

SENATE, No. 2088

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JUNE 26, 2006

Sponsored by:

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District 3 (Salem, Cumberland and Gloucester)

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District 18 (Middlesex)

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SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/9/2007)

1 AN ACT concerning redevelopment and eminent domain, amending
2 various parts of the statutory law, and supplementing P.L.1992,
3 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
24 been necessary to assure the success of such redevelopment
25 programs.

26 c. Since 1949, the laws authorizing such redevelopment
27 programs have been amended from time to time and were last re-
28 codified in 1992 into one law designed to make the legal
29 mechanisms for exercising such responsibilities and powers in
30 undertaking redevelopment improvements more efficient to use.

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

39 e. The Legislature's comprehensive review has included a
40 series of public meetings and the receipt of testimony and
41 correspondence from various stakeholders in redevelopment
42 programs, including, but not limited to, municipal officials,
43 property owners, developers, real estate professionals, civil
44 libertarians, academics, and members of the general 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 f. Following this comprehensive review, the Legislature
2 declares that redevelopment remains a valid and important public
3 purpose and public use; that the implementation of redevelopment
4 programs continues to be a vital tool for municipal officials that
5 must be maintained to allow such officials to continue to meet their
6 governmental responsibilities to arrest and reverse deleterious
7 property conditions within their municipal borders; and that the
8 power of eminent domain remains necessary in certain cases to
9 effectively implement such redevelopment responsibilities and
10 powers.

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

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

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

46 (2) construction in areas already serviced by public utilities, so
47 that existing infrastructure can be maintained and used in the
48 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
48 personal property for necessary, convenient or desirable

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

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

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

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

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

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

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

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

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

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

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

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

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

43 “Rehabilitation” means an undertaking, by means of extensive
44 repair, reconstruction or renovation of existing structures, with or
45 without the introduction of new construction or the enlargement of
46 existing structures, in any area that has been determined to be in
47 need of rehabilitation or redevelopment, to eliminate substandard

1 structural or housing conditions and arrest the deterioration of that
2 area.

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

6 (cf: P.L.1992, c.79, s.3)

7

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

10 4. In exercising the redevelopment and rehabilitation functions
11 provided for in this act:

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

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

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

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

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

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

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

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

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

36 c. The municipality shall be responsible for implementing
37 redevelopment plans and carrying out redevelopment projects
38 pursuant to section 8 of P.L.1992, c.79 (C.40A:12A-8). The
39 municipality may execute these responsibilities directly, or in
40 addition thereto or in lieu thereof, **[through]** may designate by
41 ordinance either a municipal redevelopment agency, or a municipal
42 housing authority authorized to exercise redevelopment powers
43 pursuant to section 21 of P.L.1992, c.79 (C.40A:12A-21), but there
44 shall be only one redevelopment entity responsible for each
45 redevelopment project. A county improvement authority authorized
46 to undertake redevelopment projects pursuant to the “county
47 improvement authorities law,” P.L.1960, c.183 (C.40:37A-44 et
48 seq.) may also act as a redevelopment entity pursuant to this act.

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

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

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

25

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

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

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

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

41 c. (1) Land that is owned by the municipality, the county, a
42 local housing authority, redevelopment agency or redevelopment
43 entity, or

44 (2) unimproved vacant land that has remained so for a period of
45 ten years prior to adoption of the **[resolution]** ordinance, and that
46 by reason of its location, remoteness, environmental contamination,

- 1 lack of means of access to developed sections or portions of the
2 municipality, or topography, or nature of the soil,
3 is not likely to be developed through the instrumentality of
4 private capital and is determined to be detrimental to the safety,
5 health, or welfare of the community.
- 6 d. Areas with buildings or improvements which, by reason of
7 dilapidation, obsolescence, overcrowding, [faulty arrangement or
8 design, lack of ventilation, light and sanitary facilities, excessive
9 land coverage, deleterious land use or obsolete layout,] or any
10 combination of these or [other factors,] similar conditions are
11 determined to be detrimental to the safety, health, [morals,] or
12 welfare of the community.
- 13 e. A [growing lack or total lack of proper utilization of areas]
14 deterioration in the condition of the property caused by [the
15 condition of the title,] diverse ownership of the real property
16 [therein] or other conditions of title, [resulting in a stagnant or not
17 fully productive condition of land potentially useful and valuable
18 for contributing to and serving the public health, safety and
19 welfare] which, by virtue of these factors are determined to be
20 detrimental to the safety, health, or welfare of the community.
- 21 f. Areas, in excess of five contiguous acres, whereon buildings
22 or improvements have been destroyed, consumed by fire,
23 demolished or altered by the action of storm, fire, cyclone, tornado,
24 earthquake or other casualty in such a way that the aggregate
25 assessed value of the area has been materially depreciated.
- 26 g. In any municipality in which an enterprise zone has been
27 designated pursuant to the “New Jersey Urban Enterprise Zones
28 Act,” P.L.1983, c.303 (C.52:27H-60 et seq.) the execution of the
29 actions prescribed in that act for the adoption by the municipality
30 and approval by the New Jersey Urban Enterprise Zone Authority
31 of the zone development plan for the area of the enterprise zone
32 shall be considered sufficient for the determination that the area is
33 in need of redevelopment pursuant to sections 5 and 6 of P.L.1992,
34 c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
35 exemptions within the enterprise zone district pursuant to the
36 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or the adoption
37 of a tax abatement and exemption ordinance pursuant to the
38 provisions of P.L.1991, c.441 (C.40A:21-1 et seq.). The
39 municipality shall not utilize any other redevelopment powers
40 within the urban enterprise zone unless the municipal governing
41 body and planning board have also taken the actions and fulfilled
42 the requirements prescribed in P.L.1992, c.79 (C.40A:12A-1 et al.)
43 for determining that the area is in need of redevelopment or an area
44 in need of rehabilitation and the municipal governing body has
45 adopted a redevelopment plan ordinance including the area of the
46 enterprise zone.

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

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

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

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

19
20 5. Section 6 of P.L.1992, c.79 (C.40A:12A-6) is amended to
21 read as follows:

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

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

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

47 (2) The planning board shall specify a date for and give notice
48 of a hearing for the purpose of hearing persons who are interested in

1 or would be affected by a determination that the delineated area is a
2 redevelopment area.

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

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

45 (4) At the hearing, which may be adjourned from time to time,
46 the planning board shall hear all persons who are interested in or
47 would be affected by a determination that the delineated area is a
48 redevelopment area. All testimony provided at the hearing shall be

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

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

31 (b) After receiving the recommendation of the planning board,
32 the municipal governing body may adopt **[a resolution]** an
33 ordinance determining that the delineated area, or any part thereof,
34 is a redevelopment area. **[Upon the]** Prior to final adoption of **[a**
35 **resolution]** the ordinance, the clerk of the municipality shall,
36 forthwith, transmit a copy of the **[resolution]** ordinance to the
37 Commissioner of Community Affairs for review. If the area in need
38 of redevelopment is not situated in an area in which development or
39 redevelopment is to be encouraged pursuant to any State law or
40 regulation promulgated pursuant thereto, the **[determination]**
41 ordinance shall not [take effect] be finally adopted without first
42 receiving the review and the approval of the commissioner. If the
43 commissioner does not issue an approval or disapproval within 30
44 calendar days of transmittal by the clerk, the determination shall be
45 deemed to be approved and the ordinance may be finally adopted.
46 If the area in need of redevelopment is situated in an area in which
47 development or redevelopment is to be encouraged pursuant to any

1 State law or regulation promulgated pursuant thereto, then the
2 determination shall take effect after the clerk has transmitted a copy
3 of the **[resolution]** ordinance to the commissioner. The
4 determination that the delineated area is a redevelopment area, [if
5 supported by substantial evidence] and, if required, **[approved]**
6 approval by the commissioner, shall be binding and conclusive
7 upon all persons affected by the determination that the delineated
8 area is a redevelopment area. [Notice of the determination shall be
9 served, within 10 days after the determination, upon each person
10 who filed a written objection thereto and stated, in or upon the
11 written submission, an address to which notice of determination
12 may be sent.] If the determination that the delineated area is a
13 redevelopment area is challenged in court, the municipality shall be
14 required to show, by a preponderance of the evidence, that the
15 delineated area fulfills the criteria set forth in section 5 of P.L.1992,
16 c.79 (C.40A:12A-5).

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

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

31 (8) Notice of final adoption of an ordinance making a
32 determination shall be served, within 10 days after the final
33 adoption of the ordinance making such determination, upon each
34 person who received notice of the public hearing in accordance with
35 paragraph (3) of subsection b. of this section in the same manner as
36 provided therein. The notice shall inform the recipient of the right
37 to appeal the designation and shall provide the recipient with the
38 relevant deadlines for filing an appeal. Additionally, notice of final
39 adoption of an ordinance making a determination shall be published
40 in the official newspaper of the municipality, together with the date
41 of the first publication of such notice and also a statement that any
42 action or proceeding of any kind or nature in any court questioning
43 the validity of the adoption of the ordinance or the determination
44 contained therein, shall be commenced within 60 days after the first
45 publication of such notice.

46 (9) The municipality shall not finally adopt an ordinance
47 adopting a redevelopment plan in accordance with section 7 of

1 P.L.1992, c.79 (C.40A:12A-7) until 60 days have passed since the
2 ordinance making a determination under this section has been
3 finally adopted.

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

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

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

25

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

28 7. a. Following the determination of an area in need of
29 redemption pursuant to section 6 of P.L.1992, c.79 (C.40A:12A-
30 6) or a determination of an area in need of rehabilitation pursuant to
31 section 14 of P.L.1992, c.79 (C.40A:12A-14), the municipality may
32 undertake the preparation of a redemption plan for all or some
33 part of the area determined to be in need of redemption or
34 rehabilitation, directly in accordance with subsection e. of this
35 section, or, by resolution, may direct the municipal planning board
36 to develop such plan in accordance with subsection f. of this
37 section. No redemption project shall be undertaken or carried
38 out except in accordance with a redemption plan [adopted by
39 ordinance of the municipal governing body, upon its finding that
40 the] relating to a specifically delineated project area that is located
41 in an area in need of redemption or in an area in need of
42 rehabilitation, or in both, according to criteria set forth in section 5
43 or section 14 of P.L.1992, c.79 (C.40A:12A-5 or 40A:12A-14), as
44 appropriate.

45 [The] A redemption plan shall include an outline for the
46 planning, development, redemption, or rehabilitation of the
47 project area sufficient to indicate:

1 (1) **[Its]** The relationship of the plan to [definite] local
2 objectives as set forth in the municipal master plan or other official
3 documents with respect to [appropriate] land uses, density of
4 population, [and improved] improvements or changes to traffic
5 circulation, pedestrian circulation and public transportation, public
6 utilities, recreational and community facilities and other public
7 improvements.

8 (2) Proposed land uses and building requirements in the project
9 area, including the character, intensity and scale of proposed
10 redevelopment activities, and the design and planning standards and
11 guidelines to govern those activities.

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

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

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

41 (6) The social and economic impact of the redevelopment area,
42 including its effect on those parts of the municipality adjacent to the
43 redevelopment area, and on the low and moderate income residents
44 of the area.

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

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

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

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

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

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

33 c. The redevelopment plan shall describe its relationship to
34 pertinent municipal development regulations as defined in the
35 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.).
36 The redevelopment plan shall supersede applicable provisions of the
37 development regulations of the municipality or constitute an
38 overlay zoning district within the redevelopment area. When the
39 redevelopment plan supersedes any provision of the development
40 regulations, the ordinance adopting the redevelopment plan shall
41 contain an explicit amendment to the zoning district map included
42 in the zoning ordinance. The zoning district map as amended shall
43 indicate the redevelopment area to which the redevelopment plan
44 applies. **[Notwithstanding the provisions of the "Municipal Land**
45 **Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.) or of other law, no**
46 **notice beyond that required for adoption of ordinances by the**
47 **municipality shall be required for the hearing on or adoption of the**
48 **redevelopment plan or subsequent amendments thereof.]**

1 d. All provisions of the redevelopment plan shall be either
2 substantially consistent with the municipal master plan or designed
3 to effectuate the master plan; but the municipal governing body may
4 adopt a redevelopment plan which is inconsistent with or not
5 designed to effectuate the master plan by affirmative vote of a
6 majority of its full authorized membership with the reasons for so
7 acting set forth in the redevelopment plan.

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

32 f. The governing body of a municipality may direct the planning
33 board to prepare a redevelopment plan **【or an amendment or**
34 **revision to a redevelopment plan】** for a designated redevelopment
35 area. After completing the redevelopment plan, the planning board
36 shall transmit the proposed plan to the governing body for its
37 adoption. The governing body, when considering the proposed
38 plan, may amend or revise any portion of the proposed
39 redevelopment plan by an affirmative vote of the majority of its full
40 authorized membership and shall record in its minutes the reasons
41 for each amendment or revision. When a redevelopment plan **【or**
42 **amendment to a redevelopment plan】** is referred to the governing
43 body by the planning board under this subsection, the governing
44 body shall be relieved of the referral requirements of subsection e.
45 of this section.

46 g. Within 60 days after the governing body or planning board
47 begins preparation of the redevelopment plan, the governing body

1 or planning board shall conduct a public hearing on the goals and
2 content of the redevelopment plan. Notice of the public hearing
3 shall state the date, time, and location of the public hearing and
4 identify the borders of the area for which a plan is being developed.
5 A copy of the notice of the public hearing shall be published in a
6 newspaper of general circulation in the municipality once each
7 week for two consecutive weeks, and the last publication shall be
8 not less than 10 days prior to the date set for the hearing, and shall
9 be posted on the municipality's Internet web site, if any, and in such
10 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 rental
18 dwelling units by contacting the legal owner of the rental property
19 or a management company identified by such owner, but if unable
20 to do so shall have a copy of the notice posted on properties known
21 to be rental dwelling units. At such public hearing, the municipal
22 governing body shall hear all persons who are interested in or
23 would be affected by the redevelopment plan, although the planning
24 board or governing body may, by vote of its majority, restrict or
25 limit the amount of time afforded each such person to speak. A
26 record of the public hearing shall be kept by the municipal clerk.

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

29 i. The redevelopment plan shall be adopted by ordinance of the
30 municipal governing body. Prior to final adoption of the ordinance,
31 the municipal governing body shall conduct a public hearing on the
32 ordinance and all interested persons shall be allowed to speak.
33 Notice of the public hearing shall state the date, time, and location
34 of the public hearing, shall identify where the proposed
35 redevelopment plan is available for examination and shall identify,
36 by block and lot and street address, if any, the parcels that may be
37 subject to eminent domain under the proposed redevelopment plan.
38 The full text of the redevelopment plan to be considered by the
39 governing body along with any maps or other exhibits thereto, shall
40 be made available to the public in the municipal building and shall
41 be posted on the municipality's Internet web site, if any, at the time
42 such notice to such hearing is to be provided. Copies of the
43 proposed redevelopment plan shall be available for purchase by any
44 interested party. A copy of the notice of the public hearing shall be
45 published in a newspaper of general circulation in the municipality
46 once each week for two consecutive weeks, and the last publication
47 shall be not less than 10 days prior to the date set for the hearing,
48 and shall be posted on the municipality's Internet web site and in

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

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

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

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

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

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

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

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

16 c. Acquire, by condemnation, any land or building which is
17 necessary for the redevelopment project, pursuant to the provisions
18 of the "Eminent Domain Act of 1971," P.L.1971, c.361 (C.20:3-1 et
19 seq.); provided, however, that for properties to be acquired under
20 the terms of an agreement entered into after the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill),
22 the valuation of such properties shall take into account the uses
23 permitted for such property under the redevelopment plan and shall
24 be based on the date the municipality files the declaration of taking
25 or the date of adoption of the redevelopment plan, whichever yields
26 the higher valuation. For residential properties, if neither of these
27 two valuations is equal to or more than the "replacement value" of
28 the home, then the valuation of such properties must be at least the
29 "replacement value" of the home, which shall be defined as the
30 approximate value of a home of similar size and quality under
31 comparable conditions, within the municipality and within a
32 reasonable distance of the property being condemned. Tenants who
33 are otherwise eligible for rental assistance pursuant to section 1 of
34 P.L.2004, c.140 (C.52:27D-287.1) and who are displaced by a
35 redevelopment project undertaken because of the use of eminent
36 domain authorized pursuant to the "Local Redevelopment and
37 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et seq.), shall be
38 entitled to receive rental assistance, on a priority basis, under the
39 rental assistance program for low income individuals or households
40 established pursuant to P.L.2004, c.140 (C.52:27D-287.1 et seq.).
41 The redeveloper of the project in connection with which eminent
42 domain has been employed shall be responsible for reimbursing the
43 State for the cost of the rental assistance for a period not to exceed
44 four years from the commencement of occupancy of the new unit,
45 and shall, prior to any displacement, deposit with the Commissioner
46 of Community Affairs the amount estimated by the commissioner to
47 be necessary for this purpose. The Commissioner of Community
48 Affairs shall adopt the necessary rules and regulations to govern the

1 calculation of the reimbursement by redevelopers pursuant to this
2 subsection and the administration of the priority list for the
3 rehousing of tenants displaced from redevelopment areas.

4 d. Clear any area owned or acquired and install, construct or
5 reconstruct streets, facilities, utilities, and site improvements
6 essential to the preparation of sites for use in accordance with the
7 redevelopment plan.

8 e. Prepare or arrange by contract for the provision of
9 professional services and the preparation of plans by registered
10 architects, licensed professional engineers or planners, or other
11 consultants for the carrying out of redevelopment projects.

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

35 g. Lease or convey property or improvements to any other
36 party pursuant to this section, without public bidding and at such
37 prices and upon such terms as it deems reasonable, provided that
38 the lease or conveyance is made in conjunction with a
39 redevelopment plan, notwithstanding the provisions of any law,
40 rule, or regulation to the contrary.

41 h. Enter upon any building or property in any redevelopment
42 area in order to conduct investigations or make surveys, sounding or
43 test borings necessary to carry out the purposes of this act.

44 i. Arrange or contract with a public agency for the relocation,
45 pursuant to the "Relocation Assistance Law of 1967," P.L.1967,
46 c.79 (C.52:31B-1 et seq.) and the "Relocation Assistance Act,"
47 P.L.1971, c.362 (C.20:4-1 et seq.), of residents, industry or
48 commerce displaced from a redevelopment area.

- 1 j. Make, consistent with the redevelopment plan: (1) plans for
2 carrying out a program of voluntary repair and rehabilitation of
3 buildings and improvements; and (2) plans for the enforcement of
4 laws, codes, and regulations relating to the use and occupancy of
5 buildings and improvements, and to the compulsory repair,
6 rehabilitation, demolition, or removal of buildings and
7 improvements.
- 8 k. Request that the planning board recommend and governing
9 body designate particular areas as being in need of redevelopment
10 or rehabilitation in accordance with the provisions of this act and
11 make recommendations for the redevelopment or rehabilitation of
12 such areas.
- 13 l. Study the recommendations of the planning board or
14 governing body for redevelopment of the area.
- 15 m. Publish and disseminate information concerning any
16 redevelopment area, plan or project.
- 17 n. Do all things necessary or convenient to carry out its powers.
- 18 o. (1) Authorize and execute a written agreement designating a
19 redeveloper or redevelopers to undertake a project or projects in
20 accordance with the redevelopment plan. The agreement may
21 contain a provision requiring the redeveloper to reimburse the
22 municipality for costs associated with the preliminary investigation
23 to determine whether the proposed area is a redevelopment area as
24 set forth in section 6 of P.L.1992, c.79 (C.40A:12A-6).
- 25 (2) If a project or projects will involve the conveyance of land
26 owned by the municipality or any project, 20% or more of which
27 will be constructed upon land subject to acquisition by the
28 municipality pursuant to the redevelopment plan, such designation
29 shall be based upon the results of a competitive process undertaken
30 in accordance with section 11 of P.L. , c. (C.) (pending
31 before the Legislature as this bill).
- 32 (cf: P.L.1992, c.79, s.8)
- 33
- 34 8. Section 14 of P.L.1992, c.79 (C.40A:12A-14) is amended to
35 read as follows:
- 36 14. a. A delineated area may be determined to be in need of
37 rehabilitation if the governing body of the municipality determines
38 by resolution that a program of rehabilitation, as defined in section
39 3 of P.L.1992, c.79 (C.40A:12A-3), may be expected to prevent
40 further deterioration and promote the overall development of the
41 community and that there exist in that area conditions such that:
- 42 (1) a significant portion of structures therein are in a
43 deteriorated or substandard condition and there is a continuing
44 pattern of vacancy, abandonment or underutilization of properties in
45 the area, **[with]** which may be reflected in a persistent arrearage of
46 property tax payments thereon; **[or]**
- 47 (2) **[more than half]** a significant amount of the housing stock
48 **[in the delineated area is at least 50 years old, or a majority of the**

1 water and sewer] or infrastructure in the delineated area, or both, is
2 [at least 50 years old and is] in need of repair or substantial
3 maintenance; [and]

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

9 (4) areas with buildings or improvements evidencing
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; or

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

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

37 b. A delineated area shall be deemed to have been determined
38 to be an area in need of rehabilitation in accordance with the
39 provisions of this act if it has heretofore been determined to be an
40 area in need of rehabilitation pursuant to P.L.1975, c.104 (C.54:4-
41 3.72 et seq.), P.L.1977, c.12 (C.54:4-3.95 et seq.) or P.L.1979,
42 c.233 (C.54:4-3.121 et seq.).

43 (cf: P.L.2003, c.125, s.5)

44

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

1 15. In accordance with the provisions of a redevelopment plan
2 adopted pursuant to section 7 of P.L.1992, c.79 (C.40A:12A-7), a
3 municipality or redevelopment entity may proceed with clearance,
4 replanning, conservation, development, redevelopment and
5 rehabilitation of an area in need of rehabilitation. **【With respect to**
6 **a redevelopment project in】** In an area in need of rehabilitation, the
7 municipality or redevelopment entity, upon the adoption of a
8 redevelopment plan for the area, may perform any of the actions set
9 forth in section 8 of P.L.1992, c.79 (C.40A:12A-8), except that
10 **【with respect to such a project】** the municipality shall not have the
11 power to use eminent domain to take or acquire private property by
12 condemnation in furtherance of a redevelopment plan, unless **【:** a.
13 the area is within an area determined to be in need of
14 redevelopment pursuant to this act; or b.**】** exercise of that power is
15 authorized under any other law of this State.
16 (cf: P.L.1992, c.79, s.15)

17

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

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

25 b. The master plan shall generally comprise a report or
26 statement and land use and development proposals, with maps,
27 diagrams and text, presenting, at least the following elements (1)
28 and (2) and, where appropriate, the following elements (3) through
29 **【14】 15):**

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

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

1 including a statement of the standards of population density and
2 development intensity recommended for the municipality;

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

7 (4) A circulation plan element showing the location and types of
8 facilities for all modes of transportation required for the efficient
9 movement of people and goods into, about, and through the
10 municipality, taking into account the functional highway
11 classification system of the Federal Highway Administration and
12 the types, locations, conditions and availability of existing and
13 proposed transportation facilities, including air, water, road and rail;

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

25 (6) A community facilities plan element showing the existing
26 and proposed location and type of educational or cultural facilities,
27 historic sites, libraries, hospitals, firehouses, police stations and
28 other related facilities, including their relation to the surrounding
29 areas;

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

32 (8) A conservation plan element providing for the preservation,
33 conservation, and utilization of natural resources, including, to the
34 extent appropriate, energy, open space, water supply, forests, soil,
35 marshes, wetlands, harbors, rivers and other waters, fisheries,
36 endangered or threatened species wildlife and other resources, and
37 which systemically analyzes the impact of each other component
38 and element of the master plan on the present and future
39 preservation, conservation and utilization of those resources;

40 (9) An economic plan element considering all aspects of
41 economic development and sustained economic vitality, including
42 (a) a comparison of the types of employment expected to be
43 provided by the economic development to be promoted with the
44 characteristics of the labor pool resident in the municipality and
45 nearby areas and (b) an analysis of the stability and diversity of the
46 economic development to be promoted;

47 (10) A historic preservation plan element: (a) indicating the
48 location and significance of historic sites and historic districts; (b)

1 identifying the standards used to assess worthiness for historic site
2 or district identification; and (c) analyzing the impact of each
3 component and element of the master plan on the preservation of
4 historic sites and districts;

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

7 (12) A recycling plan element which incorporates the State
8 Recycling Plan goals, including provisions for the collection,
9 disposition and recycling of recyclable materials designated in the
10 municipal recycling ordinance, and for the collection, disposition
11 and recycling of recyclable materials within any development
12 proposal for the construction of 50 or more units of single-family
13 residential housing or 25 or more units of multi-family residential
14 housing and any commercial or industrial development proposal for
15 the utilization of 1,000 square feet or more of land;

16 (13) A farmland preservation plan element, which shall include:
17 an inventory of farm properties and a map illustrating significant
18 areas of agricultural land; a statement showing that municipal
19 ordinances support and promote agriculture as a business; and a
20 plan for preserving as much farmland as possible in the short term
21 by leveraging monies made available by P.L.1999, c.152 (C.13:8C-
22 1 et al.) through a variety of mechanisms including, but not limited
23 to, utilizing option agreements, installment purchases, and
24 encouraging donations of permanent development easements; **[and]**

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

29 (15) A redevelopment plan element identifying all areas that
30 have been designated in need of redevelopment or rehabilitation in
31 the municipality as well as additional areas that may be so
32 designated in the future, the goals and objectives of projected
33 redevelopment activities in those areas during the time period
34 covered by the master plan, the manner in which those activities
35 further the social, economic, and physical improvement of the
36 municipality, and the manner in which redevelopment activities are
37 linked to other activities being carried out by the municipality
38 pursuant to the municipal master plan, including improvements to
39 infrastructure, transportation improvements, and the construction of
40 public and community facilities.

41 c. The master plan and its plan elements may be divided into
42 subplans and subplan elements projected according to periods of
43 time or staging sequences.

44 d. The master plan shall include a specific policy statement
45 indicating the relationship of the proposed development of the
46 municipality, as developed in the master plan to (1) the master plans
47 of contiguous municipalities, (2) the master plan of the county in
48 which the municipality is located, (3) the State Development and

1 Redevelopment Plan adopted pursuant to the "State Planning Act,"
2 sections 1 through 12 of P.L.1985, c.398 (C.52:18A-196 et seq.)
3 and (4) the district solid waste management plan required pursuant
4 to the provisions of the "Solid Waste Management Act," P.L.1970,
5 c.39 (C.13:1E-1 et seq.) of the county in which the municipality is
6 located.

7 In the case of a municipality situated within the Highlands
8 Region, as defined in section 3 of P.L.2004, c.120 (C.13:20-3), the
9 master plan shall include a specific policy statement indicating the
10 relationship of the proposed development of the municipality, as
11 developed in the master plan, to the Highlands regional master plan
12 adopted pursuant to section 8 of P.L.2004, c.120 (C.13:20-8).
13 (cf: P.L.2004, c.120, s.60)

14

15 11. (New section) a. Whenever a redevelopment project or
16 projects involve the conveyance of land owned by the municipality,
17 or any project, 20% or more of which will be constructed upon land
18 subject to acquisition by the municipality or redevelopment entity
19 pursuant to the redevelopment plan, the municipality shall approve,
20 by ordinance, a written agreement designating a redeveloper
21 selected in accordance with this section.

22 b. The municipality or redevelopment entity shall prepare or
23 have prepared request for proposal documentation, which shall
24 include: all requirements deemed appropriate and necessary to
25 allow for full and free competition between potential redevelopers;
26 information necessary for potential redevelopers to submit a
27 proposal, including a copy of the redevelopment plan, a general
28 description of the project or projects, and such municipal public
29 records relating to buildings and improvements within the
30 redevelopment area, including, but not limited to, services provided
31 by public utilities, building permit, and assessment records; and a
32 methodology by which the municipality will evaluate and rank
33 proposals received from potential redevelopers.

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

39 d. At no time during the proposal solicitation process shall the
40 municipality or redevelopment entity, or any employee or agent
41 thereof, convey information to the public or any potential
42 redeveloper which could confer an unfair advantage upon that
43 potential redeveloper over any other potential redeveloper. If the
44 municipality or redevelopment entity desires to change proposal
45 documentation, the municipality or redevelopment entity shall
46 notify only those potential redevelopers who received the proposal
47 documentation of any and all changes in writing, and all existing
48 documentation shall be changed appropriately.

- 1 e. All proposals shall be required to contain a statement of
2 corporate ownership in accordance with the provisions of section 1
3 of P.L.1977, c.33 (C.52:25-24.2) and specifications concerning
4 equal employment opportunity and affirmative action pursuant to
5 P.L.1975, c.127 (C.10:5-31 et seq.)
- 6 f. A notice of the availability of request for proposal
7 documentation shall be published in an official newspaper of the
8 municipality at least 30 days prior to the date established for the
9 submission of proposals. Such notice shall provide the name,
10 address, and phone number of the person who can provide
11 additional information and a proposal document to an interested
12 party. The municipality or redevelopment entity shall promptly
13 reply to any request by an interested party by providing a copy of
14 the request for proposals. The municipality or redevelopment entity
15 may charge a fee for the proposal documentation that shall not
16 exceed \$50 or the cost of reproducing the documentation,
17 whichever is greater.
- 18 g. Each interested potential redeveloper shall submit a proposal
19 which shall include all the information required by the request for
20 proposals. Failure to meet the requirements of the request for
21 proposals may result in the municipality or redevelopment entity
22 disqualifying the potential redeveloper from further consideration.
- 23 h. The municipality or redevelopment entity shall review and
24 evaluate all proposals only in accordance with the methodology
25 described in the request for proposals. The review shall be
26 conducted in a manner that avoids disclosure of the contents of any
27 proposal prior to the selection of a redeveloper. The municipality
28 or redevelopment entity may conduct discussions with a potential
29 redeveloper submitting a proposal for the purpose of clarifying the
30 information submitted in the proposal. The municipality or
31 redevelopment entity may at any time revise its proposal document
32 after the review of the submitted proposals if it notifies
33 simultaneously, and in writing, each potential redeveloper that
34 submitted a proposal of the revision and provides a uniform time
35 within which the potential redevelopers may submit a revised
36 proposal for review.
- 37 i. The municipality or redevelopment entity shall select the
38 proposal that received the highest evaluation and shall negotiate an
39 agreement with the potential redeveloper that submitted the selected
40 proposal. If the municipality or redevelopment entity is unable to
41 negotiate a satisfactory agreement with the potential redeveloper
42 that submitted the selected proposal, it may select the proposal that
43 received the second highest evaluation from among those submitted
44 and proceed to negotiate a satisfactory contract with the potential
45 redeveloper that submitted that proposal. The process shall
46 continue until a redeveloper is selected or the process is abandoned
47 by the municipality or redevelopment entity. The decision to

1 abandon the proposal process shall be by a resolution adopted by
2 the governing body of the municipality or redevelopment entity.

3 j. After a redeveloper has been selected and a satisfactory
4 agreement has been negotiated, but prior to the execution of the
5 agreement by the governing body or redevelopment entity, the
6 municipality or redevelopment entity shall prepare a report
7 concerning the proposal selection process. The report shall list the
8 names of all potential redevelopers who submitted a proposal and
9 shall summarize the proposals of each potential redeveloper. The
10 report shall (1) rank the potential redevelopers in order of
11 evaluation; (2) summarize, in general terms, any unsuccessful
12 negotiations with potential redevelopers that submitted proposals
13 which were ranked higher than the proposal of the selected
14 redeveloper; (3) recommend the selected redeveloper; and (4)
15 summarize the project to be undertaken and the relevant terms of
16 the proposed agreement. The report shall be made available to the
17 public at least 48 hours prior to the introduction of an ordinance
18 authorizing an agreement with the redeveloper.

19 k. The governing body of the municipality or redevelopment
20 entity shall have the right to reject all proposals for any reason, but
21 such reason must be given and the municipality shall not authorize
22 another request for proposals concerning the same project or
23 projects for a period of 30 days after the date of rejection or
24 abandonment by the governing body.

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

32

33 12. (New section) If any agreement between a redevelopment
34 entity and a redeveloper shall provide for the use or potential use of
35 eminent domain by the redevelopment entity, such agreement shall
36 contain:

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

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

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

46 d. A requirement, on the part of the redeveloper, to notify any
47 property owner who receives a written offer from the
48 redevelopment entity pursuant to section 6 of P.L.1971, c.361

1 (C.20:3-6) of the total compensation provided for in each contract
2 of sale between the redeveloper and any property owner in the
3 redevelopment area. This notice, which shall be in writing, shall be
4 provided at the time that the written offer is presented by the
5 redevelopment entity.

6 All mandatory schedules and time limitations within these
7 provisions may be subject to tolling for any contingencies set forth
8 in the agreement.

9
10 13. (New section) Every resident displaced as a result of a
11 redevelopment project shall have a limited right of first refusal to
12 purchase or lease a dwelling unit subsequently constructed within
13 the redevelopment project as set forth in this section:

14 a. At such time residents are provided notice pursuant to the
15 Workable Relocation Assistance Plan pursuant to law or regulation
16 adopted pursuant thereto, they shall be provided with the
17 opportunity to have their names entered into a registry of residents
18 seeking the opportunity to purchase or lease a dwelling unit in the
19 redevelopment project. The registry shall be maintained by the
20 municipal relocation officer designated under the Workable
21 Relocation Assistance Plan.

22 b. At such time that any residential development containing
23 more than 10 dwelling units shall be constructed in any
24 redevelopment area as a redevelopment project, the developer shall
25 notify each individual on the registry, by registered mail and by e-
26 mail to their last known mailing or e-mail address, as may be
27 available, of their opportunity to purchase or lease a dwelling unit.
28 It shall be the sole responsibility of the individual to maintain a
29 current mailing address with the registry, and the developer shall be
30 under no obligation to provide notice except as set forth in this
31 subsection.

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

38
39 14. (New section) a. For all areas determined to be in need of
40 redevelopment, the municipality shall submit to the Department of
41 Community Affairs a map outlining the physical boundaries of the
42 redevelopment area, the preliminary investigation report, and a
43 copy of the ordinance making the determination. This information
44 shall be transmitted within 60 days of the effective date of this act
45 for areas determined to be in need of redevelopment on or prior to
46 the effective date of this act, or within 10 days after the area is
47 determined to be in need of redevelopment after the effective date
48 of this act. The municipality shall also disclose to the Department

1 of Community Affairs, with updates as required by the department,
2 an accounting of the cost of all municipal investments made in the
3 redevelopment area subsequent to the final adoption of an ordinance
4 determining the area as in need of redevelopment, including, but not
5 limited to, the granting of tax abatements, the issuance of density
6 bonuses, and the value of municipal infrastructure provided in the
7 implementation of the plan. In addition, the municipality shall
8 disclose any other public infrastructure to be provided in the
9 redevelopment area using public funds.

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

15 c. Each year the Department of Community Affairs shall issue
16 a report that lists the location of all areas currently determined to be
17 in need of redevelopment in New Jersey; basic data for each area
18 about its size, population, the status of the redevelopment plan
19 implementation, the length of time the area has been designated as
20 an area in need of redevelopment, an accounting of the cost of all
21 municipal investments and an enumeration of other investments
22 made in the area using public funds subsequent to the final adoption
23 of an ordinance determining the area as in need of redevelopment,
24 as set forth in subsection a. of this section, the number of times
25 eminent domain has been used in each redevelopment area, and data
26 on compensation received by property owners, when available.
27 This report shall be made available to the general public upon
28 request and on the Department of Community Affairs Internet web
29 site.

30
31 15. Section 6 of P.L.1971, c.361 (C.20:3-6) is amended to read
32 as follows:

33 6. Whenever any condemnor shall have determined to acquire
34 property pursuant to law, including public property already devoted
35 to public purpose, but cannot acquire title thereto or possession
36 thereof by agreement with a prospective condemnee, whether by
37 reason of disagreement concerning the compensation to be paid or
38 for any other cause, the condemnation of such property and the
39 compensation to be paid therefor, and to whom payable, and all
40 matters incidental thereto and arising therefrom shall be governed,
41 ascertained and paid by and in the manner provided by this act;
42 provided, however, that no action to condemn shall be instituted
43 unless the condemnor is unable to acquire such title or possession
44 through bona fide negotiations with the prospective condemnee,
45 which negotiations shall include an offer in writing by the
46 condemnor to the prospective condemnee holding the title of record
47 to the property being condemned, setting forth the property and
48 interest therein to be acquired, the compensation offered to be paid

1 and [a reasonable disclosure of the manner in which the amount of
2 such offered compensation has been calculated] a copy of the
3 appraisal upon which the offer has been based and which was
4 approved by the condemnor, and such other matters as may be
5 required by the rules. Prior to such offer the taking agency shall
6 appraise said property and the owner shall be given an opportunity
7 to accompany the appraiser during inspection of the property [.
8 Such offer] and provide information, data or otherwise raise issues
9 of concern to the owner relating to the valuation of the property and
10 damages to the remainder arising from the proposed acquisition.
11 The written offer made by a condemnor to a prospective condemnee
12 holding record title to the property shall be served by certified mail
13 by a private courier or in person along with a copy of the approved
14 appraisal. In no event shall such offer be less than the taking
15 agency's approved appraisal of the fair market value of such
16 property. [A rejection of said offer or failure to accept the same
17 within the period fixed in written offer, which shall in no case be
18 less than 14 days from the mailing of the offer, shall] The
19 prospective condemnee shall be afforded 45 calendar days from
20 receipt of the written offer to review the offer and the approved
21 appraisal upon which the offer was based, to seek clarification
22 thereof as well as any other relevant information, to allow an
23 opportunity to negotiate the compensation to be paid, and to request
24 an opportunity to discuss the offer and the basis thereof with a
25 representative of the condemnor in person. Prior to the expiration
26 of this 45-day period, the prospective condemnee may request, in
27 writing, an extension of this 45-day period for a period not
28 exceeding an additional 25 days, for a total of 70 calendar days,
29 which shall not be denied except for good cause shown by the
30 condemnor. During this period, as it may be extended, the
31 prospective condemnee may seek additional relevant information
32 regarding the offer or regarding the project. Within the time period,
33 as may be extended, the condemnor shall provide reasonable and
34 timely responses to requests for information and for explanations
35 and shall afford an opportunity for the condemnee to meet in person
36 on at least one occasion with a representative of the condemnor to
37 discuss the offer and the basis thereof. The prospective condemnee
38 may also obtain its own appraisal and share it with the prospective
39 condemnor and seek a review thereof by the prospective
40 condemnor. If the prospective condemnee rejects the written offer
41 of the condemnor or otherwise does not affirmatively respond to the
42 offer, the condemnor may then send in writing by certified mail,
43 private courier, or in person, a letter setting forth an intent to
44 commence condemnation proceedings in the Superior Court. Such
45 letter, upon receipt, shall conclude bona fide negotiations between
46 the prospective condemnor and condemnee. A disagreement over
47 the amount of the offer, how the offer was calculated, or the method

1 or manner in which the property was appraised shall not constitute
2 grounds to continue negotiations or prevent the condemnor from
3 successfully acquiring the property through the commencement of a
4 condemnation proceeding and the appointment of condemnation
5 commissioners. Nothing in this section shall be construed as
6 requiring a condemnor to increase the amount of an offer during the
7 review and negotiation period. A condemnor may file a complaint
8 for condemnation in the manner provided by the Rules of Court
9 anytime after expiration of the initial review and negotiation period,
10 including any extension thereof, all as provided for in this section,
11 without the consent of the prospective condemnee, provided the
12 condemnor is otherwise empowered to exercise the power of
13 eminent domain and the condemnor has complied with the
14 provisions of this section. Proof of the delivery of a written offer
15 and a copy of the approved appraisal and the delivery of a letter of
16 intent at the expiration of the negotiation period as set forth above,
17 shall be deemed to be conclusive proof of the inability of the
18 condemnor to acquire the property or possession thereof through
19 negotiations. When the holder of the title is unknown, resides out
20 of the State, or for other good cause, the court, upon application as
21 a notice of motion as provided by the Rules of Court, may dispense
22 with the necessity of such negotiations. Neither the offer, the
23 amount thereof, nor the refusal thereof by the prospective
24 condemnee shall be evidential in the determination of
25 compensation.

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

27

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

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

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

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

40 (3) actual reasonable expenses in searching for a replacement
41 business or farm.

42 b. Any displaced person eligible for payments under subsection
43 a. of this section who is displaced from a dwelling and who elects to
44 accept the payments authorized by this subsection in lieu of the
45 payments authorized by subsection a. of this section may receive a
46 moving expense allowance, determined according to a schedule
47 established by the taking agency, not to exceed ~~【\$300.00】~~ \$450,
48 provided that on the first day of the 12th month next following

1 enactment of P.L. , c. (C.) (pending before the Legislature
2 as this bill), the moving expense allowance shall be increased not to
3 exceed \$900, and further increased on the first day of the 24th
4 month next following enactment of P.L. , c. (C.) (pending
5 before the Legislature as this bill), not to exceed \$1,350, and a
6 dislocation allowance of ~~[\$200.00]~~ \$300, provided that on the first
7 day of the 12th month next following enactment of
8 P.L. , c. (C.) (pending before the Legislature as this bill), the
9 dislocation allowance shall be \$600, and on the first day of the 24th
10 month next following enactment of P.L. , c. (C.) (pending
11 before the Legislature as this bill), that allowance shall be \$900
12 provided, however, such amounts shall be adjusted annually in
13 accordance with section 19 of P.L. , c. (C.) (pending before
14 the Legislature as this bill).

15 c. Any displaced person eligible for payments under subsection
16 a. of this section who is displaced from his place of business or
17 from his farm operation and who elects to accept the payment
18 authorized by this subsection in lieu of the payment authorized by
19 subsection a. of this section, may receive a fixed payment in an
20 amount equal to the average annual net earnings of the business or
21 farm operation, except that such payment shall not be less than
22 ~~[\$2,500.00]~~ \$3,750, provided that on the first day of the 12th
23 month next following enactment of P.L. , c. (C.) (pending
24 before the Legislature as this bill), the payment shall not be less
25 than \$7,500, and on the first day of the 24th month next following
26 enactment of P.L. , c. (C.) (pending before the Legislature
27 as this bill), the payment shall not be less than \$11,250 nor more
28 than ~~[\$10,000.00]~~ \$15,000, provided on the first day of the 12th
29 month next following enactment of P.L. , c. (C.) (pending
30 before the Legislature as this bill), the payment shall not be more
31 than \$22,500, and on the first day of the 24th month next following
32 enactment of P.L. , c. (C.) (pending before the Legislature
33 as this bill) the payment shall not be more than \$45,000 provided,
34 however, such amounts shall be adjusted annually in accordance
35 with section 19 of P.L. , c. (C.) (pending before the
36 Legislature as this bill). In the case of a business no payment shall
37 be made under this subsection unless the taking agency is satisfied
38 that the business (1) cannot be relocated without a substantial loss
39 of its existing patronage, and (2) is not a part of a commercial
40 enterprise having at least one other establishment not being
41 acquired by the taking agency, which is engaged in the same or
42 similar business. The business owner shall have the right to appeal
43 this decision in court. For purposes of this subsection, the term
44 "average annual net earnings," means 1/2 of any net earnings of the
45 business or farm operation, before Federal, State, and local income
46 taxes, during the 2 taxable years immediately preceding the taxable
47 year in which such business or farm operation moves from the real
48 property acquired or leased for such project, or during such other

1 period as such agency determines to be more equitable for
2 establishing such earnings, and includes any compensation paid by
3 the business or farm operation to the owner, his spouse, or his
4 dependents during such period.

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

6

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

9 5. a. In addition to payments otherwise authorized by this act,
10 P.L.1971, c.362 (C.20:4-1 et seq.), the taking agency shall make an
11 additional payment not in excess of ~~[\$15,000.00]~~ \$22,500,
12 provided that on the first day of the 12th month next following
13 enactment of P.L. , c. (C.) (pending before the Legislature
14 as this bill), the additional payment shall not be in excess of
15 \$45,000, and on the first day of the 24th month next following
16 enactment of P.L. , c. (C.) (pending before the Legislature
17 as this bill) the additional payment shall not be in excess of \$67,500
18 to any displaced person who is displaced from a dwelling actually
19 owned and occupied by such displaced person for not less than 180
20 days prior to the initiation of negotiations for the acquisition of the
21 property; provided, however, such amounts shall be adjusted
22 annually in accordance with section 19 of P.L. , c. (C.)
23 (pending before the Legislature as this bill). Such additional
24 payment shall include the following elements:

25 (1) The amount, if any, which when added to the acquisition cost
26 of the dwelling acquired, equals the reasonable cost of a comparable
27 replacement dwelling which is a decent, safe, and sanitary dwelling
28 adequate to accommodate such displaced person, reasonably
29 accessible to public services and places of employment and
30 available on the private market. All determinations required to
31 carry out this subparagraph shall be determined by regulations
32 issued pursuant to section 10 of ~~[this act]~~ P.L.1971, c.362 (C.20:4-
33 10).

34 (2) The amount, if any, which will compensate such displaced
35 person for any increased interest costs which such person is
36 required to pay for financing the acquisition of any such
37 comparable replacement dwelling. Such amount shall be paid only
38 if the dwelling acquired was encumbered by a bona fide mortgage
39 which was a valid lien on such dwelling for not less than 180 days
40 prior to the initiation of negotiations for the acquisition of such
41 dwelling. Such amount shall be equal to the excess in the
42 aggregate interest and other debt service costs of that amount of the
43 principal of the mortgage on the replacement dwelling which is
44 equal to the unpaid balance of the mortgage on the acquired
45 dwelling, over the remainder term of the mortgage on the acquired
46 dwelling, reduced to discounted present value. The discount rate
47 shall be determined by regulations issued pursuant to section 10 of
48 ~~[this act]~~ P.L.1971, c.362 (C.20:4-10).

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

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

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

14 b. The additional payment authorized by this section shall be
15 made only to such a displaced person who purchases and occupies a
16 replacement dwelling which is decent, safe, and sanitary not later
17 than the end of the one year period beginning on the date on which
18 he receives final payment of all costs of the acquired dwelling, or
19 on the date on which he moves from the acquired dwelling,
20 whichever is the later date.

21 (cf: P.L.1971, c.362, s.5)

22
23 18. Section 6 of P.L.1971, c.362 (C.20:4-6) is amended to read
24 as follows:

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

32 a. the amount necessary to enable such displaced person to lease
33 or rent for a period not to exceed 4 years, a decent, safe, and
34 sanitary dwelling of standards adequate to accommodate such
35 person in areas not generally less desirable in regard to public
36 utilities and public and commercial facilities, and reasonably
37 accessible to his place of employment, but not to exceed
38 [\$4,000.00] \$6,000, provided that on the first day of the 12th
39 month next following enactment of P.L. , c. (C.) (pending
40 before the Legislature as this bill), the amount shall be increased
41 not to exceed \$12,000, and further increased on the first day of the
42 24th month next following enactment of P.L. , c. (C.)
43 (pending before the Legislature as this bill), not to exceed \$18,000;
44 or

45 b. the amount necessary to enable such person to make a
46 downpayment (including incidental expenses described in section 5
47 a. (3)) on the purchase of a decent, safe, and sanitary dwelling of
48 standards adequate to accommodate such persons in areas not

1 generally less desirable in regard to public utilities and public and
2 commercial facilities, but not to exceed **[\$4,000.00]** \$6,000,
3 provided that on the first day of the 12th month next following
4 enactment of P.L. , c. (C.) (pending before the Legislature
5 as this bill), the amount shall be increased not to exceed \$12,000,
6 and further increased on the first day of the 24th month next
7 following enactment of P.L. , c. (C.) (pending before the
8 Legislature as this bill), not to exceed \$18,000. Of that amount the
9 first **[\$2,000.00]** \$3,000, provided that on the first day of the 12th
10 month next following enactment of P.L. , c. (C.) (pending
11 before the Legislature as this bill), the first \$6,000, and on the first
12 day of the 24th month next following enactment of
13 P.L. , c. (C.) (pending before the Legislature as this bill),
14 the first \$9,000 [of which is to] shall be paid without contribution
15 from the displaced person, but thereafter such payments will only
16 be made on a matching dollar-for-dollar basis with the displaced
17 person provided, however, all such amounts in this section shall be
18 adjusted annually in accordance with section 19 of
19 P.L. , c. (C.) (pending before the Legislature as this bill).
20 (cf: P.L.1971, c.362, s.6)

21

22 19. (New section) Beginning on the first day of the 36th month
23 next following enactment of P.L. , c. (pending before the
24 Legislature as this bill) all payment amounts set forth in sections 4
25 through 6 of P.L.1971, c.362 (C.20:4-4 through 20:4-6), as
26 amended by P.L. , c. (C.) (pending before the Legislature
27 as this bill), shall be annually automatically adjusted on the basis of
28 the Consumer Price Index for All Urban Consumers (CPI-U), U. S.
29 City Average, published by the United States Department of Labor,
30 Bureau of Labor Statistics, using the last published index figure as
31 of the date of displacement as the numerator and the index figure
32 for the month in which P.L. , c. (C.) (pending before the
33 Legislature as this bill) becomes effective as the denominator.

34

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

46 Within 12 months after the date of enactment of
47 P.L. , c. (C.) (pending before the Legislature as this bill),
48 the Department of Community Affairs shall adopt, pursuant to the

1 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
2 seq.), rules and regulations to effectuate the provisions of
3 P.L. , c. (C.) (pending before the Legislature as this bill).
4 The rules and regulations to be adopted by the department pursuant
5 to this section shall include, but are not limited to, the requirements
6 to be met by the business in order to obtain the additional payment,
7 the responsibility of the redevelopment entity, and an appeal
8 process.

9
10 21. (New section) Notwithstanding the provisions of any other
11 law to the contrary:

12 a. A municipal redevelopment entity shall not: negotiate for, or
13 enter into, a redevelopment agreement, other than an agreement
14 awarded pursuant to a fair and open process, with any redeveloper
15 to perform any work under a redevelopment plan, if, beginning after
16 the adoption of a memorializing resolution directing preliminary
17 investigation to determine if a site is in need of redevelopment, that
18 redeveloper has made a contribution that is reportable by the
19 recipient under P.L.1973, c.83 (C.19:44A-1 et seq.), to any
20 municipal committee of a political party in that municipality or to
21 any candidate committee of any person serving in an elective public
22 office of that municipality.

23 b. No redeveloper described above who enters into a municipal
24 redevelopment agreement to perform any work under a
25 redevelopment plan shall make any of the aforesaid contributions
26 during the term of any such redevelopment agreement.

27 c. None of the aforesaid committees shall accept a contribution
28 in excess of the limits set forth above from such a redeveloper
29 during the time periods set forth above.

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

36 e. If a redeveloper makes a contribution that would otherwise
37 bar it from negotiating for or entering into a redevelopment
38 agreement or makes a contribution during the term of a
39 redevelopment agreement in violation of this section, the
40 redeveloper may request a full reimbursement from the recipient
41 and, if such reimbursement is received within 60 days thereafter,
42 the redeveloper shall again be eligible to negotiate or enter into a
43 redevelopment agreement or shall no longer be in violation, as
44 appropriate.

45 f. Prior to entering into such a redevelopment agreement, a
46 redevelopment entity shall require the redeveloper with which the
47 redevelopment agreement is to be entered into to provide a written
48 certification that it has not made a contribution that would bar the

1 execution of a redevelopment agreement pursuant to this section. A
2 redeveloper shall have a continuing duty to report to the Election
3 Law Enforcement Commission any contribution that constitutes a
4 violation of this section that is made during the duration of a
5 redevelopment agreement.

6 g. As used in this section:

7 "Fair and open process" means the process described in section
8 11 of P.L. , c. (C.) (pending before the Legislature as this
9 bill) or, at a minimum, that the redevelopment agreement shall be:
10 publicly advertised in newspapers or on the Internet website
11 maintained by the public entity in sufficient time to give notice in
12 advance of the agreement; entered into under a process that
13 provides for public solicitation of proposals or qualifications and
14 entered into and disclosed under criteria established in writing by
15 the public entity prior to the solicitation of proposals or
16 qualifications; and publicly opened and announced when awarded.
17 The decision of a public entity as to what constitutes a fair and open
18 process shall be final; and

19 "Redeveloper" means any person, firm, corporation, or public
20 body that negotiates for, or enters into, a redevelopment agreement
21 with a municipal redevelopment entity for the redevelopment or
22 rehabilitation of an area in need of redevelopment, or an area in
23 need of rehabilitation, or any part thereof, or for any construction or
24 other work forming a part of a redevelopment or rehabilitation
25 project, and includes any principal who owns or controls more than
26 10 percent of the profits or assets of a redeveloper or 10 percent of
27 the stock in the case of a redeveloper that is a corporation for profit,
28 as appropriate.

29

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

32 22. The provisions of this act shall not apply to the State
33 Department of Transportation or the New Jersey Transit
34 Corporation; provided, however, that the State Department of
35 Transportation and the New Jersey Transit Corporation shall
36 supplement its existing relocation assistance program designed to
37 minimize the hardships of persons and business concerns displaced
38 as a result of the acquisition by said State Department of
39 Transportation and the New Jersey Transit Corporation of any real
40 property for a public use, by July 1, 1972. Said supplemented
41 program shall be in compliance with the rules and regulations of the
42 Federal Highway Administration and the Federal Transit
43 Administration relating to relocation assistance so as to fully
44 qualify the Department of Transportation and the New Jersey
45 Transit Corporation for Federal aid reimbursement and to equal or
46 exceed the requirements of this statute. For purposes of
47 coordinating and formulating uniform relocation programs of the
48 State, the Commissioner of Transportation shall consult with the

1 Commissioner of the Department of Community Affairs in order
2 that said relocation assistance program will be in general
3 conformity with any rules and regulations promulgated by the
4 Commissioner of the Department of Community Affairs pursuant to
5 P.L. 91-646, the Uniform Relocation Assistance and Real Property
6 Acquisition Policies Act of 1970, and amendments thereto.

7 The Commissioner of Transportation shall have the right and
8 authority to promulgate regulations appropriate for the relocation
9 programs of both the State Department of Transportation and the
10 New Jersey Transit Corporation. The Department of Transportation
11 shall act as the lead entity with regard to relocation appeals.

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

13

14 23. This act shall take effect on the first day of the fourth month
15 next following enactment. Any final action taken by a municipality
16 or redevelopment entity with respect to: a determination that an area
17 is in need of redevelopment or in need of rehabilitation; enactment
18 of a redevelopment plan; or designation of a redeveloper, prior to
19 the effective date of this act shall have full force and effect, but any
20 subsequent official action by the municipality or redevelopment
21 entity after the effective date of this act shall be subject to its
22 provisions.

23

24

25

STATEMENT

26

27 This bill amends and supplements various parts of statutory law
28 to provide greater accountability and transparency in the use of
29 eminent domain by local governments in New Jersey.

30 The criteria for finding property to be an “area in need of
31 redevelopment” would be reorganized and the ability to include
32 non-qualifying parcels in an area in need of redevelopment would
33 be limited to 20% of the land mass within the proposed
34 redevelopment area. If eminent domain is used, the bill would
35 require that the redevelopment agreement contain a timeframe for
36 the acquisition of such property and a requirement that all requests
37 for the use of eminent domain be made within five years of the date
38 of the redevelopment agreement. Awards for eminent domain
39 would be based on the highest value of the property, either at the
40 time of taking or the time of the adoption of the redevelopment plan
41 and would be based on the uses permitted under the plan.

42 Residential property owners whose homes are taken by eminent
43 domain would be ensured that compensation would at least equal
44 the replacement value of their home. Additionally, any resident
45 dislocated by the use of eminent domain would be granted a right of
46 first refusal to purchase or lease a unit within the redevelopment
47 project that resulted in their displacement. Displaced residents of
48 housing units provided under any State or federal housing subsidy

1 program or the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
2 et al.) would have first priority for those replacement units provided
3 in the redevelopment plan. Tenants who are otherwise eligible for
4 rental assistance and who are displaced by a redevelopment project
5 undertaken because of the use of eminent domain authorized
6 pursuant to the "Local Redevelopment and Housing Law" would be
7 entitled to receive rental assistance, on a priority basis, under the
8 State rental assistance program for low income individuals or
9 households. The redeveloper of the project in connection with
10 which eminent domain has been employed would be responsible for
11 reimbursing the State for the cost of the rental assistance for a
12 period not to exceed four years from the commencement of
13 occupancy of the new unit, and would, prior to any displacement,
14 deposit with the Commissioner of Community Affairs the amount
15 estimated by the commissioner to be necessary for this purpose.

16 The notice provisions for designing and undertaking a
17 redevelopment project would be greatly enhanced under the bill.
18 The bill would require that the hearing notice be sent by both
19 certified and regular mail and be written in a simple, clear and
20 easily understandable format, and would tell people that a
21 consequence of the designation of an area as being in need of
22 redevelopment could be the use of eminent domain. Prior to the
23 hearing, all documents relevant to the determination of an area in
24 need of redevelopment would be made available for public
25 inspection and posted on the municipal website. At the hearing, all
26 testimony would be provided under oath or affirmation and the
27 hearing would be recorded or transcribed.

28 The bill would require an informational meeting before the
29 process is formally begun for larger redevelopment projects. Notice
30 to impacted property owners, including tenants, would be greatly
31 expanded to include direct notice during (1) the study of a proposed
32 redevelopment area by a planning board, (2) the determination that
33 an area is in need of redevelopment by the governing body, and (3)
34 the formulation and adoption of a redevelopment plan. For the
35 adoption of a redevelopment plan, such notice would also be
36 required to identify which parcels within the redevelopment area
37 would be subject to acquisition by eminent domain and inform
38 notice recipients of the right to appeal the determination. If the
39 determination that the delineated area is a redevelopment area is
40 challenged in court, the municipality would be required to show, by
41 a preponderance of the evidence, that the delineated area fulfills the
42 criteria set forth in section 5 of P.L.1992, c.79 (C.40A:12A-5).

43 An additional public hearing would be required to be held within
44 60 days of undertaking the preparation of a redevelopment plan to
45 afford public comment on the goals and content of the proposed
46 plan. Notice of public hearing upon adoption of a redevelopment
47 plan would notify those property owners whose properties do not

1 exhibit blight conditions of the reasons why acquisition of their
2 properties are needed for the redevelopment project.

3 Additionally, the bill would require all significant steps of the
4 process to be undertaken by ordinance so that public hearings are
5 held by the governing body at each critical point in the process.
6 These amendments to the eminent domain and land use laws will
7 add transparency to a process that is often subject to unnecessary
8 miscommunication and will provide for the opportunity for greater
9 public input and consensus.

10 The bill would also expand the scope of future redevelopment
11 plans to identify, not just the benefits inherent in future
12 redevelopment projects, but also the costs. In addition to an
13 analysis of the land use controls, a redevelopment plan would be
14 required to contain an inventory of environmental, historical and
15 cultural assets within the redevelopment area, together with
16 preservation and conservation strategies for such assets.
17 Additionally, the redevelopment plan would need to quantify the
18 impact of the plan on surrounding areas and the legal obligations
19 applicable to low and moderate income persons within the
20 municipality and the relocation needs arising from any displacement
21 of residents or businesses as a result of the plan. Finally, the
22 redevelopment plan would need to document consistency with
23 smart growth planning principles. In order to continue an area in
24 need of redevelopment determination, ten years following the
25 adoption of blight determination or ten years following the final
26 adoption of the redevelopment plan, whichever occurs later, not to
27 exceed a period of 15 years following the initial blight
28 determination adoption, the municipality would continue the blight
29 determination through the adoption of an ordinance affirming that
30 the conditions supporting the determination are still present or that
31 substantial progress has been made on the implementation of the
32 redevelopment plan.

33 The bill would also establish a process for selecting redevelopers
34 for redevelopment projects that involve a significant amount of land
35 that is either municipally owned or could be assembled by a
36 municipality using eminent domain. Other changes include
37 expanding the criteria for areas in need of rehabilitation. Areas in
38 need of rehabilitation exist today and can be subjected to the
39 controls and visions set forth in the redevelopment plan.
40 Municipalities have the same powers to implement a redevelopment
41 plan for an area in need of rehabilitation as a redevelopment area,
42 except that municipalities cannot exercise the power of eminent
43 domain. The bill would allow municipalities to identify areas that
44 may be studied in the future for designation as redevelopment or
45 rehabilitation areas when revising municipal master plans.

46 The bill amends current law concerning compensation and
47 replacement housing for relocation of displaced persons and
48 businesses, and provides that all such compensation would be

1 annually automatically adjusted on the basis of the Consumer Price
2 Index for All Urban Consumers (CPI-U), U. S. City Average,
3 published by the United States Department of Labor, Bureau of
4 Labor Statistics, using the last published index figure as of the date
5 of displacement as the numerator and the index figure for the month
6 in which this bill becomes effective as the denominator.

7 The bill provides that, in addition to payments otherwise
8 authorized in this bill for the taking of private property through the
9 use of eminent domain, a redevelopment entity would make an
10 additional payment to the owner of a business for the value of
11 goodwill. For the purposes of this bill, "goodwill" means the
12 benefits that accrue to a business as a result of its location,
13 reputation for dependability, skill or quality, and any other
14 circumstances resulting in probable retention of old or acquisition
15 of new patronage.

16 The bill bans certain contributions by redevelopers and their
17 consultants from the onset of the redevelopment process to the
18 completion of the redevelopment agreement.

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