative, community, health,
43 recreational, educational, welfare or other purposes. The term
44 “housing project” also may be applied to the planning of the
45 buildings and improvements, the acquisition of property, the
46 demolition of existing structures, the construction, reconstruction,
47 alteration and repair of the improvements and all other work in
48 connection therewith.

1 “Persons of low and moderate income” means persons or
2 families who are, in the case of State assisted projects or programs,
3 so defined by the Council on Affordable Housing in the Department
4 of Community Affairs, or in the case of federally assisted projects
5 or programs, defined as of “low and very low income” by the
6 United States Department of Housing and Urban Development.

7 “Public body” means the State or any county, municipality,
8 school district, authority or other political subdivision of the State.

9 “Public housing” means any housing for persons of low and
10 moderate income owned by a municipality, county, the State or the
11 federal government, or any agency or instrumentality thereof.

12 “Publicly assisted housing” means privately owned housing
13 which receives public assistance or subsidy, which may be grants or
14 loans for construction, reconstruction, conservation, or
15 rehabilitation of the housing, or receives operational or maintenance
16 subsidies either directly or through rental subsidies to tenants, from
17 a federal, State or local government agency or instrumentality.

18 “Real property” means all lands, including improvements and
19 fixtures thereon, and property of any nature appurtenant thereto or
20 used in connection therewith, and every estate, interest and right,
21 legal or equitable, therein, including terms for years and liens by
22 way of judgment, mortgage or otherwise, and indebtedness secured
23 by such liens.

24 “Redeveloper” means any person, firm, corporation or public
25 body that shall enter into or propose to enter into a contract with a
26 municipality or other redevelopment entity for the redevelopment or
27 rehabilitation of an area in need of redevelopment, or an area in
28 need of rehabilitation, or any part thereof, under the provisions of
29 this act, or for any construction or other work forming part of a
30 redevelopment or rehabilitation project.

31 “Redevelopment” means clearance, replanning, development and
32 redevelopment; the conservation and rehabilitation of any structure
33 or improvement, the construction and provision for construction of
34 residential, commercial, industrial, public or other structures and
35 the grant or dedication of spaces as may be appropriate or necessary
36 in the interest of the general welfare for streets, parks, playgrounds,
37 or other public purposes, including recreational and other facilities
38 incidental or appurtenant thereto, in accordance with a
39 redevelopment plan.

40 “Redevelopment agency” means a redevelopment agency created
41 pursuant to subsection a. of section 11 of P.L.1992, c.79
42 (C.40A:12A-11) or established heretofore pursuant to the
43 “Redevelopment Agencies Law,” P.L.1949, c.306 (C.40:55C-1 et
44 seq.), repealed by this act, which has been permitted in accordance
45 with the provisions of this act to continue to exercise its
46 redevelopment functions and powers.

47 “Redevelopment area” or “area in need of redevelopment” means
48 an area determined to be in need of redevelopment pursuant to

1 sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6)
2 or determined heretofore to be a “blighted area” pursuant to
3 P.L.1949, c.187 (C.40:55-21.1 et seq.) repealed by this act, both
4 determinations as made pursuant to the authority of Article VIII,
5 Section III, paragraph 1 of the Constitution. [A redevelopment area
6 may include lands, buildings, or improvements which of themselves
7 are not detrimental to the public health, safety or welfare, but the
8 inclusion of which is found necessary, with or without change in
9 their condition, for the effective redevelopment of the area of which
10 they are a part.]

11 “Redevelopment entity” means a municipality or an entity
12 authorized by the governing body of a municipality pursuant to
13 subsection c. of section 4 of P.L.1992, c.79 (C.40A:12A-4) to
14 implement redevelopment plans and carry out redevelopment
15 projects in an area in need of redevelopment, or in an area in need
16 of rehabilitation, or in both.

17 “Redevelopment plan” means a plan adopted by the governing
18 body of a municipality for the redevelopment or rehabilitation of all
19 or any part of a redevelopment area, or an area in need of
20 rehabilitation, which plan shall be sufficiently complete to indicate
21 its relationship to definite municipal objectives as to appropriate
22 land uses, public transportation and utilities, recreational and
23 municipal facilities, and other public improvements; and to indicate
24 proposed land uses and building requirements in the redevelopment
25 area or area in need of rehabilitation, or both.

26 “Redevelopment project” means any work or undertaking
27 pursuant to a redevelopment plan; such undertaking may include
28 any buildings, land, including demolition, clearance or removal of
29 buildings from land, equipment, facilities, or other real or personal
30 properties which are necessary, convenient, or desirable
31 appurtenances, such as but not limited to streets, sewers, utilities,
32 parks, site preparation, landscaping, and administrative, community,
33 health, recreational, educational, and welfare facilities.

34 “Rehabilitation” means an undertaking, by means of extensive
35 repair, reconstruction or renovation of existing structures, with or
36 without the introduction of new construction or the enlargement of
37 existing structures, in any area that has been determined to be in
38 need of rehabilitation or redevelopment, to eliminate substandard
39 structural or housing conditions and arrest the deterioration of that
40 area.

41 “Rehabilitation area” or “area in need of rehabilitation” means
42 any area determined to be in need of rehabilitation pursuant to
43 section 14 of P.L.1992, c.79 (C.40A:12A-14).
44 (cf: P.L.1992, c.79, s.3)

45
46 3. Section 4 of P.L.1992, c.79 (C.40A:12A-4) is amended to
47 read as follows:

1 4. In exercising the redevelopment and rehabilitation functions
2 provided for in this act:

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

4 (1) Cause a preliminary investigation to be made pursuant to
5 subsection a. of section 6 of P.L.1992, c.79 (C.40A:12A-6) as to
6 whether an area is in need of redevelopment;

7 (2) Determine pursuant to subsection b. of section 6 of
8 P.L.1992, c.79 (C.40A:12A-6) that an area is in need of
9 redevelopment;

10 (3) Adopt a redevelopment plan pursuant to section 7 of
11 P.L.1992, c.79 (C.40A:12A-7);

12 (4) Determine pursuant to section 14 of P.L.1992, c.79
13 (C.40A:12A-14) that an area is in need of rehabilitation.

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

15 (1) Conduct, when authorized by the municipal governing body,
16 a preliminary investigation and hearing and make a
17 recommendation pursuant to subsection b. of section 6 of P.L.1992,
18 c.79 (C.40A:12A-6) as to whether an area is in need of
19 redevelopment;

20 (2) Make recommendations concerning a redevelopment plan
21 pursuant to subsection e. of section 7 of P.L.1992, c.79
22 (C.40A:12A-7), or prepare a redevelopment plan pursuant to
23 subsection f. of that section.

24 (3) Make recommendations concerning the determination of an
25 area in need of rehabilitation pursuant to section 14 of P.L.1992,
26 c.79 (C.40A:12A-14).

27 c. The municipality shall be responsible for implementing
28 redevelopment plans and carrying out redevelopment projects
29 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The
30 municipality may execute these responsibilities directly, or in
31 addition thereto or in lieu thereof, **[through]** may designate by
32 ordinance either a municipal redevelopment agency, or a municipal
33 housing authority authorized to exercise redevelopment powers
34 pursuant to section 21 of P.L.1992, c.79 (C.40A:12A-21), but there
35 shall be only one redevelopment entity responsible for each
36 redevelopment project. A county improvement authority authorized
37 to undertake redevelopment projects pursuant to the “county
38 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
39 seq.) may also act as a redevelopment entity pursuant to this act.
40 The redevelopment entity, so authorized, may contract with any
41 other public body, in accordance with the provisions of section 8 of
42 P.L.1992, c.79 (C.40A:12A-8), for the carrying out of a
43 redevelopment project or any part thereof under its jurisdiction.
44 Notwithstanding the above, the governing body of the municipality
45 may, by ordinance, change or rescind the designation of the
46 redevelopment **[entity responsible for implementing]** agency or
47 housing authority designated to implement a redevelopment plan
48 and **[carrying]** carry out a redevelopment project and may have the

1 municipality assume this responsibility **【itself, but】** ; provided,
2 however, that only the redevelopment entity authorized to undertake
3 a particular redevelopment project shall remain authorized to
4 complete it, unless the redevelopment entity and redeveloper agree
5 otherwise, or unless no obligations have been entered into by the
6 redevelopment entity with parties other than the municipality. This
7 shall not diminish the power of the municipality to dissolve a
8 redevelopment entity pursuant to section 24 of P.L.1992, c.79
9 (C.40A:12A-24), and section 20 of the “Local Authorities Fiscal
10 Control Law,” P.L.1983, c.313 (C.40A:5A-20).
11 (cf: P.L.1992, c.79, s.4)

12

13 4. Section 5 of P.L.1992, c.79 (C.40A:12A-5) is amended to
14 read as follows:

15 5. A delineated area may be determined to be in need of
16 redevelopment if, after investigation, notice and hearing as provided
17 in section 6 of P.L.1992, c.79 (C.40A:12A-6), the governing body
18 of the municipality by **【resolution】** ordinance concludes that within
19 the delineated area any of the following conditions is found:

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

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

28 c. (1) Land that is owned by the municipality, the county, a
29 local housing authority, redevelopment agency or redevelopment
30 entity, or

31 (2) unimproved vacant land that has remained so for a period of
32 ten years prior to adoption of the **【resolution】** ordinance, and that
33 by reason of its location, remoteness, lack of means of access to
34 developed sections or portions of the municipality, or topography,
35 or nature of the soil,

36 is not likely to be developed through the instrumentality of
37 private capital and is determined to be detrimental to the safety,
38 health, or welfare of the community.

39 d. Areas with buildings or improvements which, by reason of
40 dilapidation, obsolescence, overcrowding, **【faulty arrangement or**
41 **design, lack of ventilation, light and sanitary facilities, excessive**
42 **land coverage, deleterious land use or obsolete layout,】** or any
43 combination of these or **【other factors,】** similar conditions are
44 determined to be detrimental to the safety, health, **【morals,】** or
45 welfare of the community.

46 e. A **【growing lack or total】** lack of proper utilization of areas
47 caused by the condition of the title, diverse ownership of the real

1 property therein or other conditions, [resulting in a stagnant or not
2 fully productive condition of land potentially useful and valuable
3 for contributing to and serving the public health, safety and
4 welfare] which, by virtue of these factors are determined to be
5 detrimental to the safety, health, or welfare of the community.

6 f. Areas, in excess of five contiguous acres, whereon buildings
7 or improvements have been destroyed, consumed by fire,
8 demolished or altered by the action of storm, fire, cyclone, tornado,
9 earthquake or other casualty in such a way that the aggregate
10 assessed value of the area has been materially depreciated.

11 g. In any municipality in which an enterprise zone has been
12 designated pursuant to the “New Jersey Urban Enterprise Zones
13 Act,” P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the
14 actions prescribed in that act for the adoption by the municipality
15 and approval by the New Jersey Urban Enterprise Zone Authority
16 of the zone development plan for the area of the enterprise zone
17 shall be considered sufficient for the determination that the area is
18 in need of redevelopment pursuant to sections 5 and 6 of P.L.1992,
19 c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
20 exemptions within the enterprise zone district pursuant to the
21 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption
22 of a tax abatement and exemption ordinance pursuant to the
23 provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The
24 municipality shall not utilize any other redevelopment powers
25 within the urban enterprise zone unless the municipal governing
26 body and planning board have also taken the actions and fulfilled
27 the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.)
28 for determining that the area is in need of redevelopment or an area
29 in need of rehabilitation and the municipal governing body has
30 adopted a redevelopment plan ordinance including the area of the
31 enterprise zone.

32 h. [The designation of the delineated area is consistent with
33 smart growth planning principles adopted pursuant to law or
34 regulation.] (Deleted by amendment, P.L. , c. .) (pending before
35 the Legislature as this bill)

36 i. Parcels, either vacant or developed, which have remained
37 vacant or substantially underutilized for a period of 24 consecutive
38 months due to environmental issues associated with such parcels’
39 historic use.

40 In addition to parcels included in a delineated area under this
41 section, an area in need of redevelopment may include other parcels
42 containing lands, buildings, or improvements which of themselves
43 are not detrimental to the safety, health, or welfare of the
44 community, but the inclusion of which is found necessary, with or
45 without change in their condition, for the effective redevelopment
46 of the area of which they are a part; provided, however that such
47 parcels, in the aggregate, shall not comprise in excess of 20% of the

1 land mass of such area to be designated as available for private
2 ownership.

3 (cf: P.L.2003, c.125, s.3)

4

5 5. Section 6 of P. L.1992, c.79 (C. 40A:12A-6) is amended to
6 read as follows:

7 6. a. (1) No area of a municipality shall be determined a
8 redevelopment area unless the governing body of the municipality
9 shall, by resolution, authorize the planning board to undertake a
10 preliminary investigation to determine whether the proposed area is
11 a redevelopment area according to the criteria set forth in section 5
12 of P.L.1992, c.79 (C.40A:12A-5). A redeveloper shall not conduct
13 or fund any part of the investigation. Such determination shall be
14 made after public notice and public hearing as provided in
15 subsection b. of this section. The governing body of a municipality
16 shall assign the conduct of the investigation and hearing to the
17 planning board of the municipality.

18 (2) In the case of any area of a municipality that is more than 10
19 acres in area, or that contains more than 100 occupied dwelling
20 units or more than 50 operating business premises, the governing
21 body shall hold a public informational meeting prior to adoption of
22 the resolution authorizing the planning board to undertake a
23 preliminary investigation as set forth in this section. Notice of the
24 public informational meeting shall be as in paragraph (3) of
25 subsection b. of this section, except that notice to individual
26 property owners and tenants shall not be required.

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

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

36 (3) (a) The hearing notice shall set forth the general boundaries
37 of the area to be investigated and state that a map has been prepared
38 and can be inspected at the office of the municipal clerk. The
39 notice shall be written in a simple, clear, understandable, and easily
40 readable way. The notice shall state that the governing body is
41 considering designating the area as a redevelopment area and that a
42 consequence of this designation is that the governing body would
43 have the authority to condemn property located within the area
44 pursuant to the procedures in the "Eminent Domain Act of 1971,"
45 P.L.1971, c.361 (C.20:3-1 et seq.). A copy of the notice shall be
46 published in a newspaper of general circulation in the municipality
47 once each week for two consecutive weeks, and the last publication
48 shall be not less than ten days prior to the date set for the hearing.

1 If the municipality has an Internet web site, the notice shall be
2 posted thereon. A copy of the notice shall also be posted in such
3 other places within or proximate to the proposed redevelopment
4 area as may be available and appropriate. A copy of the notice shall
5 be [mailed] sent by certified or regular mail by the municipal clerk
6 at least [ten] 14 days prior to the date set for the hearing to the last
7 owner, if any, of each parcel of property, and to any legal tenant of
8 a residential rental dwelling unit within the area according to the
9 assessment records of the municipality. The municipal clerk shall
10 make a diligent effort to ascertain the names and addresses of legal
11 tenants of rental dwelling units by contacting the legal owner of the
12 rental property or a management company identified by such owner,
13 but if unable to do so shall have a copy of the notice posted on
14 properties known to be rental dwelling units. A notice shall also be
15 sent by the municipal clerk to all persons at their last known
16 address, if any, whose names are noted on the assessment records as
17 claimants of an interest in any such parcel. The assessor of the
18 municipality shall make a notation upon the records when requested
19 to do so by any person claiming to have an interest in any parcel of
20 property in the municipality. The notice shall be published and
21 mailed by the municipal clerk[, or by such clerk or official as the
22 planning board shall otherwise designate]. Failure to mail any such
23 notice shall not invalidate the investigation or determination
24 thereon.

25 (b) Prior to the hearing, a copy of all documents relevant to the
26 determination that an area is in need of redevelopment shall be
27 available for public inspection, and if the municipality has an
28 Internet web site, they shall be posted thereon.

29 (4) At the hearing, which may be adjourned from time to time,
30 the planning board shall hear all persons who are interested in or
31 would be affected by a determination that the delineated area is a
32 redevelopment area. All testimony provided at the hearing shall be
33 under oath or affirmation. The hearing shall be recorded and
34 transcription of the full content of the hearing shall be made
35 available to the public. All objections to such a determination and
36 evidence in support of those objections, given orally or in writing,
37 shall be received and considered and made part of the public record.
38 All persons who would be affected by a determination that the
39 delineated area is a redevelopment area shall be allowed to bring
40 witnesses to provide evidence relevant to the determination that the
41 area is in need of redevelopment, and shall be allowed to submit
42 written questions which shall be posed by the planning board to the
43 witness or witnesses to whom they are directed if the planning
44 board deems the question relevant.

45 (5) (a) After completing its hearing on this matter, the planning
46 board shall recommend that the delineated area, or any part thereof,
47 be determined, or not be determined, by the municipal governing
48 body to be a redevelopment area. Prior to making any

1 determination that an area is in need of redevelopment, the planning
2 board shall review, in light of the conditions of the area and the
3 purposes of the redevelopment, whether designation of the area as
4 an area in need of rehabilitation, or some other strategy of
5 rehabilitation, preservation, or neighborhood improvement, may
6 represent a more appropriate means of addressing the conditions of
7 the area and the purposes of the redevelopment. The report of the
8 planning board shall set forth explicitly the reasons for its
9 determination that such other strategies are less appropriate, and
10 that the area should be designated in need of redevelopment. The
11 report shall also include an inventory of the environmental,
12 historical, and cultural assets in the delineated area.

13 (b) After receiving the recommendation of the planning board,
14 the municipal governing body may adopt **[a resolution]** an
15 ordinance determining that the delineated area, or any part thereof,
16 is a redevelopment area. **[Upon the]** Prior to final adoption of **[a**
17 **resolution]** the ordinance, the clerk of the municipality shall,
18 forthwith, transmit a copy of the **[resolution]** ordinance to the
19 Commissioner of Community Affairs for review. If the area in need
20 of redevelopment is not situated in an area in which development or
21 redevelopment is to be encouraged pursuant to any State law or
22 regulation promulgated pursuant thereto, the **[determination]**
23 ordinance shall not **[take effect]** be finally adopted without first
24 receiving the review and the approval of the commissioner. If the
25 commissioner does not issue an approval or disapproval within 30
26 calendar days of transmittal by the clerk, the determination shall be
27 deemed to be approved and the ordinance may be finally adopted.
28 If the area in need of redevelopment is situated in an area in which
29 development or redevelopment is to be encouraged pursuant to any
30 State law or regulation promulgated pursuant thereto, then the
31 determination shall take effect after the clerk has transmitted a copy
32 of the **[resolution]** ordinance to the commissioner. The
33 determination, if supported by substantial evidence and, if required,
34 approved by the commissioner, shall be binding and conclusive
35 upon all persons affected by the determination. **[Notice of the**
36 **determination shall be served, within 10 days after the**
37 **determination, upon each person who filed a written objection**
38 **thereto and stated, in or upon the written submission, an address to**
39 **which notice of determination may be sent.]**

40 (6) **[If written objections were filed in connection with the**
41 **hearing, the municipality shall, for 45 days next following its**
42 **determination to which the objections were filed, take no further**
43 **action to acquire any property by condemnation within the**
44 **redevelopment area.]** (Deleted by amendment, P.L. _____, c. ____)
45 (pending before the Legislature as this bill)

46 (7) **[If a person who filed a written objection to a determination**
47 **by the municipality pursuant to this subsection shall, within 45 days**

1 after the adoption by the municipality of the determination to which
2 the person objected, apply to the Superior Court, the court may
3 grant further review of the determination by procedure in lieu of
4 prerogative writ; and in any such action the court may make any
5 incidental order that it deems proper.】 (Deleted by amendment,
6 P.L. , c.) (pending before the Legislature as this bill)

7 (8) Notice of final adoption of an ordinance making a
8 determination shall be served, within 10 days after the final
9 adoption of the ordinance making such determination, upon each
10 person who received notice of the public hearing in accordance with
11 paragraph (3) of subsection b. of this section in the same manner as
12 provided therein. The notice shall inform the recipient of the right
13 to appeal the designation and shall provide the recipient with the
14 relevant deadlines for filing an appeal. Additionally, notice of final
15 adoption of an ordinance making a determination shall be published
16 in the official newspaper of the municipality, together with the date
17 of the first publication of such notice and also a statement that any
18 action or proceeding of any kind or nature in any court questioning
19 the validity of the adoption of the ordinance or the determination
20 contained therein, shall be commenced within 45 days after the first
21 publication of such notice.

22 (9) The municipality shall not finally adopt an ordinance
23 adopting a redevelopment plan in accordance with section 7 of
24 P.L.1992, c.79 (C.40A:12A-7) until 60 days have passed since the
25 ordinance making a determination under this section has been
26 finally adopted.

27 c. An area determined to be in need of redevelopment pursuant
28 to this section shall be deemed to be a “blighted area” for the
29 purposes of Article VIII, Section III, paragraph 1 of the
30 Constitution. If an area is determined to be a redevelopment area
31 and a redevelopment plan is adopted for that area in accordance
32 with the provisions of this act, the municipality is authorized to
33 utilize all those powers provided in section 8 of P.L.1992, c.79
34 (C.40A:12A-8).

35 (cf: P.L.2003, c.125, s.4)

36
37 6. Section 7 of P.L.1992, c.79 (C.40A:12A-7) is amended to
38 read as follows:

39 7. a. Following the determination of an area in need of
40 redevelopment pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-
41 6) or a determination of an area in need of rehabilitation pursuant to
42 section 14 of P.L.1992, c.79 (C.40A:12A-14), the municipality may
43 undertake the preparation of a redevelopment plan for all or some
44 part of the area determined to be in need of redevelopment or
45 rehabilitation, directly in accordance with subsection e. of this
46 section, or, by resolution, may direct the municipal planning board
47 to develop such plan in accordance with subsection f. of this
48 section. No redevelopment project shall be undertaken or carried

1 out except in accordance with a redevelopment plan [adopted by
2 ordinance of the municipal governing body, upon its finding that
3 the] relating to a specifically delineated project area that is located
4 in an area in need of redevelopment or in an area in need of
5 rehabilitation, or in both, according to criteria set forth in section 5
6 or section 14 of P.L.1992, c.79 (C.40A:12A-5 or 40A:12A-14), as
7 appropriate.

8 [The] A redevelopment plan shall include an outline for the
9 planning, development, redevelopment, or rehabilitation of the
10 project area sufficient to indicate:

11 (1) [Its] The relationship of the plan to [definite] local
12 objectives as set forth in the municipal master plan or other official
13 documents with respect to [appropriate] land uses, density of
14 population, [and improved] improvements or changes to traffic
15 circulation, pedestrian circulation and public transportation, public
16 utilities, recreational and community facilities and other public
17 improvements.

18 (2) Proposed land uses and building requirements in the project
19 area, including the character, intensity and scale of proposed
20 redevelopment activities, and the design and planning standards and
21 guidelines to govern those activities.

22 (3) [Adequate provision for] A relocation study adequate to
23 identify available units suitable to the temporary and permanent
24 relocation, as necessary, of residents and businesses in the project
25 area, as required by the "Relocation Assistance Act," P.L.1971,
26 c.362 (C.20:4-1 et seq.), including, for residents, an estimate of the
27 extent to which [decent, safe and sanitary dwelling units affordable
28 to displaced residents] comparable, affordable replacement housing
29 will be available [to them] in the existing local housing market, an
30 assessment of the disparity between the availability of comparable,
31 affordable replacement housing and the needs of the residents in the
32 project area, an estimate of the amount and type of replacement
33 housing that will have to be provided within or without the
34 redevelopment area in order to meet the relocation needs of
35 residents in the project area, and a plan setting forth the manner and
36 timetable in which that housing, if needed, will be provided.

37 (4) An identification, by block and lot and street address, if any,
38 of any property within the redevelopment area which is proposed to
39 be acquired in accordance with the redevelopment plan, including
40 an identification for each parcel of the objectives of the
41 redevelopment plan which cannot be realistically achieved without
42 the taking of such property, a consideration of alternatives to the
43 proposed taking, and the reasons that such alternatives do not
44 provide for realistic achievement of the objectives of the
45 redevelopment plan.

46 (5) Any significant relationship of the redevelopment plan to (a)
47 the master plans of contiguous municipalities, (b) the master plan of

1 the county in which the municipality is located, and (c) the State
2 Development and Redevelopment Plan adopted pursuant to the
3 “State Planning Act,” P.L.1985, c.398 (C.52:18A-196 et al.).

4 (6) The social and economic impact of the redevelopment area,
5 including its effect on those parts of the municipality adjacent to the
6 redevelopment area, and on the low and moderate income residents
7 of the area.

8 (7) An explanation of how any development controls contained
9 in the redevelopment plan are consistent with smart growth
10 planning principles adopted pursuant to law or regulation.

11 (8) An estimate of the number of dwelling units for low and
12 moderate income households that may be required as a result of
13 implementing the redevelopment plan in order to meet the
14 municipality’s obligations under the "Fair Housing Act," P.L.1985,
15 c.222 (C.52:27D-301 et al.) and the municipality’s plan for meeting
16 these obligations within or outside the redevelopment area.

17 (9) Provision for the replacement of any housing constructed for
18 low and moderate income households under the provisions of any
19 State or federal housing subsidy program which is to be removed as
20 a result of the redevelopment plan; provided that any such
21 replacement units shall not be counted toward the municipal
22 obligation under paragraph (8) of this subsection. Any rental
23 housing constructed under this subsection shall remain affordable to
24 low and moderate income households for a period of no less than 45
25 years or such other period established in State or federal financing
26 programs.

27 (10) Preservation or conservation strategies and goals for the
28 assets contained in the inventory of environmental, historical and
29 cultural assets in the delineated project area.

30 (11) A statement setting forth the municipal planning board’s
31 ability, if any, to grant relief to applicants from elements of the
32 redevelopment plan when reviewing and approving development
33 applications.

34 b. **[A]** In addition to that housing provided pursuant to
35 paragraph (8) of subsection a. of this section, a redevelopment plan
36 may include the provision of affordable housing in accordance with
37 the “Fair Housing Act,” P.L.1985, c.222 (C.52:27D-301 et al.) and
38 the housing element of the municipal master plan.

39 c. The redevelopment plan shall describe its relationship to
40 pertinent municipal development regulations as defined in the
41 “Municipal Land Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.).
42 The redevelopment plan shall supersede applicable provisions of the
43 development regulations of the municipality or constitute an
44 overlay zoning district within the redevelopment area. When the
45 redevelopment plan supersedes any provision of the development
46 regulations, the ordinance adopting the redevelopment plan shall
47 contain an explicit amendment to the zoning district map included
48 in the zoning ordinance. The zoning district map as amended shall

1 indicate the redevelopment area to which the redevelopment plan
2 applies. [Notwithstanding the provisions of the “Municipal Land
3 Use Law,” P.L.1975, c.291 (C.40:55D-1 et seq.) or of other law, no
4 notice beyond that required for adoption of ordinances by the
5 municipality shall be required for the hearing on or adoption of the
6 redevelopment plan or subsequent amendments thereof.]

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

14 e. [Prior to the adoption of a redevelopment plan, or revision
15 or amendment thereto, the] If a municipality prepares a
16 redevelopment plan directly, the municipal governing body shall
17 refer the proposed redevelopment plan to the municipal planning
18 board for review. Such referral may be by resolution. The
19 municipal planning board shall transmit to the governing body,
20 within 45 days after referral, a report containing its
21 recommendation concerning the redevelopment plan. This report
22 shall include an identification of any provisions in the proposed
23 redevelopment plan which are inconsistent with the master plan and
24 recommendations concerning these inconsistencies and any other
25 matters as the board deems appropriate. The governing body, when
26 considering the adoption of a redevelopment plan or revision or
27 amendment thereof, shall review the report of the planning board
28 and may approve or disapprove or change any recommendation by a
29 vote of a majority of its full authorized membership and shall
30 record in its minutes the reasons for not following the
31 recommendations. Failure of the planning board to transmit its
32 report within the required 45 days shall relieve the governing body
33 from the requirements of this subsection with regard to the pertinent
34 proposed redevelopment plan [or revision or amendment thereof].
35 Nothing in this subsection shall diminish the applicability of the
36 provisions of subsection d. of this section with respect to any
37 redevelopment plan or revision or amendment thereof.

38 f. The governing body of a municipality may direct the planning
39 board to prepare a redevelopment plan [or an amendment or
40 revision to a redevelopment plan] for a designated redevelopment
41 area. After completing the redevelopment plan, the planning board
42 shall transmit the proposed plan to the governing body for its
43 adoption. The governing body, when considering the proposed
44 plan, may amend or revise any portion of the proposed
45 redevelopment plan by an affirmative vote of the majority of its full
46 authorized membership and shall record in its minutes the reasons
47 for each amendment or revision. When a redevelopment plan [or

1 amendment to a redevelopment plan] is referred to the governing
2 body by the planning board under this subsection, the governing
3 body shall be relieved of the referral requirements of subsection e.
4 of this section.

5 g. Within 60 days after the governing body or planning board
6 begins preparation of the redevelopment plan, the governing body
7 or planning board shall conduct a public hearing on the goals and
8 content of the redevelopment plan. Notice of the public hearing
9 shall state the date, time, and location of the public hearing, shall
10 identify the borders of the area for which a plan is being developed.
11 A copy of the notice of the public hearing shall be published in a
12 newspaper of general circulation in the municipality once each
13 week for two consecutive weeks, and the last publication shall be
14 not less than 10 days prior to the date set for the hearing, and shall
15 be posted on the municipality's Internet web site, if any, and in such
16 other public places within or proximate to the proposed
17 redevelopment area as may be available and appropriate. A copy of
18 the notice shall be mailed by the municipal clerk at least 10 days
19 prior to the date set for the hearing to the last owner, if any, of each
20 parcel of property and any legal tenant of a residential rental
21 dwelling unit, within the area according to the assessment records
22 of the municipality. The municipal clerk shall make a diligent
23 effort to ascertain the names and addresses of legal tenants of rental
24 dwelling units by contacting the legal owner of the rental property
25 or a management company identified by such owner, but if unable
26 to do so shall have a copy of the notice posted on properties known
27 to be rental dwelling units. At such public hearing, the municipal
28 governing body shall hear all persons who are interested in or
29 would be affected by the redevelopment plan, although the planning
30 board or governing body may, by vote of its majority, restrict or
31 limit the amount of time afforded each such person to speak. A
32 record of the public hearing shall be kept by the municipal clerk.

33 h. Amendments to redevelopment plans shall be prepared and
34 adopted in the same manner provided for a redevelopment plan.

35 i. The redevelopment plan shall be adopted by ordinance of the
36 municipal governing body. Prior to final adoption of the ordinance,
37 the municipal governing body shall conduct a public hearing on the
38 ordinance and all interested persons shall be allowed to speak.
39 Notice of the public hearing shall state the date, time, and location
40 of the public hearing, shall identify where the proposed
41 redevelopment plan is available for examination and shall identify,
42 by block and lot and street address, if any, the parcels that may be
43 subject to eminent domain under the proposed redevelopment plan.
44 The full text of the redevelopment plan to be considered by the
45 governing body along with any maps or other exhibits thereto, shall
46 be made available to the public in the municipal building and shall
47 be posted on the municipality's Internet web site, if any, at the time
48 such notice to such hearing is to be provided. Copies of the

1 proposed redevelopment plan shall be available for purchase by any
2 interested party. A copy of the notice of the public hearing shall be
3 published in a newspaper of general circulation in the municipality
4 once each week for two consecutive weeks, and the last publication
5 shall be not less than 10 days prior to the date set for the hearing,
6 and shall be posted on the municipality's Internet web site and in
7 such other public places within or proximate to the proposed
8 redevelopment area as may be available and appropriate. A copy of
9 the notice shall be mailed by the municipal clerk at least 10 days
10 prior to the date set for the hearing to the last owner, if any, of each
11 parcel of property and any legal tenant of a residential rental
12 dwelling unit, within the area according to the assessment records
13 of the municipality. The municipal clerk shall make a diligent
14 effort to ascertain the names and addresses of legal tenants of
15 residential rental dwelling units by contacting the legal owner of the
16 rental property or a management company identified by such owner,
17 but if unable to do so shall have a copy of the notice posted on
18 properties known to contain residential rental dwelling units. For
19 property owners whose properties do not exhibit conditions of
20 blight and are proposed to be acquired under the redevelopment
21 plan, the notice shall specify the reason why acquiring the property
22 is necessary for the redevelopment of the area. A notice shall also
23 be sent by the municipal clerk to all persons at their last known
24 address, if any, whose names are noted on the assessment records as
25 claimants of an interest in any such parcel. The assessor of the
26 municipality shall make a notation upon the records when requested
27 to do so by any person claiming to have an interest in any parcel of
28 property in the municipality. The notice shall be published and
29 mailed by the municipal clerk. Failure to mail any such notice shall
30 not invalidate the redevelopment plan. At such public hearing, the
31 municipal governing body shall hear all persons who are interested
32 in or would be affected by the provisions of the redevelopment
33 plan, although the governing body may, by vote of its majority,
34 restrict or limit the amount of time afforded each such person to
35 speak. A record of the public hearing shall be kept by the
36 municipal clerk. Upon the close of the public hearing, the
37 municipal governing body may vote to finally adopt the ordinance.

38 j. Notice of final adoption of an ordinance adopting a
39 redevelopment plan shall be served, within 10 days after the final
40 adoption of the ordinance making such determination, upon each
41 person who received notice of the public hearing in accordance with
42 subsection h. of this section in the same manner as provided therein.
43 Additionally, notice of final adoption of an ordinance making a
44 determination shall be published in the official newspaper of the
45 municipality, together with the date of the first publication of such
46 notice and also a statement that any action or proceeding of any
47 kind or nature in any court questioning the validity of the adoption

1 of the ordinance or the determination contained therein, shall be
2 commenced within 45 days after the first publication of such notice.

3 k. The municipality may not finally authorize and execute an
4 agreement with a redeveloper until 60 days next following the final
5 adoption of the ordinance adopting a redevelopment plan pursuant
6 to this section.

7 (cf: P.L.1992, c.79, s.7)

8

9 7. Section 8 of P.L.1992, c.79 (C.40A:12A-8) is amended to
10 read as follows:

11 8. Upon the adoption of a redevelopment plan pursuant to
12 section 7 of P.L.1992, c.79 (C.40A:12A-7), the municipality or
13 redevelopment entity designated by the governing body may
14 proceed with the clearance, replanning, development and
15 redevelopment of the area designated in that plan. In order to carry
16 out and effectuate the purposes of this act and the terms of the
17 redevelopment plan, the municipality or designated redevelopment
18 entity may:

19 a. Undertake redevelopment projects, and for this purpose issue
20 bonds in accordance with the provisions of section 29 of P.L.1992,
21 c.79 (C.40A:12A-29).

22 b. Acquire property pursuant to subsection i. of section 22 of
23 P.L.1992, c.79 (C.40A:12A-22).

24 c. Acquire, by condemnation, any land or building which is
25 necessary for the redevelopment project, pursuant to the provisions
26 of the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et
27 seq.); provided, however, that for properties to be acquired under
28 the terms of an agreement entered into after the effective date of
29 P.L. , c. (C.) (pending before the Legislature as this bill),
30 the valuation of such properties shall take into account the uses
31 permitted for such property under the redevelopment plan and shall
32 be based on the date the municipality files the declaration of taking
33 or the date of adoption of the redevelopment plan, whichever yields
34 the higher valuation. For residential properties, if neither of these
35 two valuations is equal to or more than the "replacement value" of
36 the home, then the valuation of such properties must be at least the
37 "replacement value" of the home, which shall be defined as the
38 approximate value of a home of similar size and quality under
39 comparable conditions, within the municipality and within a
40 reasonable distance of the property being condemned. Furthermore,
41 persons displaced pursuant to implementation of a redevelopment
42 plan shall be entitled to all rights and benefits provided under the
43 Uniform Transportation Replacement Housing and Relocation Act,
44 P.L.1972, c.47 (C.27:7-72 et seq.), and rules and regulations
45 adopted in accordance thereof.

46 d. Clear any area owned or acquired and install, construct or
47 reconstruct streets, facilities, utilities, and site improvements

- 1 essential to the preparation of sites for use in accordance with the
2 redevelopment plan.
- 3 e. Prepare or arrange by contract for the provision of
4 professional services and the preparation of plans by registered
5 architects, licensed professional engineers or planners, or other
6 consultants for the carrying out of redevelopment projects.
- 7 f. Arrange or contract with public agencies or redevelopers for
8 the planning, replanning, construction, or undertaking of any
9 project or redevelopment work, or any part thereof; negotiate and
10 collect revenue from a redeveloper to defray the costs of the
11 redevelopment entity, including where applicable the costs incurred
12 in conjunction with bonds, notes or other obligations issued by the
13 redevelopment entity, and to secure payment of such revenue; as
14 part of any such arrangement or contract, provide for extension of
15 credit, or making of loans, to redevelopers to finance any project or
16 redevelopment work, or upon a finding that the project or
17 redevelopment work would not be undertaken but for the provision
18 of financial assistance, or would not be undertaken in its intended
19 scope without the provision of financial assistance, provide as part
20 of an arrangement or contract for capital grants to redevelopers; and
21 arrange or contract with public agencies or redevelopers for the
22 opening, grading or closing of streets, roads, roadways, alleys, or
23 other places or for the furnishing of facilities or for the acquisition
24 by such agency of property options or property rights or for the
25 furnishing of property or services in connection with a
26 redevelopment area.
- 27 g. Lease or convey property or improvements to any other
28 party pursuant to this section, without public bidding and at such
29 prices and upon such terms as it deems reasonable, provided that
30 the lease or conveyance is made in conjunction with a
31 redevelopment plan, and that the selection of the party has taken
32 place subject to the provisions of section 11 of P.L. , c. (C.)
33 (pending before the Legislature as this bill), if applicable,
34 notwithstanding the provisions of any other law, rule, or regulation
35 to the contrary.
- 36 h. Enter upon any building or property in any redevelopment
37 area in order to conduct investigations or make surveys, sounding or
38 test borings necessary to carry out the purposes of this act.
- 39 i. Arrange or contract with a public agency for the relocation,
40 pursuant to the "Relocation Assistance Law of 1967," P.L.1967,
41 c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act,"
42 P.L.1971, c.362 (C.20:4-1 et seq.), of residents, industry or
43 commerce displaced from a redevelopment area.
- 44 j. Make, consistent with the redevelopment plan: (1) plans for
45 carrying out a program of voluntary repair and rehabilitation of
46 buildings and improvements; and (2) plans for the enforcement of
47 laws, codes, and regulations relating to the use and occupancy of
48 buildings and improvements, and to the compulsory repair,

1 rehabilitation, demolition, or removal of buildings and
2 improvements.

3 k. Request that the planning board recommend and governing
4 body designate particular areas as being in need of redevelopment
5 or rehabilitation in accordance with the provisions of this act and
6 make recommendations for the redevelopment or rehabilitation of
7 such areas.

8 l. Study the recommendations of the planning board or
9 governing body for redevelopment of the area.

10 m. Publish and disseminate information concerning any
11 redevelopment area, plan or project.

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

13 o. Authorize and execute a written agreement designating a
14 redeveloper or redevelopers to undertake a project or projects in
15 accordance with the redevelopment plan; provided, however, that if
16 such project or projects will involve the conveyance of land owned
17 by the municipality or any project, 20% or more of which will be
18 constructed upon land subject to acquisition by the municipality
19 pursuant to the redevelopment plan, such designation shall be based
20 upon the results of a competitive process undertaken in accordance
21 with section 11 of P.L. , c. (C.) (pending before the
22 Legislature as this bill).

23 (cf: P.L.1992, c.79, s.8)

24

25 8. Section 14 of P.L.1992, c.79 (C.40A:12A-14) is amended to
26 read as follows:

27 14. a. A delineated area may be determined to be in need of
28 rehabilitation if the governing body of the municipality determines
29 by resolution that a program of rehabilitation, as defined in section
30 3 of P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent
31 further deterioration and promote the overall development of the
32 community and that there exist in that area conditions such that:

33 (1) a significant portion of structures therein are in a
34 deteriorated or substandard condition and there is a continuing
35 pattern of vacancy, abandonment or underutilization of properties in
36 the area, **[with] which may be reflected in** a persistent arrearage of
37 property tax payments thereon; **[or]**

38 (2) **[more than half] a significant amount** of the housing stock
39 **[in the delineated area is at least 50 years old, or a majority of the**
40 **water and sewer] or** infrastructure in the delineated area, **or both,** is
41 **[at least 50 years old and is]** in need of repair or substantial
42 maintenance; **[and]**

43 (3) **[a program of rehabilitation, as defined in section 3 of**
44 **P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent further**
45 **deterioration and promote the overall development of the**
46 **community] (Deleted by amendment, P.L. , c. .) (pending before**
47 **the Legislature as this bill);**

1 (4) areas with buildings or improvements evidencing
2 dilapidation, obsolescence, overcrowding, faulty arrangement or
3 design, lack of ventilation, light and sanitary facilities, excessive
4 land coverage, deleterious land use or obsolete layout, or any
5 combination of these or other factors; or

6 (5) a growing lack or total lack of proper utilization of areas
7 resulting in a stagnant or not fully productive condition of land
8 potentially useful and valuable for contributing to and serving the
9 public health, safety, and welfare.

10 The resolution determining that the area is in need of
11 rehabilitation shall be based upon a written report documenting the
12 conditions that provide the basis for the determination that the area
13 is in need of rehabilitation. Where warranted by consideration of
14 the overall conditions and requirements of the community, a finding
15 of need for rehabilitation may extend to the entire area of a
16 municipality. Prior to adoption of the resolution, the governing
17 body shall submit **【it】** the proposed resolution together with the
18 report that provides the basis for the determination to the municipal
19 planning board for its review. Within 45 days of its receipt of the
20 proposed resolution, the municipal planning board shall submit its
21 recommendations regarding the proposed resolution, including any
22 modifications which it may recommend, to the governing body for
23 its consideration. Thereafter, or after the expiration of the 45 days
24 if the municipal planning board does not submit recommendations,
25 the governing body may adopt the resolution, with or without
26 modification. The resolution shall not become effective without the
27 approval of the commissioner pursuant to section 6 of P.L.1992,
28 c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

29 b. A delineated area shall be deemed to have been determined
30 to be an area in need of rehabilitation in accordance with the
31 provisions of this act if it has heretofore been determined to be an
32 area in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-
33 3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or P.L.1979,
34 c.233 (C.54:4-3.121 et seq.).
35 (cf: P.L.2003, c.125, s.5)

36
37 9. Section 15 of P.L.1992, c.79 (C40A:12A-15) is amended to
38 read as follows:

39 15. In accordance with the provisions of a redevelopment plan
40 adopted pursuant to section 7 of P.L.1992, c.79 (C.40A:12A-7), a
41 municipality or redevelopment entity may proceed with clearance,
42 replanning, conservation, development, redevelopment and
43 rehabilitation of an area in need of rehabilitation. **【With respect to**
44 **a redevelopment project in】** In an area in need of rehabilitation, the
45 municipality or redevelopment entity, upon the adoption of a
46 redevelopment plan for the area, may perform any of the actions set
47 forth in section 8 of P.L.1992, c.79 (C.40A:12A-8), except that
48 **【with respect to such a project】** the municipality shall not have the

1 power to use eminent domain to take or acquire private property by
2 condemnation in furtherance of a redevelopment plan, unless [: a.
3 the area is within an area determined to be in need of
4 redevelopment pursuant to this act; or b.] exercise of that power is
5 authorized under any other law of this State.

6 (cf: P.L.1992, c.79, s.15)

7

8 10. Section 19 of P.L.1975, c.291 (C.40:55D-28) is amended to
9 read as follows:

10 19. **[Preparation; contents; modification.]** a. The planning
11 board may prepare and, after public hearing, adopt or amend a
12 master plan or component parts thereof, to guide the use of lands
13 within the municipality in a manner which protects public health
14 and safety and promotes the general welfare.

15 b. The master plan shall generally comprise a report or
16 statement and land use and development proposals, with maps,
17 diagrams and text, presenting, at least the following elements (1)
18 and (2) and, where appropriate, the following elements (3) through
19 **[14] 15**):

20 (1) A statement of objectives, principles, assumptions, policies
21 and standards upon which the constituent proposals for the physical,
22 economic and social development of the municipality are based;

23 (2) A land use plan element (a) taking into account and stating
24 its relationship to the statement provided for in paragraph (1)
25 hereof, and other master plan elements provided for in paragraphs
26 (3) through **[14] 15**) hereof and natural conditions, including, but
27 not necessarily limited to, topography, soil conditions, water
28 supply, drainage, flood plain areas, marshes, and woodlands; (b)
29 showing the existing and proposed location, extent and intensity of
30 development of land to be used in the future for varying types of
31 residential, commercial, industrial, agricultural, recreational,
32 educational and other public and private purposes or combination of
33 purposes; and stating the relationship thereof to the existing and any
34 proposed zone plan and zoning ordinance; and (c) showing the
35 existing and proposed location of any airports and the boundaries of
36 any airport safety zones delineated pursuant to the "Air Safety and
37 Zoning Act of 1983," P.L.1983, c.260 (C.6:1-80 et seq.); and (d)
38 including a statement of the standards of population density and
39 development intensity recommended for the municipality;

40 (3) A housing plan element pursuant to section 10 of P.L.1985,
41 c.222 (C.52:27D-310), including, but not limited to, residential
42 standards and proposals for the construction and improvement of
43 housing;

44 (4) A circulation plan element showing the location and types of
45 facilities for all modes of transportation required for the efficient
46 movement of people and goods into, about, and through the
47 municipality, taking into account the functional highway

1 classification system of the Federal Highway Administration and
2 the types, locations, conditions and availability of existing and
3 proposed transportation facilities, including air, water, road and rail;

4 (5) A utility service plan element analyzing the need for and
5 showing the future general location of water supply and distribution
6 facilities, drainage and flood control facilities, sewerage and waste
7 treatment, solid waste disposal and provision for other related
8 utilities, and including any storm water management plan required
9 pursuant to the provisions of P.L.1981, c.32 (C.40:55D-93 et seq.).
10 If a municipality prepares a utility service plan element as a
11 condition for adopting a development transfer ordinance pursuant to
12 subsection c. of section 4 of P.L.2004, c.2 (C.40:55D-140), the plan
13 element shall address the provision of utilities in the receiving zone
14 as provided thereunder;

15 (6) A community facilities plan element showing the existing
16 and proposed location and type of educational or cultural facilities,
17 historic sites, libraries, hospitals, firehouses, police stations and
18 other related facilities, including their relation to the surrounding
19 areas;

20 (7) A recreation plan element showing a comprehensive system
21 of areas and public sites for recreation;

22 (8) A conservation plan element providing for the preservation,
23 conservation, and utilization of natural resources, including, to the
24 extent appropriate, energy, open space, water supply, forests, soil,
25 marshes, wetlands, harbors, rivers and other waters, fisheries,
26 endangered or threatened species wildlife and other resources, and
27 which systemically analyzes the impact of each other component
28 and element of the master plan on the present and future
29 preservation, conservation and utilization of those resources;

30 (9) An economic plan element considering all aspects of
31 economic development and sustained economic vitality, including
32 (a) a comparison of the types of employment expected to be
33 provided by the economic development to be promoted with the
34 characteristics of the labor pool resident in the municipality and
35 nearby areas and (b) an analysis of the stability and diversity of the
36 economic development to be promoted;

37 (10) A historic preservation plan element: (a) indicating the
38 location and significance of historic sites and historic districts; (b)
39 identifying the standards used to assess worthiness for historic site
40 or district identification; and (c) analyzing the impact of each
41 component and element of the master plan on the preservation of
42 historic sites and districts;

43 (11) Appendices or separate reports containing the technical
44 foundation for the master plan and its constituent elements;

45 (12) A recycling plan element which incorporates the State
46 Recycling Plan goals, including provisions for the collection,
47 disposition and recycling of recyclable materials designated in the
48 municipal recycling ordinance, and for the collection, disposition

1 and recycling of recyclable materials within any development
2 proposal for the construction of 50 or more units of single-family
3 residential housing or 25 or more units of multi-family residential
4 housing and any commercial or industrial development proposal for
5 the utilization of 1,000 square feet or more of land;

6 (13) A farmland preservation plan element, which shall include:
7 an inventory of farm properties and a map illustrating significant
8 areas of agricultural land; a statement showing that municipal
9 ordinances support and promote agriculture as a business; and a
10 plan for preserving as much farmland as possible in the short term
11 by leveraging monies made available by P.L.1999, c.152 (C.13:8C-
12 1 et al.) through a variety of mechanisms including, but not limited
13 to, utilizing option agreements, installment purchases, and
14 encouraging donations of permanent development easements; **[and]**

15 (14) A development transfer plan element which sets forth the
16 public purposes, the locations of sending and receiving zones and
17 the technical details of a development transfer program based on the
18 provisions of section 5 of P.L.2004, c.2 (C.40:55D-141); and

19 (15) A redevelopment plan element identifying all areas that
20 have been designated in need of redevelopment or rehabilitation in
21 the municipality as well as additional areas that may be so
22 designated in the future, the goals and objectives of projected
23 redevelopment activities in those areas during the time period
24 covered by the master plan, the manner in which those activities
25 further the social, economic, and physical improvement of the
26 municipality, and the manner in which redevelopment activities are
27 linked to other activities being carried out by the municipality
28 pursuant to the municipal master plan, including improvements to
29 infrastructure, transportation improvements, and the construction of
30 public and community facilities.

31 c. The master plan and its plan elements may be divided into
32 subplans and subplan elements projected according to periods of
33 time or staging sequences.

34 d. The master plan shall include a specific policy statement
35 indicating the relationship of the proposed development of the
36 municipality, as developed in the master plan to (1) the master plans
37 of contiguous municipalities, (2) the master plan of the county in
38 which the municipality is located, (3) the State Development and
39 Redevelopment Plan adopted pursuant to the "State Planning Act,"
40 sections 1 through 12 of P.L.1985, c.398 (C.52:18A-196 et seq.)
41 and (4) the district solid waste management plan required pursuant
42 to the provisions of the "Solid Waste Management Act," P.L.1970,
43 c.39 (C.13:1E-1 et seq.) of the county in which the municipality is
44 located.

45 In the case of a municipality situated within the Highlands
46 Region, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), the
47 master plan shall include a specific policy statement indicating the
48 relationship of the proposed development of the municipality, as

1 developed in the master plan, to the Highlands regional master plan
2 adopted pursuant to section 8 of P.L.2004, c.120 (C.13:20-8).
3 (cf: P.L.2004, c.120, s.60)

4
5 11. (New section) a. Whenever a redevelopment project or
6 projects involve the conveyance of land owned by the municipality,
7 or any project, 20% or more of which will be constructed upon land
8 subject to acquisition by the municipality or redevelopment entity
9 pursuant to the redevelopment plan, the municipality shall approve,
10 by ordinance, a written agreement designating a redeveloper
11 selected in accordance with this section.

12 b. The municipality or redevelopment entity shall prepare or
13 have prepared request for proposal documentation, which shall
14 include: all requirements deemed appropriate and necessary to
15 allow for full and free competition between potential redevelopers;
16 information necessary for potential redevelopers to submit a
17 proposal, including a copy of the redevelopment plan, a general
18 description of the project or projects, and such municipal public
19 records relating to buildings and improvements within the
20 redevelopment area, including, but not limited to, services provided
21 by public utilities, building permit, and assessment records; and a
22 methodology by which the municipality will evaluate and rank
23 proposals received from potential redevelopers.

24 c. The methodology for selecting a redeveloper shall be based
25 on an evaluation and ranking which may include overall design,
26 technical expertise, demonstrated experience on projects similar to
27 the proposed project, the ability to finance the proposed project, and
28 such other stated criteria as the municipality shall deem relevant.

29 d. At no time during the proposal solicitation process shall the
30 municipality or redevelopment entity, or any employee or agent
31 thereof, convey information to the public or any potential
32 redeveloper which could confer an unfair advantage upon that
33 potential redeveloper over any other potential redeveloper. If the
34 municipality or redevelopment entity desires to change proposal
35 documentation, the municipality or redevelopment entity shall
36 notify only those potential redevelopers who received the proposal
37 documentation of any and all changes in writing, and all existing
38 documentation shall be changed appropriately.

39 e. All proposals shall be required to contain a statement of
40 corporate ownership in accordance with the provisions of section 1
41 of P.L.1977, c.33 (C.52:25-24.2) and specifications concerning
42 equal employment opportunity and affirmative action pursuant to
43 P.L.1975, c.127 (C.10:5-31 et seq.)

44 f. A notice of the availability of request for proposal
45 documentation shall be published in an official newspaper of the
46 municipality at least 30 days prior to the date established for the
47 submission of proposals. Such notice shall provide the name,
48 address, and phone number of the person who can provide

1 additional information and a proposal document to an interested
2 party. The municipality or redevelopment entity shall promptly
3 reply to any request by an interested party by providing a copy of
4 the request for proposals. The municipality or redevelopment entity
5 may charge a fee for the proposal documentation that shall not
6 exceed \$50 or the cost of reproducing the documentation,
7 whichever is greater.

8 g. Each interested potential redeveloper shall submit a proposal
9 which shall include all the information required by the request for
10 proposals. Failure to meet the requirements of the request for
11 proposals may result in the municipality or redevelopment entity
12 disqualifying the potential redeveloper from further consideration.

13 h. The municipality or redevelopment entity shall review and
14 evaluate all proposals only in accordance with the methodology
15 described in the request for proposals. The review shall be
16 conducted in a manner that avoids disclosure of the contents of any
17 proposal prior to the selection of a redeveloper. The municipality
18 or redevelopment entity may conduct discussions with a potential
19 redeveloper submitting a proposal for the purpose of clarifying the
20 information submitted in the proposal. The municipality or
21 redevelopment entity may at any time revise its proposal document
22 after the review of the submitted proposals if it notifies
23 simultaneously, and in writing, each potential redeveloper that
24 submitted a proposal of the revision and provides a uniform time
25 within which the potential redevelopers may submit a revised
26 proposal for review.

27 i. The municipality or redevelopment entity shall select the
28 proposal that received the highest evaluation and shall negotiate an
29 agreement with the potential redeveloper that submitted the selected
30 proposal. If the municipality or redevelopment entity is unable to
31 negotiate a satisfactory agreement with the potential redeveloper
32 that submitted the selected proposal, it may select the proposal that
33 received the second highest evaluation from among those submitted
34 and proceed to negotiate a satisfactory contract with the potential
35 redeveloper that submitted that proposal. The process shall
36 continue until a redeveloper is selected or the process is abandoned
37 by the municipality or redevelopment entity. The decision to
38 abandon the proposal process shall be by a resolution adopted by
39 the governing body of the municipality or redevelopment entity.

40 j. After a redeveloper has been selected and a satisfactory
41 agreement has been negotiated, but prior to the execution of the
42 agreement by the governing body or redevelopment entity, the
43 municipality or redevelopment entity shall prepare a report
44 concerning the proposal selection process. The report shall list the
45 names of all potential redevelopers who submitted a proposal and
46 shall summarize the proposals of each potential redeveloper. The
47 report shall (1) rank the potential redevelopers in order of
48 evaluation; (2) summarize, in general terms, any unsuccessful

1 negotiations with potential redevelopers that submitted proposals
2 which were ranked higher than the proposal of the selected
3 redeveloper; (3) recommend the selected redeveloper; and (4)
4 summarize the project to be undertaken and the relevant terms of
5 the proposed agreement. The report shall be made available to the
6 public at least 48 hours prior to the introduction of an ordinance
7 authorizing an agreement with the redeveloper.

8 k. The governing body of the municipality or redevelopment
9 entity shall have the right to reject all proposals for any reason, but
10 such reason must be given and the municipality shall not authorize
11 another request for proposals concerning the same project or
12 projects for a period of 30 days after the date of rejection or
13 abandonment by the governing body.

14 l. Nothing in this section shall limit the authority of a
15 municipality to convey property within a redevelopment area for
16 nominal consideration to any of the entities designated in section 21
17 of the "Local Lands and Buildings Law," P.L.1971, c.199
18 (C.40A:12-21) for any of the uses set forth therein, and to enter into
19 redevelopment agreements with such entities for such uses without
20 complying with the provisions of this section.

21

22 12. (New section) If any agreement between a redevelopment
23 entity and a redeveloper shall provide for the use or potential use of
24 eminent domain by the redevelopment entity, such agreement shall
25 contain:

26 a. a block and lot identification of all parcels which may be
27 subject to eminent domain at the request of the redeveloper;

28 b. a schedule of acquisition by the redeveloper; and

29 c. a provision stating that the ability of the redeveloper to
30 request acquisition by eminent domain shall lapse within five years
31 of the effective date of the agreement, which provision may only be
32 further extended by an ordinance adopted by the governing body
33 after notice to any property owner whose rights will be directly
34 affected by such an extension.

35 All mandatory schedules and time limitations within these
36 provisions may be subject to tolling for any contingencies set forth
37 in the agreement.

38

39 13. (New section) Every resident displaced as a result of a
40 redevelopment project shall have a limited right of first refusal to
41 purchase or lease a dwelling unit subsequently constructed within
42 the redevelopment project as set forth in this section:

43 a. At such time residents are provided notice pursuant to the
44 Workable Relocation Assistance Plan pursuant to law or regulation
45 adopted pursuant thereto, they shall be provided with the
46 opportunity to have their names entered into a registry of residents
47 seeking the opportunity to purchase or lease a dwelling unit in the
48 redevelopment project. The registry shall be maintained by the

1 municipal relocation officer designated under the Workable
2 Relocation Assistance Plan.

3 b. At such time that any residential development containing
4 more than 10 dwelling units shall be constructed in any
5 redevelopment area as a redevelopment project, the developer shall
6 notify each individual on the registry, by registered mail and by e-
7 mail to their last known mailing or e-mail address, as may be
8 available, of their opportunity to purchase or lease a dwelling unit.
9 It shall be the sole responsibility of the individual to maintain a
10 current mailing address with the registry, and the developer shall be
11 under no obligation to provide notice except as set forth in this
12 subsection.

13 c. From the date of mailing of the notice, the individuals on the
14 registry shall have eight business days before the units in such
15 development are offered to the general public in order to enter into
16 a contract of purchase or a lease for a unit in the development. Such
17 contract or lease shall be on the same terms and at the same price as
18 those on which the unit is initially offered to the general public.

19

20 14. (New section) a. For all areas determined to be in need of
21 redevelopment, the municipality shall submit to the Department of
22 Community Affairs a map outlining the physical boundaries of the
23 redevelopment area, the preliminary investigation report, and a
24 copy of the ordinance making the determination. This information
25 shall be transmitted within 60 days of the effective date of this act
26 for areas determined to be in need of redevelopment on or prior to
27 the effective date of this act, or within 10 days after the area is
28 determined to be in need of redevelopment after the effective date
29 of this act.

30 b. For all condemnations of properties that occur pursuant to
31 subsection c. of section 8 of P.L.1992, c.79 (C.40A:12A-8), the
32 municipality shall submit to the Department of Community Affairs
33 record of the condemnation and the compensation provided to the
34 property owner within 10 days of the taking.

35 c. Each year the Department of Community Affairs shall issue
36 a report that lists the location of all areas currently determined to be
37 in need of redevelopment in New Jersey; basic data for each area
38 about its size, population, the status of the redevelopment plan
39 implementation, the length of time the area has been designated as
40 an area in need of redevelopment, the number of times eminent
41 domain has been used in each redevelopment area, and data on
42 compensation received by property owners, when available. This
43 report shall be made available to the general public upon request
44 and on the Department of Community Affairs Internet web site.

45

46 15. This act shall take effect on the first day of the fourth month
47 next following enactment. Any final action taken by a municipality
48 or redevelopment entity with respect to: a determination that an area

1 is in need of redevelopment or in need of rehabilitation; enactment
2 of a redevelopment plan; or designation of a redeveloper, prior to
3 the effective date of this act shall have full force and effect, but any
4 subsequent official action by the municipality or redevelopment
5 entity after the effective date of this act shall be subject to its
6 provisions.

7
8
9 STATEMENT

10
11 This bill amends and supplements the provisions of the Local
12 Redevelopment and Housing law to provide greater accountability
13 and transparency in its use by local governments in New Jersey. In
14 June, 2005, the United States Supreme Court decided the case of
15 Kelo v. City of New London, Connecticut, 125 S.Ct. 2655 (2005),
16 which dealt with the exercise of eminent domain by a local
17 government to promote economic development. While the facts of
18 that case are different than the law in New Jersey, the case provided
19 an opportunity for the Legislature to examine the use of eminent
20 domain by New Jersey municipalities exercising its redevelopment
21 powers.

22 The New Jersey Constitution of 1947, Article VIII, Section III,
23 paragraph 1, provides that:

24 the clearance, replanning, development or redevelopment
25 of blighted areas shall be a public purpose and public
26 use, for which private property may be taken or acquired.
27 Municipal, public or private corporations may be
28 authorized by law to undertake such clearance,
29 replanning, development or redevelopment; and
30 improvements made for these purposes and uses, or for
31 any of them, may be exempted from taxation, in whole or
32 in part, for a limited period of time during which the
33 profits of and dividends payable by any private
34 corporation enjoying such tax exemption shall be limited
35 by law. The conditions of use, ownership, management
36 and control of such improvements shall be regulated by
37 law.

38 This power was first implemented by the Legislature with the
39 adoption of the Blighted Areas Act in 1949. The law was amended
40 and modified several times and was last re-codified by the
41 Legislature in 1992 as the "Local Redevelopment and Housing
42 Law," N.J.S.A.40A:12A-1 et seq.

43 As presently enacted, the "Local Redevelopment and Housing
44 Law" is broader than the law first drafted in 1949. The sponsor
45 believes that in many cases, this broadening was an attempt by prior
46 Legislatures to respond to the changing needs of New Jersey
47 municipal officials. In 1949, blight was largely an urban issue,
48 characterized by abandoned factories and substandard housing. In

1 the ensuing 50 years, the concept was broadened to include issues
2 such as environmental contamination, faulty land use decisions, and
3 underproductive land that could be found in urban, suburban and
4 rural parts of our State. In turn, local government officials
5 representing all three types of municipalities have undertaken
6 redevelopment projects permitted under existing law. Following
7 the Kelo decision, these activities have fallen under greater public
8 scrutiny and led to the reexamination of the law by the Legislature
9 and the introduction of this bill.

10 This bill does not seek to prevent the exercise of eminent
11 domain, but it does seek to ensure that it is used more judiciously
12 and produces equitable results. The criteria for finding property to
13 be an “area in need of redevelopment” would be reorganized and
14 certain criteria would be amended to remove the possibility of a
15 property owner losing their homes simply because a “better” use
16 could be envisioned by a local government official. Further, the
17 ability to include non-qualifying parcels in an area in need of
18 redevelopment would be limited to 20% of the land mass within the
19 proposed redevelopment area. If eminent domain is going to be
20 used, the bill would require that the redevelopment agreement
21 contain a timeframe for the acquisition of such property and a
22 requirement that all requests for the use of eminent domain be made
23 within five years of the date of the redevelopment agreement.
24 Awards for eminent domain would be based on the highest value of
25 the property, either at the time of taking or the time of the adoption
26 of the redevelopment plan and would be based on the uses
27 permitted under the plan. Furthermore, residential property owners
28 whose homes are taken by eminent domain would be ensured that
29 compensation would at least equal the replacement value of the heir
30 home. Additionally, any resident dislocated by the use of eminent
31 domain would be entitled to all rights and benefits under the
32 Uniform Transportation Replacement Housing and Relocation Act,
33 N.J.S.A.27:7-72 et seq., and be granted a right of first refusal to
34 purchase or lease a unit within the redevelopment project that
35 resulted in their displacement.

36 The notice provisions for designing and undertaking a
37 redevelopment project would be greatly enhanced under the bill.
38 The bill would require that the hearing notice be in simple, clear
39 and easily understandable format and would tell people that a
40 consequence of the designation of an area as being in need of
41 redevelopment could be the use of eminent domain. Prior to the
42 hearing, all documents relevant to the determination of an area in
43 need of redevelopment would be made available for public
44 inspection and posted on the municipal website. At the hearing, all
45 testimony would be provided under oath or affirmation and the
46 hearing would be recorded or transcribed.

47 The bill would require an informational meeting before the
48 process is formally begun for larger redevelopment projects. Notice

1 to impacted property owners, including tenants, would be greatly
2 expanded to include direct notice during, (1) the study of a
3 proposed redevelopment area by a planning board, (2) the
4 designation of an area in need of redevelopment by the governing
5 body, and (3) the formulation and adoption of a redevelopment
6 plan. For the adoption of a redevelopment plan, such notice would
7 also be required to identify which parcels within the redevelopment
8 area would be subject to acquisition by eminent domain and inform
9 notice recipients of the right to appeal the determination.

10 An additional public hearing will be required to be held within
11 60 days of undertaking the preparation of a redevelopment plan to
12 afford public comment on the goals and content of the proposed
13 plan. Notice of public hearing upon adoption of a redevelopment
14 plan would notify those property owners whose properties do not
15 exhibit blight conditions of the reasons why acquisition of their
16 properties are needed for the redevelopment project.

17 Additionally, the bill would require all significant steps of the
18 process to be undertaken by ordinance so that public hearings are
19 held by the governing body at each critical point in the process.
20 Once a critical step is taken, the bill would provide a mandatory
21 waiting period before moving onto the next step. This period would
22 allow for proper planning and a chance for the impacted property
23 owners, residents and neighbors to educate themselves about what
24 has occurred and seek legal redress if they so choose. Once the
25 waiting period has run, municipalities will be able to continue the
26 process with a sense of finality and larger degree of certainty that
27 their previous actions are valid and safeguarded from judicial attack
28 in the future. These amendments to the eminent domain and land
29 use laws will add transparency to a process that is often subject to
30 unnecessary miscommunication and will provide for the opportunity
31 for greater public input and consensus.

32 The bill would also expand the scope of future redevelopment
33 plans to identify, not just the benefits inherent in future
34 redevelopment projects, but also the costs. In addition to an
35 analysis of the land use controls, a redevelopment plan would be
36 required to contain an inventory of environmental, historical and
37 cultural assets within the redevelopment area, together with
38 preservation and conservation strategies for such assets.
39 Additionally, the redevelopment plan would need to quantify the
40 impact of the plan on surrounding areas and the legal obligations
41 applicable to low and moderate income persons within the
42 municipality and the relocation needs arising from any displacement
43 of residents or businesses as a result of the plan. Finally, the
44 redevelopment plan would need to document consistency with
45 smart growth planning principles. These amendments are designed
46 to ensure that local governing bodies consider all relevant factors
47 before adopting a plan.

1 The bill would also establish a process for selecting redevelopers
2 for redevelopment projects that involve a significant amount of land
3 that is either municipally owned or could be assembled by a
4 municipality using eminent domain. Other changes include
5 expanding the criteria for areas in need of rehabilitation. Areas in
6 need of rehabilitation exist today and can be subjected to the
7 controls and visions set forth in the redevelopment plan.
8 Municipalities have the same powers to implement a redevelopment
9 plan for an area in need of rehabilitation as a redevelopment area,
10 except that municipalities cannot exercise the power of eminent
11 domain. The proposed changes are designed to permit certain
12 parcels to be designated an area in need of rehabilitation if they
13 would be qualified for designation as an area in need of
14 redevelopment under current law, but would not support such
15 designation under the proposed amendments. The bill would allow
16 municipalities to identify areas that may be studied in the future for
17 designation as redevelopment or rehabilitation areas when revising
18 municipal master plans.

19 Finally, the bill would establish a new reporting requirement for
20 municipalities that determine that an area is in need of
21 redevelopment. The municipality would have to submit a map of
22 the new redevelopment area to DCA, together with a preliminary
23 investigation report and the ordinance declaring the area to be in
24 need of redevelopment. Each municipality would also be required
25 to report to DCA a record of each use of condemnation and the
26 compensation paid. DCA would be required to prepare and to make
27 publicly available, a report portraying all the redevelopment areas
28 in New Jersey and specify certain relevant data.

29 This bill would be effective on the first day of the first month
30 that occurs at least 90 days following enactment. Recognizing that
31 a redevelopment process contains three distinctive steps:
32 designation of an area in need of redevelopment or rehabilitation,
33 adoption of a redevelopment plan and authorization of a
34 redevelopment agreement, this bill would grandfather existing
35 redevelopment activities to the extent such activities are matured.
36 Thus, if an area has already been designated as a redevelopment
37 area under existing law, or a redevelopment plan has already been
38 adopted, or a redevelopment agreement has already been authorized
39 and executed, these actions would remain valid and given full force
40 and effect. Future actions occurring after the effective date of this
41 bill, however, would be governed by its provisions.