

ASSEMBLY, No. 1492

STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Assemblyman JOHN J. BURZICHELLI
District 3 (Salem, Cumberland and Gloucester)
Assemblywoman NILSA CRUZ-PEREZ
District 5 (Camden and Gloucester)
Assemblyman DOUGLAS H. FISHER
District 3 (Salem, Cumberland and Gloucester)
Assemblywoman PAMELA R. LAMPITT
District 6 (Camden)

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning redevelopment and eminent domain, amending
2 P.L.1975, c.291 various parts of the statutory law, and
3 supplementing P.L.1992, c.79 (C.40A:12A-1 et seq.).
4

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

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

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

14 b. Since 1949, municipalities have used these programs to
15 arrest and reverse conditions of deterioration in housing and
16 commercial and industrial facilities, and to promote sound planning,
17 revitalize their tax bases, and improve the public safety, health, and
18 welfare of their communities. In exercising their responsibilities
19 and implementing such programs municipalities have, in certain
20 circumstances, exercised the power to acquire property by eminent
21 domain in order to transfer such property to a private interest to
22 undertake a project in accordance with an approved redevelopment
23 plan; and at times, the use of the power of eminent domain has been
24 necessary to assure the 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 make the legal
28 mechanisms for exercising such responsibilities and powers in
29 undertaking redevelopment improvements more efficient to use.

30 d. The increase in redevelopment activity throughout the State,
31 including the use of eminent domain, together with the 2005 United
32 States Supreme Court decision in Kelo v. City of New London,
33 Connecticut, have given rise to public concern surrounding certain
34 municipal redevelopment activities. These public concerns have
35 resulted in a comprehensive legislative review of redevelopment
36 programs and the process undertaken by municipalities for
37 authorizing such redevelopment programs.

38 e. The Legislature's comprehensive review has included a
39 series of public meetings and the receipt of testimony and
40 correspondence from various stakeholders in redevelopment
41 programs, including, but not limited to, municipal officials,
42 property owners, developers, real estate professionals, civil
43 libertarians, academics, and members of the general public.

44 f. Following this comprehensive review, the Legislature
45 declares that redevelopment remains a valid and important public

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 purpose and public use; that the implementation of redevelopment
2 programs continues to be a vital tool for municipal officials that
3 must be maintained to allow such officials to continue to meet their
4 governmental responsibilities to arrest and reverse deleterious
5 property conditions within their municipal borders; and that the
6 power of eminent domain remains necessary in certain cases to
7 effectively implement such redevelopment responsibilities and
8 powers.

9 g. Following this comprehensive review, the Legislature also
10 declares that changes to the existing law are necessary: to ensure
11 that affected property owners and the general public are provided
12 adequate notice of a municipality's interest in developing a
13 redevelopment program; to revise the definition of blight so that it
14 is more specific, more objective, and incorporates terms that have
15 well-established or historical meanings, are capable of third party
16 review, or limit the possibility of very broad and expansive
17 interpretation; to afford stakeholders the opportunity to be heard
18 during the process undertaken to develop redevelopment programs;
19 to add transparency to the exercise of a legitimate governmental
20 function; to create certainty that redevelopment programs are
21 authorized and undertaken in a deliberative and open process; to
22 ensure that the social and economic impacts of redevelopment are
23 adequately addressed, including affordable housing and comparable
24 replacement housing for households displaced by redevelopment; to
25 provide that such programs, once properly adopted, are
26 implemented in a fair and certain manner, including a public
27 process, where appropriate, for the selection of redevelopers
28 seeking the assistance of municipal officials in constructing a
29 redevelopment project on municipally owned or acquired property;
30 to ensure that the use of eminent domain for redevelopment is an
31 absolute last resort, used only after other options have been fully
32 explored and deemed insufficient to reasonably achieve the goals of
33 the redevelopment plan; to provide a just measure of compensation
34 to property owners who are subject to eminent domain; and to
35 afford protection and finality to such redevelopment programs
36 properly created under these heightened standards for enactment.
37 These changes will restore public confidence in local
38 redevelopment programs by assuring that interested parties are
39 provided access into a fair, open, and deliberative process.

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

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

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

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

3 3. As used in this act:

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

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

16 “Contamination” means any discharged hazardous substance as
17 defined pursuant to section 3 of P.L.1976, c.141 (C.58:10-23.11b),
18 hazardous waste as defined pursuant to section 1 of P.L.1976, c.99
19 (C.13:1E-38), or pollutant as defined pursuant to section 3 of
20 P.L.1977, c.74 (C.58:10A-3).

21 “Detrimental to the safety, health, or welfare of the community”
22 means objective evidence of detriment, consisting of or similar to:
23 substantial building or health code violations; a repeated need for
24 police intervention over an extended period of time; or a lack of
25 structural integrity. For commercial properties, the objective
26 evidence of detriment also may include a lack of proper utilization
27 of the land or structures resulting in conditions that are stagnant and
28 not fully productive.

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

37 “Governing body” means the body exercising general legislative
38 powers in a county or municipality according to the terms and
39 procedural requirements set forth in the form of government
40 adopted by the county or municipality.

41 “Housing authority” means a housing authority created or
42 continued pursuant to this act.

43 “Housing project” means a project, or distinct portion of a
44 project, which is designed and intended to provide decent, safe and
45 sanitary dwellings, apartments or other living accommodations for
46 persons of low and moderate income; such work or undertaking
47 may include buildings, land, equipment, facilities and other real or

1 personal property for necessary, convenient or desirable
2 appurtenances, streets, sewers, water service, parks, site
3 preparation, gardening, administrative, community, health,
4 recreational, educational, welfare or other purposes. The term
5 “housing project” also may be applied to the planning of the
6 buildings and improvements, the acquisition of property, the
7 demolition of existing structures, the construction, reconstruction,
8 alteration and repair of the improvements and all other work in
9 connection therewith.

10 “Persons of low and moderate income” means persons or
11 families who are, in the case of State assisted projects or programs,
12 so defined by the Council on Affordable Housing in the Department
13 of Community Affairs, or in the case of federally assisted projects
14 or programs, defined as of “low and very low income” by the
15 United States Department of Housing and Urban Development.

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

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

21 “Publicly assisted housing” means privately owned housing
22 which receives public assistance or subsidy, which may be grants or
23 loans for construction, reconstruction, conservation, or
24 rehabilitation of the housing, or receives operational or maintenance
25 subsidies either directly or through rental subsidies to tenants, from
26 a federal, State or local government agency or instrumentality.

27 “Real property” means all lands, including improvements and
28 fixtures thereon, and property of any nature appurtenant thereto or
29 used in connection therewith, and every estate, interest and right,
30 legal or equitable, therein, including terms for years and liens by
31 way of judgment, mortgage or otherwise, and indebtedness secured
32 by such liens.

33 “Redeveloper” means any person, firm, corporation or public
34 body that shall enter into or propose to enter into a contract with a
35 municipality or other redevelopment entity for the redevelopment or
36 rehabilitation of an area in need of redevelopment, or an area in
37 need of rehabilitation, or any part thereof, under the provisions of
38 this act, or for any construction or other work forming part of a
39 redevelopment or rehabilitation project.

40 “Redevelopment” means clearance, replanning, development and
41 redevelopment; the conservation and rehabilitation of any structure
42 or improvement, the construction and provision for construction of
43 residential, commercial, industrial, public or other structures and
44 the grant or dedication of spaces as may be appropriate or necessary
45 in the interest of the general welfare for streets, parks, playgrounds,
46 or other public purposes, including recreational and other facilities

1 incidental or appurtenant thereto, in accordance with a
2 redevelopment plan.

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

10 “Redevelopment area” or “area in need of redevelopment” means
11 **[an] a contiguous** area determined to be in need of redevelopment
12 pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
13 40A:12A-6) or determined heretofore to be a “blighted area”
14 pursuant to P.L.1949, c.187 (C.40:55-21.1 et seq.) repealed by this
15 act, both determinations as made pursuant to the authority of Article
16 VIII, Section III, paragraph 1 of the Constitution. **[A**
17 redevelopment area may include lands, buildings, or improvements
18 which of themselves are not detrimental to the public health, safety
19 or welfare, but the inclusion of which is found necessary, with or
20 without change in their condition, for the effective redevelopment
21 of the area of which they are a part.]

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

28 “Redevelopment plan” means a plan adopted by the governing
29 body of a municipality for the redevelopment or rehabilitation of all
30 or any part of a redevelopment area, or an area in need of
31 rehabilitation, which plan shall be sufficiently complete to indicate
32 its relationship to definite municipal objectives as to appropriate
33 land uses, public transportation and utilities, recreational and
34 municipal facilities, and other public improvements; and to indicate
35 proposed land uses and building requirements in the redevelopment
36 area or area in need of rehabilitation, or both.

37 “Redevelopment project” means any work or undertaking
38 pursuant to a redevelopment plan; such undertaking may include
39 any buildings, land, including demolition, clearance or removal of
40 buildings from land, equipment, facilities, or other real or personal
41 properties which are necessary, convenient, or desirable
42 appurtenances, such as but not limited to streets, sewers, utilities,
43 parks, site preparation, landscaping, and administrative, community,
44 health, recreational, educational, and welfare facilities.

45 “Rehabilitation” means an undertaking, by means of extensive
46 repair, reconstruction or renovation of existing structures, with or
47 without the introduction of new construction or the enlargement of

1 existing structures, in any area that has been determined to be in
2 need of rehabilitation or redevelopment, to eliminate substandard
3 structural or housing conditions and arrest the deterioration of that
4 area.

5 “Rehabilitation area” or “area in need of rehabilitation” means
6 any area determined to be in need of rehabilitation pursuant to
7 section 14 of P.L.1992, c.79 (C.40A:12A-14).
8 (cf: P.L.1992, c.79, s.3)
9

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

12 4. In exercising the redevelopment and rehabilitation functions
13 provided for in this act:

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

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

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

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

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

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

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

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

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

38 c. The municipality shall be responsible for implementing
39 redevelopment plans and carrying out redevelopment projects
40 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The
41 municipality may execute these responsibilities directly, or in
42 addition thereto or in lieu thereof, **through** may designate by
43 ordinance either a municipal redevelopment agency, or a municipal
44 housing authority authorized to exercise redevelopment powers
45 pursuant to section 21 of P.L.1992, c.79 (C.40A:12A-21), but there
46 shall be only one redevelopment entity responsible for each
47 redevelopment project. A county improvement authority authorized

1 to undertake redevelopment projects pursuant to the “county
2 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
3 seq.) may also act as a redevelopment entity pursuant to this act.
4 The redevelopment entity, so authorized, may contract with any
5 other public body, in accordance with the provisions of section 8 of
6 P.L.1992, c.79 (C.40A:12A-8), for the carrying out of a
7 redevelopment project or any part thereof under its jurisdiction.
8 Notwithstanding the above, the governing body of the municipality
9 may, by ordinance, change or rescind the designation of the
10 redevelopment **【entity responsible for implementing】** agency or
11 housing authority designated to implement a redevelopment plan
12 and **【carrying】** carry out a redevelopment project and may have the
13 municipality assume this responsibility **【itself, but】** ; provided,
14 however, that only the redevelopment entity authorized to undertake
15 a particular redevelopment project shall remain authorized to
16 complete it, unless the redevelopment entity and redeveloper agree
17 otherwise, or unless no obligations have been entered into by the
18 redevelopment entity with parties other than the municipality. This
19 shall not diminish the power of the municipality to dissolve a
20 redevelopment entity pursuant to section 24 of P.L.1992, c.79
21 (C.40A:12A-24), and section 20 of the “Local Authorities Fiscal
22 Control Law,” P.L.1983, c.313 (C.40A:5A-20).

23 d. No municipality shall exercise the power of eminent domain
24 in an area in need of redevelopment for the acquisition of land
25 subject to the protections provided under section 12 of P.L.1983,
26 c.32 (C.4:1C-19).

27 (cf: P.L.1992, c.79, s.4)

28

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

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

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

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

44 c. (1) Land that is owned by the municipality, the county, a
45 local housing authority, redevelopment agency or redevelopment
46 entity, or

1 (2) unimproved vacant land that has remained so for a period of
2 ten years prior to adoption of the **[resolution]** ordinance, and that
3 by reason of its location, remoteness, environmental contamination,
4 lack of means of access to developed sections or portions of the
5 municipality, or topography, or nature of the soil,

6 is not likely to be developed through the instrumentality of
7 private capital and is determined to be detrimental to the safety,
8 health, or welfare of the community.

9 d. Areas with buildings or improvements which, by reason of
10 dilapidation, obsolescence, overcrowding, **[faulty arrangement or**
11 **design, lack of ventilation, light and sanitary facilities, excessive**
12 **land coverage, deleterious land use or obsolete layout,]** or any
13 combination of these or **[other factors,]** similar conditions are
14 determined to be detrimental to the safety, health, **[morals,]** or
15 welfare of the community.

16 e. A **[growing lack or total lack of proper utilization of areas]**
17 deterioration in the condition of the property caused by **[the**
18 **condition of the title,]** diverse ownership of the real property
19 **[therein]** or other conditions of title, **[resulting in a stagnant or not**
20 **fully productive condition of land potentially useful and valuable**
21 **for contributing to and serving the public health, safety and**
22 **welfare]** which, by virtue of these factors are determined to be
23 detrimental to the safety, health, or welfare of the community.

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

29 g. In any municipality in which an enterprise zone has been
30 designated pursuant to the "New Jersey Urban Enterprise Zones
31 Act," P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the
32 actions prescribed in that act for the adoption by the municipality
33 and approval by the New Jersey Urban Enterprise Zone Authority
34 of the zone development plan for the area of the enterprise zone
35 shall be considered sufficient for the determination that the area is
36 in need of redevelopment pursuant to sections 5 and 6 of P.L.1992,
37 c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
38 exemptions within the enterprise zone district pursuant to the
39 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption
40 of a tax abatement and exemption ordinance pursuant to the
41 provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The
42 municipality shall not utilize any other redevelopment powers
43 within the urban enterprise zone unless the municipal governing
44 body and planning board have also taken the actions and fulfilled
45 the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.)
46 for determining that the area is in need of redevelopment or an area

1 in need of rehabilitation and the municipal governing body has
2 adopted a redevelopment plan ordinance including the area of the
3 enterprise zone.

4 h. **【**The designation of the delineated area is consistent with
5 smart growth planning principles adopted pursuant to law or
6 regulation.**】** (Deleted by amendment, P.L. , c. .) (pending
7 before the Legislature as this bill)

8 i. Parcels, either vacant or developed, which have remained
9 vacant or substantially underutilized for a period of 24 consecutive
10 months due to environmental contamination.

11 In addition to parcels included in a delineated area under this
12 section, an area in need of redevelopment may include other parcels
13 containing lands, buildings, or improvements which of themselves
14 are not detrimental to the safety, health, or welfare of the
15 community, but the inclusion of which is found necessary, with or
16 without change in their condition, for the effective redevelopment
17 of the area of which they are a part; provided, however that such
18 parcels, in the aggregate, shall not comprise in excess of 20% of the
19 land mass of such area to be designated as available for private
20 ownership.

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

22

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

25 6. a. (1) No area of a municipality shall be determined a
26 redevelopment area unless the governing body of the municipality
27 shall, by resolution, authorize the planning board to undertake a
28 preliminary investigation to determine whether the proposed area is
29 a redevelopment area according to the criteria set forth in section 5
30 of P.L.1992, c.79 (C.40A:12A-5). A redeveloper shall not conduct
31 or fund any part of the investigation. Such determination shall be
32 made after public notice and public hearing as provided in
33 subsection b. of this section. The governing body of a municipality
34 shall assign the conduct of the investigation and hearing to the
35 planning board of the municipality.

36 (2) In the case of any area of a municipality that is more than 10
37 acres in area, or that contains more than 100 occupied dwelling
38 units or more than 50 operating business premises, the governing
39 body shall hold a public informational meeting prior to adoption of
40 the resolution authorizing the planning board to undertake a
41 preliminary investigation as set forth in this section. Notice of the
42 public informational meeting shall be as in paragraph (3) of
43 subsection b. of this section, except that notice to individual
44 property owners and tenants shall not be required.

45 b. (1) Before proceeding to a public hearing on the matter, the
46 planning board shall prepare a map showing the boundaries of the
47 proposed redevelopment area and the location of the various parcels

1 of property included therein. There shall be appended to the map a
2 statement setting forth the basis for the investigation.

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

7 (3) (a) The hearing notice shall set forth the general boundaries
8 of the area to be investigated and state that a map has been prepared
9 and can be inspected at the office of the municipal clerk. The
10 notice shall be written in a simple, clear, understandable, and easily
11 readable way. The notice shall state that the governing body is
12 considering designating the area as a redevelopment area, formerly
13 referred to as a "blighted area," and that a consequence of this
14 designation is that the governing body would have the authority to
15 condemn property located within the area pursuant to the
16 procedures in the "Eminent Domain Act of 1971," P.L.1971, c.361
17 (C.20:3-1 et seq.). A copy of the notice shall be published in a
18 newspaper of general circulation in the municipality once each
19 week for two consecutive weeks, and the last publication shall be
20 not less than ten days prior to the date set for the hearing. If the
21 municipality has an Internet web site, the notice shall be posted
22 thereon. A copy of the notice shall also be posted in such other
23 places within or proximate to the proposed redevelopment area as
24 may be available and appropriate. A copy of the notice shall be
25 **[mailed] sent by certified and regular mail by the municipal clerk**
26 **at least [ten] 14 days prior to the date set for the hearing to the last**
27 **owner, if any, of each parcel of property, and to any legal tenant of**
28 **a residential rental dwelling unit within the area according to the**
29 **assessment records of the municipality. The municipal clerk shall**
30 **make a diligent effort to ascertain the names and addresses of legal**
31 **tenants of rental dwelling units by contacting the legal owner of the**
32 **rental property or a management company identified by such owner,**
33 **but if unable to do so shall have a copy of the notice posted on**
34 **properties known to be rental dwelling units. A notice shall also be**
35 **sent by the municipal clerk to all persons at their last known**
36 **address, if any, whose names are noted on the assessment records as**
37 **claimants of an interest in any such parcel. The assessor of the**
38 **municipality shall make a notation upon the records when requested**
39 **to do so by any person claiming to have an interest in any parcel of**
40 **property in the municipality. The notice shall be published and**
41 **mailed by the municipal clerk [, or by such clerk or official as the**
42 **planning board shall otherwise designate]. Failure to mail any such**
43 **notice shall not invalidate the investigation or determination**
44 **thereon.**

45 (b) Prior to the hearing, a copy of all documents relevant to the
46 determination that an area is in need of redevelopment shall be

1 available for public inspection, and if the municipality has an
2 Internet web site, they shall be posted thereon.

3 (4) At the hearing, which may be adjourned from time to time,
4 the planning board shall hear all persons who are interested in or
5 would be affected by a determination that the delineated area is a
6 redevelopment area. All testimony provided at the hearing shall be
7 under oath or affirmation. The hearing shall be recorded and
8 transcription of the full content of the hearing shall be made
9 available to the public. All objections to such a determination and
10 evidence in support of those objections, given orally or in writing,
11 shall be received and considered and made part of the public record.
12 The procedures governing the presentation of testimony at the
13 hearing shall be sufficient to create a full record and, at a minimum,
14 shall require that all persons who would be affected by a
15 determination that the delineated area is a redevelopment area shall
16 be allowed to bring witnesses to provide evidence relevant to the
17 determination that the area is in need of redevelopment, and shall be
18 allowed to submit written questions which shall be posed by the
19 planning board to the witness or witnesses to whom they are
20 directed if the planning board deems the question relevant.

21 (5) (a) After completing its hearing on this matter, the planning
22 board shall recommend that the delineated area, or any part thereof,
23 be determined, or not be determined, by the municipal governing
24 body to be a redevelopment area. Prior to making any
25 determination that an area is in need of redevelopment, the planning
26 board shall review, in light of the conditions of the area and the
27 purposes of the redevelopment, whether designation of the area as
28 an area in need of rehabilitation, or some other strategy of
29 rehabilitation, preservation, or neighborhood improvement, may
30 represent a more appropriate means of addressing the conditions of
31 the area and the purposes of the redevelopment. The report of the
32 planning board shall set forth explicitly the reasons for its
33 determination that such other strategies are less appropriate, and
34 that the area should be designated in need of redevelopment. The
35 report shall also include an inventory of the environmental,
36 historical, and cultural assets in the delineated area.

37 (b) After receiving the recommendation of the planning board,
38 the municipal governing body may adopt **[a resolution]** an
39 ordinance determining that the delineated area, or any part thereof,
40 is a redevelopment area. **[Upon the]** Prior to final adoption of **[a**
41 **resolution]** the ordinance, the clerk of the municipality shall,
42 forthwith, transmit a copy of the **[resolution]** ordinance to the
43 Commissioner of Community Affairs for review. If the area in need
44 of redevelopment is not situated in an area in which development or
45 redevelopment is to be encouraged pursuant to any State law or
46 regulation promulgated pursuant thereto, the **[determination]**
47 ordinance shall not **[take effect]** be finally adopted without first

1 receiving the review and the approval of the commissioner. If the
2 commissioner does not issue an approval or disapproval within 30
3 calendar days of transmittal by the clerk, the determination shall be
4 deemed to be approved and the ordinance may be finally adopted.
5 If the area in need of redevelopment is situated in an area in which
6 development or redevelopment is to be encouraged pursuant to any
7 State law or regulation promulgated pursuant thereto, then the
8 determination shall take effect after the clerk has transmitted a copy
9 of the **【resolution】** ordinance to the commissioner. The
10 determination that the delineated area is a redevelopment area, 【if
11 supported by substantial evidence】 and, if required, **【approved】**
12 approval by the commissioner, shall be binding and conclusive
13 upon all persons affected by the determination that the delineated
14 area is a redevelopment area. 【Notice of the determination shall be
15 served, within 10 days after the determination, upon each person
16 who filed a written objection thereto and stated, in or upon the
17 written submission, an address to which notice of determination
18 may be sent.】 If the determination that the delineated area is a
19 redemption area is challenged in court, the municipality shall be
20 required to show, by a preponderance of the evidence, that the
21 delineated area fulfills the criteria set forth in section 5 of P.L.1992,
22 c.79 (C.40A:12A-5).

23 (6) **【If written objections were filed in connection with the**
24 **hearing, the municipality shall, for 45 days next following its**
25 **determination to which the objections were filed, take no further**
26 **action to acquire any property by condemnation within the**
27 **redemption area.】** (Deleted by amendment, P.L. , c. .)
28 (pending before the Legislature as this bill)

29 (7) **【If a person who filed a written objection to a determination**
30 **by the municipality pursuant to this subsection shall, within 45 days**
31 **after the adoption by the municipality of the determination to which**
32 **the person objected, apply to the Superior Court, the court may**
33 **grant further review of the determination by procedure in lieu of**
34 **prerogative writ; and in any such action the court may make any**
35 **incidental order that it deems proper.】** (Deleted by amendment,
36 P.L. , c. .) (pending before the Legislature as this bill)

37 (8) Notice of final adoption of an ordinance making a
38 determination shall be served, within 10 days after the final
39 adoption of the ordinance making such determination, upon each
40 person who received notice of the public hearing in accordance with
41 paragraph (3) of subsection b. of this section in the same manner as
42 provided therein. The notice shall inform the recipient of the right
43 to appeal the designation and shall provide the recipient with the
44 relevant deadlines for filing an appeal. Additionally, notice of final
45 adoption of an ordinance making a determination shall be published
46 in the official newspaper of the municipality, together with the date
47 of the first publication of such notice and also a statement that any

1 action or proceeding of any kind or nature in any court questioning
2 the validity of the adoption of the ordinance or the determination
3 contained therein, shall be commenced within 60 days after the first
4 publication of such notice.

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

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

18 d. The determination of an area in need of redevelopment
19 determined on or after the effective date of P.L. , c. (C.)
20 (pending before the Legislature as this bill), shall expire 10 years
21 following the final adoption of an ordinance making the
22 determination or 10 years following the final adoption of the
23 redevelopment plan, whichever occurs later. A determination may
24 be extended for a period, not to exceed 15 years following the final
25 adoption of the ordinance making the initial determination, through
26 the adoption of an ordinance affirming that the conditions
27 supporting the determination are still present or that substantial
28 progress has been made on the implementation of the
29 redevelopment plan.

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

31

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

34 7. a. Following the determination of an area in need of
35 redevelopment pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-
36 6) or a determination of an area in need of rehabilitation pursuant to
37 section 14 of P.L.1992, c.79 (C.40A:12A-14), the municipality may
38 undertake the preparation of a redevelopment plan for all or some
39 part of the area determined to be in need of redevelopment or
40 rehabilitation, directly in accordance with subsection e. of this
41 section, or, by resolution, may direct the municipal planning board
42 to develop such plan in accordance with subsection f. of this
43 section. No redevelopment project shall be undertaken or carried
44 out except in accordance with a redevelopment plan [adopted by
45 ordinance of the municipal governing body, upon its finding that
46 the] relating to a specifically delineated project area that is located
47 in an area in need of redevelopment or in an area in need of

1 rehabilitation, or in both, according to criteria set forth in section 5
2 or section 14 of P.L.1992, c.79 (C.40A:12A-5 or 40A:12A-14), as
3 appropriate.

4 **【The】** A redevelopment plan shall include an outline for the
5 planning, development, redevelopment, or rehabilitation of the
6 project area sufficient to indicate:

7 (1) **【Its】** The relationship of the plan to 【definite】 local
8 objectives as set forth in the municipal master plan or other official
9 documents with respect to 【appropriate】 land uses, density of
10 population, 【and improved】 improvements or changes to traffic
11 circulation, pedestrian circulation and public transportation, public
12 utilities, recreational and community facilities and other public
13 improvements.

14 (2) Proposed land uses and building requirements in the project
15 area, including the character, intensity and scale of proposed
16 redevelopment activities, and the design and planning standards and
17 guidelines to govern those activities.

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

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

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

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

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

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

14 (9) Provision for the replacement of any housing constructed for
15 low and moderate income households under the provisions of any
16 State or federal housing subsidy program which is to be removed as
17 a result of the redevelopment plan; provided that any such
18 replacement units shall not be counted toward the municipal
19 obligation under paragraph (8) of this subsection if the housing
20 which is removed had previously counted toward an obligation.
21 The Commissioner of Community Affairs shall establish by rule the
22 duration of housing affordability controls governing any rental
23 housing constructed under this subsection. In addition, displaced
24 residents of housing units provided under any State or federal
25 housing subsidy program or the "Fair Housing Act," P.L.1985,
26 c.222 (C.52:27D-301 et al.) shall have first priority for those
27 replacement units provided.

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

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

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

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

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

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

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

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

1 authorized membership and shall record in its minutes the reasons
2 for each amendment or revision. When a redevelopment plan [or
3 amendment to a redevelopment plan] is referred to the governing
4 body by the planning board under this subsection, the governing
5 body shall be relieved of the referral requirements of subsection e.
6 of this section.

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

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

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

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

41 j. Notice of final adoption of an ordinance adopting a
42 redevelopment plan shall be served, within 10 days after the final
43 adoption of the ordinance making such determination, upon each
44 person who received notice of the public hearing in accordance with
45 subsection h. of this section in the same manner as provided therein.
46 Additionally, notice of final adoption of an ordinance making a
47 determination shall be published in the official newspaper of the

1 municipality, together with the date of the first publication of such
2 notice and also a statement that any action or proceeding of any
3 kind or nature in any court questioning the validity of the adoption
4 of the ordinance or the determination contained therein, shall be
5 commenced within 45 days after the first publication of such notice.

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

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

11
12 7. Section 8 of P.L.1992, c.79 (C.40A:12A-8) is amended to
13 read as follows:

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

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

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

27 c. Acquire, by condemnation, any land or building which is
28 necessary for the redevelopment project, pursuant to the provisions
29 of the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et
30 seq.); provided, however, that for properties to be acquired under
31 the terms of an agreement entered into after the effective date of
32 P.L. , c. (C.) (pending before the Legislature as this bill),
33 the valuation of such properties shall take into account the uses
34 permitted for such property under the redevelopment plan and shall
35 be based on the date the municipality files the declaration of taking
36 or the date of adoption of the redevelopment plan, whichever yields
37 the higher valuation. For residential properties, if neither of these
38 two valuations is equal to or more than the "replacement value" of
39 the home, then the valuation of such properties must be at least the
40 "replacement value" of the home, which shall be defined as the
41 approximate value of a home of similar size and quality under
42 comparable conditions, within the municipality and within a
43 reasonable distance of the property being condemned. Tenants who
44 are otherwise eligible for rental assistance pursuant to section 1 of
45 P.L.2004, c.140 (C.52:27D-287.1) and who are displaced by a
46 redevelopment project undertaken because of the use of eminent
47 domain authorized pursuant to the "Local Redevelopment and

1 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), shall be
2 entitled to receive rental assistance, on a priority basis, under the
3 rental assistance program for low income individuals or households
4 established pursuant to P.L.2004, c.140 (C.52:27D-287.1 et seq.).
5 The redeveloper of the project in connection with which eminent
6 domain has been employed shall be responsible for reimbursing the
7 State for the cost of the rental assistance for a period not to exceed
8 four years from the commencement of occupancy of the new unit,
9 and shall, prior to any displacement, deposit with the Commissioner
10 of Community Affairs the amount estimated by the commissioner to
11 be necessary for this purpose. The Commissioner of Community
12 Affairs shall adopt the necessary rules and regulations to govern the
13 calculation of the reimbursement by redevelopers pursuant to this
14 subsection and the administration of the priority list for the
15 rehousing of tenants displaced from redevelopment areas.

16 d. Clear any area owned or acquired and install, construct or
17 reconstruct streets, facilities, utilities, and site improvements
18 essential to the preparation of sites for use in accordance with the
19 redevelopment plan.

20 e. Prepare or arrange by contract for the provision of
21 professional services and the preparation of plans by registered
22 architects, licensed professional engineers or planners, or other
23 consultants for the carrying out of redevelopment projects.

24 f. Arrange or contract with public agencies or redevelopers for
25 the planning, replanning, construction, or undertaking of any
26 project or redevelopment work, or any part thereof, provided that
27 the selection of the redeveloper has taken place subject to the
28 provisions of section 11 of P.L. , c. (C.) (pending before the
29 Legislature as this bill), if applicable; negotiate and collect revenue
30 from a redeveloper to defray the costs of the redevelopment entity,
31 including where applicable the costs incurred in conjunction with
32 bonds, notes or other obligations issued by the redevelopment
33 entity, and to secure payment of such revenue; as part of any such
34 arrangement or contract, provide for extension of credit, or making
35 of loans, to redevelopers to finance any project or redevelopment
36 work, or upon a finding that the project or redevelopment work
37 would not be undertaken but for the provision of financial
38 assistance, or would not be undertaken in its intended scope without
39 the provision of financial assistance, provide as part of an
40 arrangement or contract for capital grants to redevelopers; and
41 arrange or contract with public agencies or redevelopers for the
42 opening, grading or closing of streets, roads, roadways, alleys, or
43 other places or for the furnishing of facilities or for the acquisition
44 by such agency of property options or property rights or for the
45 furnishing of property or services in connection with a
46 redevelopment area.

- 1 g. Lease or convey property or improvements to any other
2 party pursuant to this section, without public bidding and at such
3 prices and upon such terms as it deems reasonable, provided that
4 the lease or conveyance is made in conjunction with a
5 redevelopment plan, notwithstanding the provisions of any law,
6 rule, or regulation to the contrary.
- 7 h. Enter upon any building or property in any redevelopment
8 area in order to conduct investigations or make surveys, sounding or
9 test borings necessary to carry out the purposes of this act.
- 10 i. Arrange or contract with a public agency for the relocation,
11 pursuant to the "Relocation Assistance Law of 1967," P.L.1967,
12 c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act,"
13 P.L.1971, c.362 (C.20:4-1 et seq.), of residents, industry or
14 commerce displaced from a redevelopment area.
- 15 j. Make, consistent with the redevelopment plan: (1) plans for
16 carrying out a program of voluntary repair and rehabilitation of
17 buildings and improvements; and (2) plans for the enforcement of
18 laws, codes, and regulations relating to the use and occupancy of
19 buildings and improvements, and to the compulsory repair,
20 rehabilitation, demolition, or removal of buildings and
21 improvements.
- 22 k. Request that the planning board recommend and governing
23 body designate particular areas as being in need of redevelopment
24 or rehabilitation in accordance with the provisions of this act and
25 make recommendations for the redevelopment or rehabilitation of
26 such areas.
- 27 l. Study the recommendations of the planning board or
28 governing body for redevelopment of the area.
- 29 m. Publish and disseminate information concerning any
30 redevelopment area, plan or project.
- 31 n. Do all things necessary or convenient to carry out its powers.
- 32 o. (1) Authorize and execute a written agreement designating a
33 redeveloper or redevelopers to undertake a project or projects in
34 accordance with the redevelopment plan. The agreement may
35 contain a provision requiring the redeveloper to reimburse the
36 municipality for costs associated with the preliminary investigation
37 to determine whether the proposed area is a redevelopment area as
38 set forth in section 6 of P.L.1992, c.79 (C.40A:12A-6).
- 39 (2) If a project or projects will involve the conveyance of land
40 owned by the municipality or any project, 20% or more of which
41 will be constructed upon land subject to acquisition by the
42 municipality pursuant to the redevelopment plan, such designation
43 shall be based upon the results of a competitive process undertaken
44 in accordance with section 11 of P.L. , c. (C.) (pending
45 before the Legislature as this bill).
- 46 (cf: P.L.1992, c.79, s.8)

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

3 14. a. A delineated area may be determined to be in need of
4 rehabilitation if the governing body of the municipality determines
5 by resolution that a program of rehabilitation, as defined in section
6 3 of P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent
7 further deterioration and promote the overall development of the
8 community and that there exist in that area conditions such that:

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

14 (2) **[more than half]** a significant amount of the housing stock
15 **[in the delineated area is at least 50 years old, or a majority of the**
16 **water and sewer]** or infrastructure in the delineated area, or both,
17 **[at least 50 years old and is]** in need of repair or substantial
18 maintenance; **[and]**

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

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

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

33 The resolution determining that the area is in need of
34 rehabilitation shall be based upon a written report documenting the
35 conditions that provide the basis for the determination that the area
36 is in need of rehabilitation. Where warranted by consideration of
37 the overall conditions and requirements of the community, a finding
38 of need for rehabilitation may extend to the entire area of a
39 municipality. Prior to adoption of the resolution, the governing
40 body shall submit **[it]** the proposed resolution together with the
41 report that provides the basis for the determination to the municipal
42 planning board for its review. Within 45 days of its receipt of the
43 proposed resolution, the municipal planning board shall submit its
44 recommendations regarding the proposed resolution, including any
45 modifications which it may recommend, to the governing body for
46 its consideration. Thereafter, or after the expiration of the 45 days

1 if the municipal planning board does not submit recommendations,
2 the governing body may adopt the resolution, with or without
3 modification. The resolution shall not become effective without the
4 approval of the commissioner pursuant to section 6 of P.L.1992,
5 c.79 (C.40A:12A-6), if otherwise required pursuant to that section.

6 b. A delineated area shall be deemed to have been determined
7 to be an area in need of rehabilitation in accordance with the
8 provisions of this act if it has heretofore been determined to be an
9 area in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-
10 3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or P.L.1979,
11 c.233 (C.54:4-3.121 et seq.).
12 (cf: P.L.2003, c.125, s.5)

13

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

16 15. In accordance with the provisions of a redevelopment plan
17 adopted pursuant to section 7 of P.L.1992, c.79 (C.40A:12A-7), a
18 municipality or redevelopment entity may proceed with clearance,
19 replanning, conservation, development, redevelopment and
20 rehabilitation of an area in need of rehabilitation. **【With respect to**
21 **a redevelopment project in】** In an area in need of rehabilitation, the
22 municipality or redevelopment entity, upon the adoption of a
23 redevelopment plan for the area, may perform any of the actions set
24 forth in section 8 of P.L.1992, c.79 (C.40A:12A-8), except that
25 **【with respect to such a project】** the municipality shall not have the
26 power to use eminent domain to take or acquire private property by
27 condemnation in furtherance of a redevelopment plan, unless **【**: a.
28 the area is within an area determined to be in need of
29 redevelopment pursuant to this act; or b.**】** exercise of that power is
30 authorized under any other law of this State.

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

32

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

35 19. **【Preparation; contents; modification.】** a. The planning
36 board may prepare and, after public hearing, adopt or amend a
37 master plan or component parts thereof, to guide the use of lands
38 within the municipality in a manner which protects public health
39 and safety and promotes the general welfare.

40 b. The master plan shall generally comprise a report or
41 statement and land use and development proposals, with maps,
42 diagrams and text, presenting, at least the following elements (1)
43 and (2) and, where appropriate, the following elements (3) through
44 **【14】 15):**

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

1 (2) A land use plan element (a) taking into account and stating
2 its relationship to the statement provided for in paragraph (1)
3 hereof, and other master plan elements provided for in paragraphs
4 (3) through ([14] 15) hereof and natural conditions, including, but
5 not necessarily limited to, topography, soil conditions, water
6 supply, drainage, flood plain areas, marshes, and woodlands; (b)
7 showing the existing and proposed location, extent and intensity of
8 development of land to be used in the future for varying types of
9 residential, commercial, industrial, agricultural, recreational,
10 educational and other public and private purposes or combination of
11 purposes; and stating the relationship thereof to the existing and any
12 proposed zone plan and zoning ordinance; and (c) showing the
13 existing and proposed location of any airports and the boundaries of
14 any airport safety zones delineated pursuant to the "Air Safety and
15 Zoning Act of 1983," P.L.1983, c.260 (C.6:1-80 et seq.); and (d)
16 including a statement of the standards of population density and
17 development intensity recommended for the municipality;

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

22 (4) A circulation plan element showing the location and types of
23 facilities for all modes of transportation required for the efficient
24 movement of people and goods into, about, and through the
25 municipality, taking into account the functional highway
26 classification system of the Federal Highway Administration and
27 the types, locations, conditions and availability of existing and
28 proposed transportation facilities, including air, water, road and rail;

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

40 (6) A community facilities plan element showing the existing
41 and proposed location and type of educational or cultural facilities,
42 historic sites, libraries, hospitals, firehouses, police stations and
43 other related facilities, including their relation to the surrounding
44 areas;

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

1 (8) A conservation plan element providing for the preservation,
2 conservation, and utilization of natural resources, including, to the
3 extent appropriate, energy, open space, water supply, forests, soil,
4 marshes, wetlands, harbors, rivers and other waters, fisheries,
5 endangered or threatened species wildlife and other resources, and
6 which systemically analyzes the impact of each other component
7 and element of the master plan on the present and future
8 preservation, conservation and utilization of those resources;

9 (9) An economic plan element considering all aspects of
10 economic development and sustained economic vitality, including
11 (a) a comparison of the types of employment expected to be
12 provided by the economic development to be promoted with the
13 characteristics of the labor pool resident in the municipality and
14 nearby areas and (b) an analysis of the stability and diversity of the
15 economic development to be promoted;

16 (10) A historic preservation plan element: (a) indicating the
17 location and significance of historic sites and historic districts; (b)
18 identifying the standards used to assess worthiness for historic site
19 or district identification; and (c) analyzing the impact of each
20 component and element of the master plan on the preservation of
21 historic sites and districts;

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

24 (12) A recycling plan element which incorporates the State
25 Recycling Plan goals, including provisions for the collection,
26 disposition and recycling of recyclable materials designated in the
27 municipal recycling ordinance, and for the collection, disposition
28 and recycling of recyclable materials within any development
29 proposal for the construction of 50 or more units of single-family
30 residential housing or 25 or more units of multi-family residential
31 housing and any commercial or industrial development proposal for
32 the utilization of 1,000 square feet or more of land;

33 (13) A farmland preservation plan element, which shall include:
34 an inventory of farm properties and a map illustrating significant
35 areas of agricultural land; a statement showing that municipal
36 ordinances support and promote agriculture as a business; and a
37 plan for preserving as much farmland as possible in the short term
38 by leveraging monies made available by P.L.1999, c.152 (C.13:8C-
39 1 et al.) through a variety of mechanisms including, but not limited
40 to, utilizing option agreements, installment purchases, and
41 encouraging donations of permanent development easements; **[and]**

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

46 (15) A redevelopment plan element identifying all areas that
47 have been designated in need of redevelopment or rehabilitation in

1 the municipality as well as additional areas that may be so
2 designated in the future, the goals and objectives of projected
3 redevelopment activities in those areas during the time period
4 covered by the master plan, the manner in which those activities
5 further the social, economic, and physical improvement of the
6 municipality, and the manner in which redevelopment activities are
7 linked to other activities being carried out by the municipality
8 pursuant to the municipal master plan, including improvements to
9 infrastructure, transportation improvements, and the construction of
10 public and community facilities.

11 c. The master plan and its plan elements may be divided into
12 subplans and subplan elements projected according to periods of
13 time or staging sequences.

14 d. The master plan shall include a specific policy statement
15 indicating the relationship of the proposed development of the
16 municipality, as developed in the master plan to (1) the master plans
17 of contiguous municipalities, (2) the master plan of the county in
18 which the municipality is located, (3) the State Development and
19 Redevelopment Plan adopted pursuant to the "State Planning Act,"
20 sections 1 through 12 of P.L.1985, c.398 (C.52:18A-196 et seq.)
21 and (4) the district solid waste management plan required pursuant
22 to the provisions of the "Solid Waste Management Act," P.L.1970,
23 c.39 (C.13:1E-1 et seq.) of the county in which the municipality is
24 located.

25 In the case of a municipality situated within the Highlands
26 Region, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), the
27 master plan shall include a specific policy statement indicating the
28 relationship of the proposed development of the municipality, as
29 developed in the master plan, to the Highlands regional master plan
30 adopted pursuant to section 8 of P.L.2004, c.120 (C.13:20-8).

31 (cf: P.L.2004, c.120, s.60)

32

33 11. (New section) a. Whenever a redevelopment project or
34 projects involve the conveyance of land owned by the municipality,
35 or any project, 20% or more of which will be constructed upon land
36 subject to acquisition by the municipality or redevelopment entity
37 pursuant to the redevelopment plan, the municipality shall approve,
38 by ordinance, a written agreement designating a redeveloper
39 selected in accordance with this section.

40 b. The municipality or redevelopment entity shall prepare or
41 have prepared request for proposal documentation, which shall
42 include: all requirements deemed appropriate and necessary to
43 allow for full and free competition between potential redevelopers;
44 information necessary for potential redevelopers to submit a
45 proposal, including a copy of the redevelopment plan, a general
46 description of the project or projects, and such municipal public
47 records relating to buildings and improvements within the

1 redevelopment area, including, but not limited to, services provided
2 by public utilities, building permit, and assessment records; and a
3 methodology by which the municipality will evaluate and rank
4 proposals received from potential redevelopers.

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

10 d. At no time during the proposal solicitation process shall the
11 municipality or redevelopment entity, or any employee or agent
12 thereof, convey information to the public or any potential
13 redeveloper which could confer an unfair advantage upon that
14 potential redeveloper over any other potential redeveloper. If the
15 municipality or redevelopment entity desires to change proposal
16 documentation, the municipality or redevelopment entity shall
17 notify only those potential redevelopers who received the proposal
18 documentation of any and all changes in writing, and all existing
19 documentation shall be changed appropriately.

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

25 f. A notice of the availability of request for proposal
26 documentation shall be published in an official newspaper of the
27 municipality at least 30 days prior to the date established for the
28 submission of proposals. Such notice shall provide the name,
29 address, and phone number of the person who can provide
30 additional information and a proposal document to an interested
31 party. The municipality or redevelopment entity shall promptly
32 reply to any request by an interested party by providing a copy of
33 the request for proposals. The municipality or redevelopment entity
34 may charge a fee for the proposal documentation that shall not
35 exceed \$50 or the cost of reproducing the documentation,
36 whichever is greater.

37 g. Each interested potential redeveloper shall submit a proposal
38 which shall include all the information required by the request for
39 proposals. Failure to meet the requirements of the request for
40 proposals may result in the municipality or redevelopment entity
41 disqualifying the potential redeveloper from further consideration.

42 h. The municipality or redevelopment entity shall review and
43 evaluate all proposals only in accordance with the methodology
44 described in the request for proposals. The review shall be
45 conducted in a manner that avoids disclosure of the contents of any
46 proposal prior to the selection of a redeveloper. The municipality
47 or redevelopment entity may conduct discussions with a potential

1 redeveloper submitting a proposal for the purpose of clarifying the
2 information submitted in the proposal. The municipality or
3 redevelopment entity may at any time revise its proposal document
4 after the review of the submitted proposals if it notifies
5 simultaneously, and in writing, each potential redeveloper that
6 submitted a proposal of the revision and provides a uniform time
7 within which the potential redevelopers may submit a revised
8 proposal for review.

9 i. The municipality or redevelopment entity shall select the
10 proposal that received the highest evaluation and shall negotiate an
11 agreement with the potential redeveloper that submitted the selected
12 proposal. If the municipality or redevelopment entity is unable to
13 negotiate a satisfactory agreement with the potential redeveloper
14 that submitted the selected proposal, it may select the proposal that
15 received the second highest evaluation from among those submitted
16 and proceed to negotiate a satisfactory contract with the potential
17 redeveloper that submitted that proposal. The process shall
18 continue until a redeveloper is selected or the process is abandoned
19 by the municipality or redevelopment entity. The decision to
20 abandon the proposal process shall be by a resolution adopted by
21 the governing body of the municipality or redevelopment entity.

22 j. After a redeveloper has been selected and a satisfactory
23 agreement has been negotiated, but prior to the execution of the
24 agreement by the governing body or redevelopment entity, the
25 municipality or redevelopment entity shall prepare a report
26 concerning the proposal selection process. The report shall list the
27 names of all potential redevelopers who submitted a proposal and
28 shall summarize the proposals of each potential redeveloper. The
29 report shall (1) rank the potential redevelopers in order of
30 evaluation; (2) summarize, in general terms, any unsuccessful
31 negotiations with potential redevelopers that submitted proposals
32 which were ranked higher than the proposal of the selected
33 redeveloper; (3) recommend the selected redeveloper; and (4)
34 summarize the project to be undertaken and the relevant terms of
35 the proposed agreement. The report shall be made available to the
36 public at least 48 hours prior to the introduction of an ordinance
37 authorizing an agreement with the redeveloper.

38 k. The governing body of the municipality or redevelopment
39 entity shall have the right to reject all proposals for any reason, but
40 such reason must be given and the municipality shall not authorize
41 another request for proposals concerning the same project or
42 projects for a period of 30 days after the date of rejection or
43 abandonment by the governing body.

44 l. Nothing in this section shall limit the authority of a
45 municipality to convey property within a redevelopment area for
46 nominal consideration to any of the entities designated in section 21
47 of the "Local Lands and Buildings Law," P.L.1971, c.199

1 (C.40A:12-21) for any of the uses set forth therein, and to enter into
2 redevelopment agreements with such entities for such uses without
3 complying with the provisions of this section.
4

5 12. (New section) If any agreement between a redevelopment
6 entity and a redeveloper shall provide for the use or potential use of
7 eminent domain by the redevelopment entity, such agreement shall
8 contain:

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

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

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

18 d. A requirement, on the part of the redeveloper, to notify any
19 property owner who receives a written offer from the
20 redevelopment entity pursuant to section 6 of P.L.1971, c.361
21 (C.20:3-6) of the total compensation provided for in each contract
22 of sale between the redeveloper and any property owner in the
23 redevelopment area. This notice, which shall be in writing, shall be
24 provided at the time that the written offer is presented by the
25 redevelopment entity.

26 All mandatory schedules and time limitations within these
27 provisions may be subject to tolling for any contingencies set forth
28 in the agreement.
29

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

34 a. At such time residents are provided notice pursuant to the
35 Workable Relocation Assistance Plan pursuant to law or regulation
36 adopted pursuant thereto, they shall be provided with the
37 opportunity to have their names entered into a registry of residents
38 seeking the opportunity to purchase or lease a dwelling unit in the
39 redevelopment project. The registry shall be maintained by the
40 municipal relocation officer designated under the Workable
41 Relocation Assistance Plan.

42 b. At such time that any residential development containing
43 more than 10 dwelling units shall be constructed in any
44 redevelopment area as a redevelopment project, the developer shall
45 notify each individual on the registry, by registered mail and by e-
46 mail to their last known mailing or e-mail address, as may be
47 available, of their opportunity to purchase or lease a dwelling unit.

1 It shall be the sole responsibility of the individual to maintain a
2 current mailing address with the registry, and the developer shall be
3 under no obligation to provide notice except as set forth in this
4 subsection.

5 c. From the date of mailing of the notice, the individuals on the
6 registry shall have 20 business days before the units in such
7 development are offered to the general public in order to enter into
8 a contract of purchase or a lease for a unit in the development. Such
9 contract or lease shall be on the same terms and at the same price as
10 those on which the unit is initially offered to the general public.

11

12 14. (New section) a. For all areas determined to be in need of
13 redevelopment, the municipality shall submit to the Department of
14 Community Affairs a map outlining the physical boundaries of the
15 redevelopment area, the preliminary investigation report, and a
16 copy of the ordinance making the determination. This information
17 shall be transmitted within 60 days of the effective date of this act
18 for areas determined to be in need of redevelopment on or prior to
19 the effective date of this act, or within 10 days after the area is
20 determined to be in need of redevelopment after the effective date
21 of this act. The municipality shall also disclose to the Department
22 of Community Affairs, with updates as required by the department,
23 an accounting of the cost of all municipal investments made in the
24 redevelopment area subsequent to the final adoption of an ordinance
25 determining the area as in need of redevelopment, including, but not
26 limited to, the granting of tax abatements, the issuance of density
27 bonuses, and the value of municipal infrastructure provided in the
28 implementation of the plan. In addition, the municipality shall
29 disclose any other public infrastructure to be provided in the
30 redevelopment area using public funds.

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

36 c. Each year the Department of Community Affairs shall issue
37 a report that lists the location of all areas currently determined to be
38 in need of redevelopment in New Jersey; basic data for each area
39 about its size, population, the status of the redevelopment plan
40 implementation, the length of time the area has been designated as
41 an area in need of redevelopment, an accounting of the cost of all
42 municipal investments and an enumeration of other investments
43 made in the area using public funds subsequent to the final adoption
44 of an ordinance determining the area as in need of redevelopment,
45 as set forth in subsection a. of this section, the number of times
46 eminent domain has been used in each redevelopment area, and data
47 on compensation received by property owners, when available.

1 This report shall be made available to the general public upon
2 request and on the Department of Community Affairs Internet web
3 site.
4

5 15. Section 6 of P.L.1971, c.361 (C.20:3-6) is amended to read
6 as follows:

7 6. Whenever any condemnor shall have determined to acquire
8 property pursuant to law, including public property already devoted
9 to public purpose, but cannot acquire title thereto or possession
10 thereof by agreement with a prospective condemnee, whether by
11 reason of disagreement concerning the compensation to be paid or
12 for any other cause, the condemnation of such property and the
13 compensation to be paid therefor, and to whom payable, and all
14 matters incidental thereto and arising therefrom shall be governed,
15 ascertained and paid by and in the manner provided by this act;
16 provided, however, that no action to condemn shall be instituted
17 unless the condemnor is unable to acquire such title or possession
18 through bona fide negotiations with the prospective condemnee,
19 which negotiations shall include an offer in writing by the
20 condemnor to the prospective condemnee holding the title of record
21 to the property being condemned, setting forth the property and
22 interest therein to be acquired, the compensation offered to be paid
23 and [a reasonable disclosure of the manner in which the amount of
24 such offered compensation has been calculated] a copy of the
25 appraisal upon which the offer has been based and which was
26 approved by the condemnor, and such other matters as may be
27 required by the rules. Prior to such offer the taking agency shall
28 appraise said property and the owner shall be given an opportunity
29 to accompany the appraiser during inspection of the property [.
30 Such offer] and provide information, data or otherwise raise issues
31 of concern to the owner relating to the valuation of the property and
32 damages to the remainder arising from the proposed acquisition.
33 The written offer made by a condemnor to a prospective condemnee
34 holding record title to the property shall be served by certified mail
35 by a private courier or in person along with a copy of the approved
36 appraisal. In no event shall such offer be less than the taking
37 agency's approved appraisal of the fair market value of such
38 property. [A rejection of said offer or failure to accept the same
39 within the period fixed in written offer, which shall in no case be
40 less than 14 days from the mailing of the offer, shall] The
41 prospective condemnee shall be afforded 45 calendar days from
42 receipt of the written offer to review the offer and the approved
43 appraisal upon which the offer was based, to seek clarification
44 thereof as well as any other relevant information, to allow an
45 opportunity to negotiate the compensation to be paid, and to request
46 an opportunity to discuss the offer and the basis thereof with a
47 representative of the condemnor in person. Prior to the expiration

1 of this 45-day period, the prospective condemnee may request, in
2 writing, an extension of this 45-day period for a period not
3 exceeding an additional 25 days, for a total of 70 calendar days,
4 which shall not be denied except for good cause shown by the
5 condemnor. During this period, as it may be extended, the
6 prospective condemnee may seek additional relevant information
7 regarding the offer or regarding the project. Within the time period,
8 as may be extended, the condemnor shall provide reasonable and
9 timely responses to requests for information and for explanations
10 and shall afford an opportunity for the condemnee to meet in person
11 on at least one occasion with a representative of the condemnor to
12 discuss the offer and the basis thereof. The prospective condemnee
13 may also obtain its own appraisal and share it with the prospective
14 condemnor and seek a review thereof by the prospective
15 condemnor. If the prospective condemnee rejects the written offer
16 of the condemnor or otherwise does not affirmatively respond to the
17 offer, the condemnor may then send in writing by certified mail,
18 private courier, or in person, a letter setting forth an intent to
19 commence condemnation proceedings in the Superior Court. Such
20 letter, upon receipt, shall conclude bona fide negotiations between
21 the prospective condemnor and condemnee. A disagreement over
22 the amount of the offer, how the offer was calculated, or the method
23 or manner in which the property was appraised shall not constitute
24 grounds to continue negotiations or prevent the condemnor from
25 successfully acquiring the property through the commencement of a
26 condemnation proceeding and the appointment of condemnation
27 commissioners. Nothing in this section shall be construed as
28 requiring a condemnor to increase the amount of an offer during the
29 review and negotiation period. A condemnor may file a complaint
30 for condemnation in the manner provided by the Rules of Court
31 anytime after expiration of the initial review and negotiation period,
32 including any extension thereof, all as provided for in this section,
33 without the consent of the prospective condemnee, provided the
34 condemnor is otherwise empowered to exercise the power of
35 eminent domain and the condemnor has complied with the
36 provisions of this section. Proof of the delivery of a written offer
37 and a copy of the approved appraisal and the delivery of a letter of
38 intent at the expiration of the negotiation period as set forth above,
39 shall be deemed to be conclusive proof of the inability of the
40 condemnor to acquire the property or possession thereof through
41 negotiations. When the holder of the title is unknown, resides out
42 of the State, or for other good cause, the court, upon application as
43 a notice of motion as provided by the Rules of Court, may dispense
44 with the necessity of such negotiations. Neither the offer, the
45 amount thereof, nor the refusal thereof by the prospective

1 condemnee shall be evidential in the determination of
2 compensation.

3 (cf: P.L.1971, c. 361, s. 6)

4

5 16. Section 4 of P.L.1971, c.362 (C.20:4-4) is amended to read
6 as follows.

7 4. a. If a taking agency acquires real property for public use, it
8 shall make fair and reasonable relocation payments to displaced
9 persons and businesses as required by this act, for:

10 (1) actual reasonable expenses in moving himself, his family,
11 business, farm operation, or other personal property;

12 (2) actual direct losses of tangible personal property as a result of
13 moving or discontinuing a business or farm operation, but not to
14 exceed an amount equal to the reasonable expenses that would have
15 been required to relocate such property, as determined by the taking
16 agency; and

17 (3) actual reasonable expenses in searching for a replacement
18 business or farm.

19 b. Any displaced person eligible for payments under subsection
20 a. of this section who is displaced from a dwelling and who elects to
21 accept the payments authorized by this subsection in lieu of the
22 payments authorized by subsection a. of this section may receive a
23 moving expense allowance, determined according to a schedule
24 established by the taking agency, not to exceed ~~[\$300.00]~~ \$450,
25 provided that on the first day of the 12th month next following
26 enactment of P.L. , c. (C.) (pending before the Legislature
27 as this bill), the moving expense allowance shall be increased not to
28 exceed \$900, and further increased on the first day of the 24th
29 month next following enactment of P.L. , c. (C.) (pending
30 before the Legislature as this bill), not to exceed \$1,350, and a
31 dislocation allowance of ~~[\$200.00]~~ \$300, provided that on the first
32 day of the 12th month next following enactment of P.L. ,
33 c. (C.) (pending before the Legislature as this bill), the
34 dislocation allowance shall be \$600, and on the first day of the 24th
35 month next following enactment of P.L. , c. (C.) (pending
36 before the Legislature as this bill), that allowance shall be \$900
37 provided, however, such amounts shall be adjusted annually in
38 accordance with section 19 of P.L. , c. (C.) (pending before
39 the Legislature as this bill).

40 c. Any displaced person eligible for payments under subsection
41 a. of this section who is displaced from his place of business or
42 from his farm operation and who elects to accept the payment
43 authorized by this subsection in lieu of the payment authorized by
44 subsection a. of this section, may receive a fixed payment in an
45 amount equal to the average annual net earnings of the business or
46 farm operation, except that such payment shall not be less than
47 ~~[\$2,500.00]~~ \$3,750, provided that on the first day of the 12th

1 month next following enactment of P.L. , c. (C.) (pending
 2 before the Legislature as this bill), the payment shall not be less
 3 than \$7,500, and on the first day of the 24th month next following
 4 enactment of P.L. , c. (C.) (pending before the Legislature
 5 as this bill), the payment shall not be less than \$11,250 nor more
 6 than ~~[\$10,000.00]~~ \$15,000, provided on the first day of the 12th
 7 month next following enactment of P.L. , c. (C.) (pending
 8 before the Legislature as this bill), the payment shall not be more
 9 than \$22,500, and on the first day of the 24th month next following
 10 enactment of P.L. , c. (C.) (pending before the Legislature
 11 as this bill) the payment shall not be more than \$45,000 provided,
 12 however, such amounts shall be adjusted annually in accordance
 13 with section 19 of P.L. , c. (C.) (pending before the
 14 Legislature as this bill). In the case of a business no payment shall
 15 be made under this subsection unless the taking agency is satisfied
 16 that the business (1) cannot be relocated without a substantial loss
 17 of its existing patronage, and (2) is not a part of a commercial
 18 enterprise having at least one other establishment not being
 19 acquired by the taking agency, which is engaged in the same or
 20 similar business. The business owner shall have the right to appeal
 21 this decision in court. For purposes of this subsection, the term
 22 "average annual net earnings," means 1/2 of any net earnings of the
 23 business or farm operation, before Federal, State, and local income
 24 taxes, during the 2 taxable years immediately preceding the taxable
 25 year in which such business or farm operation moves from the real
 26 property acquired or leased for such project, or during such other
 27 period as such agency determines to be more equitable for
 28 establishing such earnings, and includes any compensation paid by
 29 the business or farm operation to the owner, his spouse, or his
 30 dependents during such period.

31 (cf: P.L.1971, c.362, s.4)

32

33 17. Section 5 of P.L.1971, c.362 (C.20:4-5) is amended to read
 34 as follows:

35 5. a. In addition to payments otherwise authorized by this act,
 36 P.L.1971, c.362 (C.20:4-1 et seq.), the taking agency shall make an
 37 additional payment not in excess of ~~[\$15,000.00]~~ \$22,500,
 38 provided that on the first day of the 12th month next following
 39 enactment of P.L. , c. (C.) (pending before the Legislature
 40 as this bill), the additional payment shall not be in excess of
 41 \$45,000, and on the first day of the 24th month next following
 42 enactment of P.L. , c. (C.) (pending before the Legislature
 43 as this bill) the additional payment shall not be in excess of \$67,500
 44 to any displaced person who is displaced from a dwelling actually
 45 owned and occupied by such displaced person for not less than 180
 46 days prior to the initiation of negotiations for the acquisition of the
 47 property ; provided, however, such amounts shall be adjusted

1 annually in accordance with section 19 of P.L. , c. (C.)
2 (pending before the Legislature as this bill). Such additional
3 payment shall include the following elements:

4 (1) The amount, if any, which when added to the acquisition cost
5 of the dwelling acquired, equals the reasonable cost of a comparable
6 replacement dwelling which is a decent, safe, and sanitary dwelling
7 adequate to accommodate such displaced person, reasonably
8 accessible to public services and places of employment and
9 available on the private market. All determinations required to
10 carry out this subparagraph shall be determined by regulations
11 issued pursuant to section 10 of **[this act]** P.L.1971, c.362 (C.20:4-
12 10).

13 (2) The amount, if any, which will compensate such displaced
14 person for any increased interest costs which such person is
15 required to pay for financing the acquisition of any such
16 comparable replacement dwelling. Such amount shall be paid only
17 if the dwelling acquired was encumbered by a bona fide mortgage
18 which was a valid lien on such dwelling for not less than 180 days
19 prior to the initiation of negotiations for the acquisition of such
20 dwelling. Such amount shall be equal to the excess in the
21 aggregate interest and other debt service costs of that amount of the
22 principal of the mortgage on the replacement dwelling which is
23 equal to the unpaid balance of the mortgage on the acquired
24 dwelling, over the remainder term of the mortgage on the acquired
25 dwelling, reduced to discounted present value. The discount rate
26 shall be determined by regulations issued pursuant to section 10 of
27 **[this act]** P.L.1971, c.362 (C.20:4-10).

28 (3) Reasonable expenses incurred by such displaced person for
29 evidence of title, recording fees, and other closing costs incident to
30 the purchase of the replacement dwelling, but not including prepaid
31 expenses.

32 (4) Penalty costs for prepayment of any mortgage entered into in
33 good faith encumbering such real property if such mortgage is on
34 record or has been filed for record as provided by law on the date of
35 approval by taking agency of the location of such project.

36 (5) The pro rata portion of real property taxes payable during the
37 calendar year in which the property was acquired which are
38 allocable to the period of the year subsequent to the date of vesting
39 of title in the taking agency, or the effective date of the possession
40 of such real property by the taking agency, whichever is earlier.

41 b. The additional payment authorized by this section shall be
42 made only to such a displaced person who purchases and occupies a
43 replacement dwelling which is decent, safe, and sanitary not later
44 than the end of the one year period beginning on the date on which
45 he receives final payment of all costs of the acquired dwelling, or

1 on the date on which he moves from the acquired dwelling,
2 whichever is the later date.
3 (cf: P.L.1971, c.362, s.5)
4

5 18. Section 6 of P.L.1971, c.362 (C.20:4-6) is amended to read
6 as follows:

7 6. In addition to amounts otherwise authorized by this act,
8 P.L.1971, c.362 (C.20:4-1 et seq.), a taking agency shall make a
9 payment to or for any displaced person displaced from any dwelling
10 not eligible to receive a payment under section 5 which dwelling
11 was actually and lawfully occupied by such displaced person for not
12 less than 90 days prior to the initiation of negotiations for
13 acquisition of such dwelling. Such payment shall be either:

14 a. the amount necessary to enable such displaced person to lease
15 or rent for a period not to exceed 4 years, a decent, safe, and
16 sanitary dwelling of standards adequate to accommodate such
17 person in areas not generally less desirable in regard to public
18 utilities and public and commercial facilities, and reasonably
19 accessible to his place of employment, but not to exceed
20 [\$4,000.00] \$6,000, provided that on the first day of the 12th
21 month next following enactment of P.L. , c. (C.) (pending
22 before the Legislature as this bill), the amount shall be increased
23 not to exceed \$12,000, and further increased on the first day of the
24 24th month next following enactment of P.L. , c. (C.)
25 (pending before the Legislature as this bill), not to exceed \$18,000;
26 or

27 b. the amount necessary to enable such person to make a
28 downpayment (including incidental expenses described in section 5
29 a. (3)) on the purchase of a decent, safe, and sanitary dwelling of
30 standards adequate to accommodate such persons in areas not
31 generally less desirable in regard to public utilities and public and
32 commercial facilities, but not to exceed [\$4,000.00] \$6,000,
33 provided that on the first day of the 12th month next following
34 enactment of P.L. , c. (C.) (pending before the Legislature
35 as this bill), the amount shall be increased not to exceed \$12,000,
36 and further increased on the first day of the 24th month next
37 following enactment of P.L. , c. (C.) (pending before the
38 Legislature as this bill), not to exceed \$18,000. Of that amount the
39 first [\$2,000.00] \$3,000, provided that on the first day of the 12th
40 month next following enactment of P.L. , c. (C.) (pending
41 before the Legislature as this bill), the first \$6,000, and on the first
42 day of the 24th month next following enactment of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), the first
44 \$9,000 [of which is to] shall be paid without contribution from the
45 displaced person, but thereafter such payments will only be made
46 on a matching dollar-for-dollar basis with the displaced person
47 provided, however, all such amounts in this section shall be

1 adjusted annually in accordance with section 19 of P.L. _____,
2 c. (C. _____) (pending before the Legislature as this bill).
3 (cf: P.L.1971, c.362, s.6)
4

5 19. (New section) Beginning on the first day of the 36th month
6 next following enactment of P.L. _____, c. _____ (pending before the
7 Legislature as this bill) all payment amounts set forth in sections 4
8 through 6 of P.L.1971, c.362 (C.20:4-4 through 20:4-6), as
9 amended by P.L. _____, c. _____ (C. _____) (pending before the Legislature
10 as this bill), shall be annually automatically adjusted on the basis of
11 the Consumer Price Index for All Urban Consumers (CPI-U), U. S.
12 City Average, published by the United States Department of Labor,
13 Bureau of Labor Statistics, using the last published index figure as
14 of the date of displacement as the numerator and the index figure
15 for the month in which P.L. _____, c. _____ (C. _____) (pending before the
16 Legislature as this bill) becomes effective as the denominator.
17

18 20. (New section) In addition to payments otherwise authorized
19 by P.L. _____, c. _____ (C. _____) (pending before the Legislature as this bill)
20 for the taking of private property through the use of eminent domain
21 pursuant to the "Local Redevelopment and Housing Law,"
22 P.L.1992, c.79 (C.40A:12A-1 et seq.), a redevelopment entity shall
23 make an additional payment to the owner of a business for the value
24 of goodwill. For the purposes of this section, "goodwill" means the
25 benefits that accrue to a business as a result of its location,
26 reputation for dependability, skill or quality, and any other
27 circumstances resulting in probable retention of old or acquisition
28 of new patronage.

29 Within 12 months after the date of enactment of P.L. _____,
30 c. _____ (C. _____) (pending before the Legislature as this bill), the
31 Department of Community Affairs shall adopt, pursuant to the
32 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
33 seq.), rules and regulations to effectuate the provisions of P.L. _____,
34 c. _____ (C. _____) (pending before the Legislature as this bill). The
35 rules and regulations to be adopted by the department pursuant to
36 this section shall include, but are not limited to, the requirements to
37 be met by the business in order to obtain the additional payment,
38 the responsibility of the redevelopment entity, and an appeal
39 process.
40

41 21. (New section) Notwithstanding the provisions of any other
42 law to the contrary:

43 a. A municipal redevelopment entity shall not: negotiate for, or
44 enter into, a redevelopment agreement, other than an agreement
45 awarded pursuant to a fair and open process, with any redeveloper
46 to perform any work under a redevelopment plan, if, beginning after
47 the adoption of a memorializing resolution directing preliminary
48 investigation to determine if a site is in need of redevelopment, that

1 redeveloper has made a contribution that is reportable by the
2 recipient under P.L.1973, c.83 (C.19:44A-1 et seq.), to any
3 municipal committee of a political party in that municipality or to
4 any candidate committee of any person serving in an elective public
5 office of that municipality.

6 b. No redeveloper described above who enters into a municipal
7 redevelopment agreement to perform any work under a
8 redevelopment plan shall make any of the aforesaid contributions
9 during the term of any such redevelopment agreement.

10 c. None of the aforesaid committees shall accept a contribution
11 in excess of the limits set forth above from such a redeveloper
12 during the time periods set forth above.

13 d. Each committee described above shall use reasonable efforts
14 to notify contributors and potential contributors that contributions
15 to it may affect the ability of a redeveloper to enter into a
16 redevelopment agreement. Reasonable efforts shall include, but not
17 be limited to, written notifications in fundraising solicitations or
18 donor information request forms or other fundraising materials.

19 e. If a redeveloper makes a contribution that would otherwise
20 bar it from negotiating for or entering into a redevelopment
21 agreement or makes a contribution during the term of a
22 redevelopment agreement in violation of this section, the
23 redeveloper may request a full reimbursement from the recipient
24 and, if such reimbursement is received within 60 days thereafter,
25 the redeveloper shall again be eligible to negotiate or enter into a
26 redevelopment agreement or shall no longer be in violation, as
27 appropriate.

28 f. Prior to entering into such a redevelopment agreement, a
29 redevelopment entity shall require the redeveloper with which the
30 redevelopment agreement is to be entered into to provide a written
31 certification that it has not made a contribution that would bar the
32 execution of a redevelopment agreement pursuant to this section. A
33 redeveloper shall have a continuing duty to report to the Election
34 Law Enforcement Commission any contribution that constitutes a
35 violation of this section that is made during the duration of a
36 redevelopment agreement.

37 g. As used in this section:

38 "Fair and open process" means the process described in section
39 11 of P.L. , c. (C.) (pending before the Legislature as this
40 bill) or, at a minimum, that the redevelopment agreement shall be:
41 publicly advertised in newspapers or on the Internet website
42 maintained by the public entity in sufficient time to give notice in
43 advance of the agreement; entered into under a process that
44 provides for public solicitation of proposals or qualifications and
45 entered into and disclosed under criteria established in writing by
46 the public entity prior to the solicitation of proposals or
47 qualifications; and publicly opened and announced when awarded.

1 The decision of a public entity as to what constitutes a fair and open
2 process shall be final; and

3 “Redeveloper” means any person, firm, corporation, or public
4 body that negotiates for, or enters into, a redevelopment agreement
5 with a municipal redevelopment entity for the redevelopment or
6 rehabilitation of an area in need of redevelopment, or an area in
7 need of rehabilitation, or any part thereof, or for any construction or
8 other work forming a part of a redevelopment or rehabilitation
9 project, and includes any principal who owns or controls more than
10 10 percent of the profits or assets of a redeveloper or 10 percent of
11 the stock in the case of a redeveloper that is a corporation for profit,
12 as appropriate.

13

14 22. Section 22 of P.L.1971, c.362 (C.20:4-22) is amended to
15 read as follows:

16 22. The provisions of this act shall not apply to the State
17 Department of Transportation or the New Jersey Transit
18 Corporation; provided, however, that the State Department of
19 Transportation and the New Jersey Transit Corporation shall
20 supplement its existing relocation assistance program designed to
21 minimize the hardships of persons and business concerns displaced
22 as a result of the acquisition by said State Department of
23 Transportation and the New Jersey Transit Corporation of any real
24 property for a public use, by July 1, 1972. Said supplemented
25 program shall be in compliance with the rules and regulations of the
26 Federal Highway Administration and the Federal Transit
27 Administration relating to relocation assistance so as to fully
28 qualify the Department of Transportation and the New Jersey
29 Transit Corporation for Federal aid reimbursement and to equal or
30 exceed the requirements of this statute. For purposes of
31 coordinating and formulating uniform relocation programs of the
32 State, the Commissioner of Transportation shall consult with the
33 Commissioner of the Department of Community Affairs in order
34 that said relocation assistance program will be in general
35 conformity with any rules and regulations promulgated by the
36 Commissioner of the Department of Community Affairs pursuant to
37 P.L. 91-646, the Uniform Relocation Assistance and Real Property
38 Acquisition Policies Act of 1970, and amendments thereto.

39 The Commissioner of Transportation shall have the right and
40 authority to promulgate regulations appropriate for the relocation
41 programs of both the State Department of Transportation and the
42 New Jersey Transit Corporation. The Department of Transportation
43 shall act as the lead entity with regard to relocation appeals.

44 (cf: P.L.1971, c.362, s.22)

45

46 23. This act shall take effect on the first day of the fourth month
47 next following enactment. Any final action taken by a municipality

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

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STATEMENT

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This bill would allow various parts of statutory law to provide
13 greater accountability and transparency in the use of eminent
14 domain by local governments in New Jersey.

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In June, 2005, the United States Supreme Court decided the case
of Kelo v. City of New London, Connecticut, 125 S.Ct. 2655
(2005), which dealt with the exercise of eminent domain by a local
government to promote economic development. While the facts of
that case are different than the law in New Jersey, the case provided
an opportunity for the Legislature to examine the use of eminent
domain by New Jersey municipalities exercising their
redevelopment powers.

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The bill does not seek to prevent the exercise of eminent domain,
but it does seek to ensure that it is used more judiciously and
produces equitable results. The criteria for finding property to be
an “area in need of redevelopment” would be reorganized and
certain criteria would be amended to remove the possibility of a
property owner losing their homes simply because a “better” use
could be envisioned by a local government official. Further, the
ability to include non-qualifying parcels in an area in need of
redevelopment would be limited to 20% of the land mass within the
proposed redevelopment area. If eminent domain is going to be
used, the bill would require that the redevelopment agreement
contain a timeframe for the acquisition of such property and a
requirement that all requests for the use of eminent domain be made
within five years of the date of the redevelopment agreement.
Awards for eminent domain would be based on the highest value of
the property, either at the time of taking or the time of the adoption
of the redevelopment plan and would be based on the uses
permitted under the plan. Furthermore, residential property owners
whose homes are taken by eminent domain would be ensured that
compensation would at least equal the replacement value of their
home. Additionally, any resident dislocated by the use of eminent
domain would be granted a right of first refusal to purchase or lease
a unit within the redevelopment project that resulted in their
displacement.

1 The notice provisions for designing and undertaking a
2 redevelopment project would be greatly enhanced under the bill.
3 The bill would require that the hearing notice be in a simple, clear
4 and easily understandable format and would tell people that a
5 consequence of the designation of an area as being in need of
6 redevelopment could be the use of eminent domain. Prior to the
7 hearing, all documents relevant to the determination of an area in
8 need of redevelopment would be made available for public
9 inspection and posted on the municipal website. At the hearing, all
10 testimony would be provided under oath or affirmation and the
11 hearing would be recorded or transcribed.

12 The bill would require an informational meeting before the
13 process is formally begun for larger redevelopment projects. Notice
14 to impacted property owners, including tenants, would be greatly
15 expanded to include direct notice during, (1) the study of a
16 proposed redevelopment area by a planning board, (2) the
17 determination that an area is in need of redevelopment by the
18 governing body, and (3) the formulation and adoption of a
19 redevelopment plan. For the adoption of a redevelopment plan,
20 such notice would also be required to identify which parcels within
21 the redevelopment area would be subject to acquisition by eminent
22 domain and inform notice recipients of the right to appeal the
23 determination.

24 An additional public hearing would be required to be held within
25 60 days of undertaking the preparation of a redevelopment plan to
26 afford public comment on the goals and content of the proposed
27 plan. Notice of public hearing upon adoption of a redevelopment
28 plan would notify those property owners whose properties do not
29 exhibit blight conditions of the reasons why acquisition of their
30 properties are needed for the redevelopment project.

31 Additionally, the bill would require all significant steps of the
32 process to be undertaken by ordinance so that public hearings are
33 held by the governing body at each critical point in the process.
34 These amendments to the eminent domain and land use laws will
35 add transparency to a process that is often subject to unnecessary
36 miscommunication and will provide for the opportunity for greater
37 public input and consensus.

38 The bill would also expand the scope of future redevelopment
39 plans to identify, not just the benefits inherent in future
40 redevelopment projects, but also the costs. In addition to an
41 analysis of the land use controls, a redevelopment plan would be
42 required to contain an inventory of environmental, historical and
43 cultural assets within the redevelopment area, together with
44 preservation and conservation strategies for such assets.
45 Additionally, the redevelopment plan would need to quantify the
46 impact of the plan on surrounding areas and the legal obligations
47 applicable to low and moderate income persons within the

1 municipality and the relocation needs arising from any displacement
2 of residents or businesses as a result of the plan. Finally, the
3 redevelopment plan would need to document consistency with
4 smart growth planning principles. These amendments are designed
5 to ensure that local governing bodies consider all relevant factors
6 before adopting a plan.

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

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

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