

SENATE, No. 2260

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Provides tax credits to developers for certain affordable housing projects.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning tax credits for certain affordable housing
2 projects, and amending and supplementing P.L.2009, c.90.

3

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

6

7 1. (New section) a. As used in this section:

8 "Qualified residential project" means a redevelopment project
9 having no less than 25 dwelling units, which is predominantly
10 residential and includes multi-family residential units for purchase
11 or lease, or dormitory units for purchase or lease. The use of the
12 term "qualified residential project" in this section shall not be
13 limited by the total project cost.

14 "Very low-income housing" means housing developed as part of
15 a qualified residential project, which is affordable according to
16 federal Department of Housing and Urban Development or other
17 recognized standards for home ownership and rental costs and
18 occupied, or reserved for occupancy by, households with a gross
19 household income equal to 30 percent or less of the median gross
20 household income for households of the same size within the
21 housing region in which the qualified residential project is located.

22 b. Up to the limits established in subsection c. of this section,
23 and in accordance with a redevelopment incentive grant agreement,
24 beginning upon the receipt of occupancy permits for a qualified
25 residential project, or upon such other event evidencing project
26 completion as set forth in the incentive grant agreement, the State
27 Treasurer shall award tax credits for qualified residential projects.
28 A qualified residential project shall be eligible for tax credits if at
29 least 50 percent of the residential units are constructed and reserved
30 for very low-, low-, and moderate-income housing, of which at least
31 13 percent shall be reserved for very low-income housing.

32 c. The value of all tax credits approved by the authority
33 pursuant to this section shall not exceed \$600 million.
34 Notwithstanding the provisions of subsection b. of section 6 of
35 P.L.2009, c.90 (52:27D-489f) or any other law to the contrary, the
36 authority, in cooperation with the Division of Taxation in the
37 Department of the Treasury, may distribute tax credits to developers
38 of qualified residential projects in any region of the State in a
39 manner consistent with this section.

40 d. (1) A developer shall submit an application for tax credits in
41 accordance with section 8 of P.L.2009, c.90 (C.52:27D-489h). The
42 authority shall accept applications for tax credits until the value of
43 all credits approved by the authority reaches the limit set forth in
44 subsection c. of this section.

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.

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1 (2) If the authority approves an application for tax credits, then
2 the developer shall execute a redevelopment incentive grant
3 agreement pursuant to section 9 of P.L.2009, c.90 (C.52:27D-489i).
4 The State Treasurer shall award tax credits to the developer equal to
5 the amount set forth in the incentive grant agreement; provided,
6 however, that no tax credits under a redevelopment grant agreement
7 shall exceed 30 percent of the total project cost.

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

11 3. As used in sections 3 through 18 of P.L.2009, c.90 (C.52:27D-
12 489c et al.) and section 1 of P.L. , c. (C.) (pending before the
13 Legislature as this bill):

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

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

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

27 "Aviation district" means all areas within the boundaries of the
28 "Atlantic City International Airport," established pursuant to section
29 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
30 Administration William J. Hughes Technical Center and the area
31 within a one-mile radius of the outermost boundary of the "Atlantic
32 City International Airport" and the Federal Aviation Administration
33 William J. Hughes Technical Center.

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

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

47 "Director" means the Director of the Division of Taxation in the
48 Department of the Treasury.

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

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

16 "Eligibility period" means the period of time specified in a
17 redevelopment incentive grant agreement for the payment of
18 reimbursements to a developer, which period shall not exceed 20
19 years, with the term to be determined solely at the discretion of the
20 applicant.

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

29 "Garden State Growth Zone" or "growth zone" means the four
30 New Jersey cities with the lowest median family income based on the
31 2009 American Community Survey from the US Census, (Table 708.
32 Household, Family, and Per Capita Income and Individuals, and
33 Families Below Poverty Level by City: 2009); a municipality which
34 contains a Tourism District as established pursuant to section 5 of
35 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment
36 Development Authority; or an aviation district.

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

42 "Incentive grant" means reimbursement of all or a portion of the
43 project financing gap of a redevelopment project through the State or a
44 local Economic Redevelopment and Growth Grant program pursuant
45 to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d or
46 C.52:27D-489e).

47 "Infrastructure improvements in the public right-of-way" mean
48 public structures or improvements located in the public **[right of way]**

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

9 "Low-income housing" means housing affordable according to
10 federal Department of Housing and Urban Development or other
11 recognized standards for home ownership and rental costs and
12 occupied or reserved for occupancy by households with a gross
13 household income equal to 50 percent or less of the median gross
14 household income for households of the same size within the housing
15 region in which the housing is located.

16 "Major rail station" means a railroad station located within a
17 qualified incentive area which provides access to the public to a
18 minimum of six rail passenger service lines operated by the New
19 Jersey Transit Corporation.

20 "Mixed use parking project" means a redevelopment project, the
21 parking component of which shall constitute 51 percent or more of any
22 of the following:

- 23 a. the total square footage of the entire mixed use parking project;
- 24 b. the estimated revenues of the entire mixed use parking project;
- 25 or
- 26 c. the total construction cost of the entire mixed use parking
27 project.

28 "Moderate-income housing" means housing affordable, according
29 to United States Department of Housing and Urban Development or
30 other recognized standards for home ownership and rental costs, and
31 occupied or reserved for occupancy by households with a gross
32 household income equal to more than 50 percent but less than 80
33 percent of the median gross household income for households of the
34 same size within the housing region in which the housing is located.

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

- 37 a. a municipal government, a municipal parking authority, or a
38 redevelopment agency acting on behalf of a municipal government as
39 defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or
- 40 b. a developer of a mixed use parking project, provided that the
41 parking component of the mixed use parking project is operated and
42 maintained by a municipal parking authority for the term of any
43 financial assistance granted pursuant to P.L.2015, c.69.

44 "Municipal Revitalization Index" means the 2007 index by the
45 Office for Planning Advocacy within the Department of State
46 measuring or ranking municipal distress.

47 "Non-parking component" means that portion of a mixed use
48 parking project not used for parking, together with the portion of the

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1 costs of the mixed use parking project, including but not limited to the
2 footings, foundations, site work, infrastructure, and soft costs that are
3 allocable to the non-parking use.

4 "Parking component" means that portion of a mixed use parking
5 project used for parking, together with the portion of the costs of the
6 mixed use parking project, including but not limited to the footings,
7 foundations, site work, infrastructure, and soft costs that are allocable
8 to the parking use.

9 "Project area" means land or lands located within the incentive
10 area under common ownership or control including through a
11 redevelopment agreement with a municipality, or as otherwise
12 established by a municipality or a redevelopment agreement executed
13 by a State entity to implement a redevelopment project.

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

35 "Project financing gap" means:

36 a. the part of the total project cost, including return on
37 investment, that remains to be financed after all other sources of
38 capital have been accounted for, including, but not limited to,
39 developer-contributed capital, which shall not be less than 20 percent
40 of the total project cost, which may include the value of any existing
41 land and improvements in the project area owned or controlled by the
42 developer, and the cost of infrastructure improvements in the public
43 right-of-way, subject to review by the State Treasurer, and investor or
44 financial entity capital or loans for which the developer, after making
45 all good faith efforts to raise additional capital, certifies that additional
46 capital cannot be raised from other sources on a non-recourse basis;
47 and

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

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

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

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

9 b. multiplying that product by a fraction having a numerator equal
10 to the taxable value of all the property assessed within the project area,
11 minus the property tax increment base, and having a denominator
12 equal to the taxable value of all property assessed within the project
13 area.

14 For the purpose of this definition, "property tax increment base"
15 means the aggregate taxable value of all property assessed which is
16 located within the redevelopment project area as of October 1st of the
17 year preceding the year in which the redevelopment incentive grant
18 agreement is authorized.

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

26 "Qualified residential project" means a redevelopment project that
27 is predominantly residential and includes multi-family residential units
28 for purchase or lease, or dormitory units for purchase or lease, having
29 a total project cost of at least \$17,500,000, if the project is located in
30 any municipality with a population greater than 200,000 according to
31 the latest federal decennial census, or having a total project cost of at
32 least \$10,000,000 if the project is located in any municipality with a
33 population less than 200,000 according to the latest federal decennial
34 census, or is a disaster recovery project, or having a total project cost
35 of \$5,000,000 if the project is in a Garden State Growth Zone.

36 "Qualifying economic redevelopment and growth grant incentive
37 area" or "incentive area" means:

- 38 a. an aviation district;
39 b. a port district;
40 c. a distressed municipality; or
41 d. an area (1) designated pursuant to the "State Planning Act,"

42 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

- 43 (a) Planning Area 1 (Metropolitan);
44 (b) Planning Area 2 (Suburban); or
45 (c) Planning Area 3 (Fringe Planning Area);
46 (2) located within a smart growth area and planning area
47 designated in a master plan adopted by the New Jersey Meadowlands
48 Commission pursuant to subsection (i) of section 6 of P.L.1968, c.404

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1 (C.13:17-6) or subject to a redevelopment plan adopted by the New
2 Jersey Meadowlands Commission pursuant to section 20 of P.L.1968,
3 c.404 (C.13:17-21);

4 (3) located within any land owned by the New Jersey Sports and
5 Exposition Authority, established pursuant to P.L.1971, c.137 (C.5:10-
6 1 et seq.), within the boundaries of the Hackensack Meadowlands
7 District as delineated in section 4 of P.L.1968, c.404 (C.13:17-4);

8 (4) located within a regional growth area, **[a]** rural development
9 area zoned for industrial use as of the effective date of P.L.2016, c.75,
10 town, village, or a military and federal installation area designated in
11 the comprehensive management plan prepared and adopted by the
12 Pinelands Commission pursuant to the "Pinelands Protection Act,"
13 P.L.1979, c.111 (C.13:18A-1 et seq.);

14 (5) located within the planning area of the Highlands Region as
15 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a highlands
16 development credit receiving area or redevelopment area;

17 (6) located within a Garden State Growth Zone;

18 (7) located within land approved for closure under any federal
19 Base Closure and Realignment Commission action; or

20 (8) located only within the following portions of the areas
21 designated pursuant to the "State Planning Act," P.L.1985, c.398
22 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
23 Planning Area 4B (Rural/Environmentally Sensitive) or Planning Area
24 5 (Environmentally Sensitive) if Planning Area 4A (Rural Planning
25 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
26 Planning Area 5 (Environmentally Sensitive) is located within:

27 (a) a designated center under the State Development and
28 Redevelopment Plan;

29 (b) a designated growth center in an endorsed plan until the State
30 Planning Commission revises and readopts New Jersey's State
31 Strategic Plan and adopts regulations to revise this definition as it
32 pertains to Statewide planning areas;

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

37 (d) any area on which a structure exists or previously existed
38 including any desired expansion of the footprint of the existing or
39 previously existing structure provided **[such]** the expansion otherwise
40 complies with all applicable federal, State, county, and local permits
41 and approvals;

42 (e) the planning area of the Highlands Region as defined in section
43 3 of P.L.2004, c.120 (C.13:20-3) or a highlands development credit
44 receiving area or redevelopment area; or

45 (f) any area on which an existing tourism destination project is
46 located.

47 "Qualifying economic redevelopment and growth grant incentive
48 area" or "incentive area" shall not include any property located within

1 the preservation area of the Highlands Region as defined in the
2 "Highlands Water Protection and Planning Act," P.L.2004, c.120
3 (C.13:20-1 et al.).

4 "Redevelopment incentive grant agreement" means an agreement
5 between:

6 a. the State and the New Jersey Economic Development
7 Authority and a developer under which, in exchange for the proceeds
8 of an incentive grant or tax credits under section 1 of P.L. , c. (C.)
9 (pending before the Legislature as this bill), the developer agrees to
10 perform any work or undertaking necessary for a redevelopment
11 project, including the clearance, development or redevelopment,
12 construction, or rehabilitation of any structure or improvement of
13 commercial, industrial, residential, or public structures or
14 improvements within a qualifying economic redevelopment and
15 growth grant incentive area or a transit village; or

16 b. a municipality and a developer, or a municipal ordinance
17 authorizing a project to be undertaken by a municipal redeveloper,
18 under which, in exchange for the proceeds of an incentive grant, the
19 developer agrees to perform any work or undertaking necessary for a
20 redevelopment project, including the clearance, development or
21 redevelopment, construction, or rehabilitation of any structure or
22 improvement of commercial, industrial, residential, or public
23 structures or improvements within a qualifying economic
24 redevelopment and growth grant incentive area or a transit village.

25 "Redevelopment project" means a specific construction project or
26 improvement, including lands, buildings, improvements, real and
27 personal property or any interest therein, including lands under water,
28 riparian rights, space rights and air rights, acquired, owned, leased,
29 developed or redeveloped, constructed, reconstructed, rehabilitated or
30 improved, undertaken by a developer, owner or tenant, or both, within
31 a project area and any ancillary infrastructure project including
32 infrastructure improvements in the public right-of-way, as set forth in
33 an application to be made to the authority. The use of the term
34 "redevelopment project" in sections 3 through 18 of P.L.2009, c.90
35 (C.52:27D-489c et al.) shall not be limited to only redevelopment
36 projects located in areas determined to be in need of redevelopment
37 pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
38 C.40A:12A-6) but shall also include, but not be limited to, any work or
39 undertaking in accordance with the "Redevelopment Area Bond
40 Financing Law," sections 1 through 10 of P.L.2001, c.310
41 (C.40A:12A-64 et seq.) or other applicable law, pursuant to a
42 redevelopment plan adopted by a State entity, or as described in the
43 resolution adopted by a public entity created by State law with the
44 power to adopt a redevelopment plan or otherwise determine the
45 location, type and character of a redevelopment project or part of a
46 redevelopment project on land owned or controlled by it or within its
47 jurisdiction, including but not limited to, the New Jersey Meadowlands
48 Commission established pursuant to P.L.1968, c.404 (C.13:17-1 et

1 seq.), the New Jersey Sports and Exposition Authority established
2 pursuant to P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
3 Economic Revitalization Authority created pursuant to P.L.2010, c.51
4 (C.52:27I-18 et seq.).

5 "Redevelopment utility" means a self-liquidating fund created by a
6 municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-489I)
7 to account for revenues collected and incentive grants paid pursuant to
8 section 11 of P.L.2009, c.90 (C.52:27D-489k), or other revenues
9 dedicated to a redevelopment project.

10 "Revenue increment base" means the amounts of all eligible
11 revenues from sources within the redevelopment project area in the
12 calendar year proceeding the year in which the redevelopment
13 incentive grant agreement is executed, as certified by the State
14 Treasurer for State revenues, and the chief financial officer of the
15 municipality for municipal revenues.

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

18 "SDA municipality" means a municipality in which an SDA
19 district is situated.

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

25 "Tourism destination project" means a redevelopment project that
26 will be among the most visited privately owned or operated tourism or
27 recreation sites in the State, and which is located within the incentive
28 area and has been determined by the authority to be in an area
29 appropriate for development and in need of economic development
30 incentive assistance.

31 "Transit project" means a redevelopment project located within a
32 1/2-mile radius, or one-mile radius for projects located in a Garden
33 State Growth Zone, surrounding the mid-point of a New Jersey Transit
34 Corporation, Port Authority Transit Corporation, or Port Authority
35 Trans-Hudson Corporation rail, bus, or ferry station platform area,
36 including all light rail stations.

37 "Transit village" means a community with a bus, train, light rail, or
38 ferry station that has developed a plan to achieve its economic
39 development and revitalization goals and has been designated by the
40 New Jersey Department of Transportation as a transit village.

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

43 a. buildings and structures, such as academic buildings, recreation
44 centers, indoor athletic facilities, public works garages, and water and
45 sewer treatment and pumping facilities;

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

1 c. transportation facilities, such as bus shelters and parking
2 facilities.

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

11 "Vacant commercial building" means any commercial building or
12 complex of commercial buildings having over 400,000 square feet of
13 office, laboratory, or industrial space that is more than 70 percent
14 unoccupied at the time of application to the authority or is negatively
15 impacted by the approval of a "qualified business facility," as defined
16 pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208), or any vacant
17 commercial building in a Garden State Growth Zone having over
18 35,000 square feet of office, laboratory, or industrial space, or over
19 200,000 square feet of office, laboratory, or industrial space in
20 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
21 Ocean, or Salem counties available for occupancy for a period of over
22 one year.

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

29 (cf: P.L.2018, c.120, s.4)

30

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

33 8. a. (1) The authority, in consultation with the State
34 Treasurer, shall promulgate an incentive grant application form and
35 procedure for the Economic Redevelopment and Growth Grant
36 program Within 30 days of the effective date of P.L. _____,
37 c. (pending before the Legislature as this bill), the authority shall
38 promulgate an alternate incentive grant application form to be used
39 by developers seeking tax credits pursuant to section 1 of P.L. _____,
40 c. (C. _____) (pending before the Legislature as this bill).

41 (2) (a) The Local Finance Board, in consultation with the
42 authority, shall develop a minimum standard incentive grant
43 application form for municipal Economic Redevelopment and
44 Growth Grant programs.

45 (b) Through regulation, the authority shall establish standards
46 for redevelopment projects seeking State or local incentive grants
47 based on the green building manual prepared by the Commissioner
48 of Community Affairs pursuant to section 1 of P.L.2007,

1 c.132 (C.52:27D-130.6), regarding the use of renewable energy,
2 energy-efficient technology, and non-renewable resources in order
3 to reduce environmental degradation and encourage long-term cost
4 reduction.

5 b. Within each incentive grant application, a developer shall
6 certify information concerning:

7 (1) the status of control of the entire redevelopment project site;
8 (2) all required State and federal government permits that have
9 been issued for the redevelopment project, or will be issued pending
10 resolution of financing issues;

11 (3) local planning and zoning board approvals, as required, for
12 the redevelopment project;

13 (4) estimates of the revenue increment base, the eligible
14 revenues for the project, and the assumptions upon which those
15 estimates are made.

16 c. (1) With regard to State tax revenues proposed to be
17 pledged for an incentive grant or tax credits to be awarded pursuant
18 to section 1 of P.L. , c. (C.) (pending before the Legislature
19 as this bill), the authority and the State Treasurer shall review the
20 project costs, evaluate and validate the project financing gap
21 estimated by the developer, and conduct a State fiscal impact
22 analysis to ensure that the overall public assistance provided to the
23 project, except with regards to a qualified residential project, a
24 mixed use parking project, or a project involving university
25 infrastructure, will result in net benefits to the State including,
26 without limitation, both direct and indirect economic benefits and
27 non-financial community revitalization objectives, including but not
28 limited to, the promotion of the use of public transportation in the
29 case of the ancillary infrastructure project portion of any transit
30 project.

31 (2) With regard to local incremental revenues proposed to be
32 pledged for an incentive grant the authority and the Local Finance
33 Board shall review the project costs, and except with respect to an
34 application by a municipal redeveloper, evaluate and validate the
35 project financing gap projected by the developer, and conduct a
36 local fiscal impact analysis to ensure that the overall public
37 assistance provided to the project, except with regards to a qualified
38 residential project, a mixed use parking project, or a project
39 involving university infrastructure, will result in net benefits to the
40 municipality wherein the redevelopment project is located
41 including, without limitation, both direct and indirect economic
42 benefits and non-financial community revitalization objectives,
43 including but not limited to, the promotion of the use of public
44 transportation in the case of the ancillary infrastructure project
45 portion of any transit project.

46 (3) The authority, State Treasurer, and Local Finance Board
47 may act cooperatively to administer and review applications, and
48 shall consult with the Office of State Planning on matters

1 concerning State, regional, and local development and planning
2 strategies.

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

5 (5) A developer who has already applied for an incentive grant
6 award prior to the effective date of the "New Jersey Economic
7 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
8 but who has not yet been approved for the grant, or has not
9 executed an agreement with the authority, may proceed under that
10 application or seek to amend the application or reapply for an
11 incentive grant award for the same project or any part thereof for
12 the purpose of availing himself or herself of any more favorable
13 provisions of the Economic Redevelopment and Growth Grant
14 program established pursuant to the "New Jersey Economic
15 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
16 except that projects with costs exceeding \$200,000,000 shall not be
17 eligible for revised percentage caps under subsection d. of section
18 19 of P.L.2013, c.161 (C.52:27D-489i).

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

20

21 4. Section 9 of P.L.2009, c.90 (52:27D-489i) is amended to
22 read as follows:

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

28 b. The decision of whether to enter into a redevelopment
29 incentive grant agreement is solely within the discretion of the
30 authority and the State Treasurer, provided that they both agree to
31 enter into an agreement.

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

35 d. (1) The redevelopment incentive grant agreement shall
36 specify the maximum amount of project costs, the amount of the
37 incentive grant or tax credits to be awarded the developer, the
38 frequency of payments, and the eligibility period, which shall not
39 exceed 20 years, during which reimbursement will be granted, and
40 for a project receiving an incentive grant in excess of \$50 million,
41 the amount of the negotiated repayment amount to the State, which
42 may include, but not be limited to, cash, equity, and warrants.
43 Except for redevelopment incentive grant agreements with a
44 municipal redeveloper, or with the developer of a redevelopment
45 project solely with respect to the cost of infrastructure
46 improvements in the public right-of-way including any ancillary
47 infrastructure project in the public right-of-way, or a qualified
48 residential project receiving tax credits pursuant to section 1 of

1 P.L. , c. (C.) (pending before the Legislature as this bill),
2 in no event shall the base amount of the combined reimbursements
3 under redevelopment incentive grant agreements with the State or
4 municipality exceed 20 percent of the total project cost, except in a
5 Garden State Growth Zone, which shall not exceed 30 percent.

6 (2) **【The】** Except in the case of a qualified residential project
7 receiving tax credits pursuant to section 1 of P.L. ,
8 c. (C.) (pending before the Legislature as this bill), the
9 authority shall be permitted to increase the amount of the
10 reimbursement under the redevelopment incentive grant agreement
11 with the State by up to 10 percent of the total project cost if the
12 project is:

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

19 (b) located in a distressed municipality which lacks adequate
20 access to health care and health services in the judgment of the
21 Chief Executive Officer of the authority and will include a health
22 care and health services center with a minimum of 10,000 square
23 feet of space devoted to the provision of health care and health
24 services;

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

29 (d) a transit project;

30 (e) a qualified residential project in which at least 10 percent of
31 the residential units are constructed as and reserved for moderate
32 income housing;

33 (f) located in a highlands development credit receiving area or
34 redevelopment area;

35 (g) located in a Garden State Growth Zone;

36 (h) a disaster recovery project;

37 (i) an aviation project;

38 (j) a tourism destination project; or

39 (k) substantial rehabilitation or renovation of an existing
40 structure or structures.

41 (3) The maximum amount of any redevelopment incentive grant
42 shall be equal to up to 30 percent of the total project costs, except
43 for projects located in a Garden State Growth Zone, in which case
44 the maximum amount of any redevelopment incentive grant shall be
45 equal to up to 40 percent of the total project costs. Notwithstanding
46 anything to the contrary contained within this section, the maximum
47 amount of any redevelopment incentive grant with respect to a
48 mixed use parking project shall be up to 100 percent of the total

1 project costs allocable to the parking component of the project, and
2 shall be up to 40 percent of the total project costs allocable to the
3 non-parking component of the project. In addition, notwithstanding
4 anything to the contrary contained in this section, the maximum
5 amount of any redevelopment incentive grant for a qualified
6 residential project described in (i) below shall be up to 80 percent
7 of the total project costs, and for a mixed use parking project
8 described in (i) through (iv) below shall be up to 100 percent of the
9 total project costs allocable to the parking component and up to 80
10 percent of the total project costs allocable to the non-parking
11 component , provided that if the amount of the redevelopment
12 incentive grant exceeds 40 percent of the total project costs for
13 projects developed by non-public, for-profit entities, the authority
14 shall consider the effect of the increased grant amount in
15 determining the project financing gap, which shall include utilizing
16 a rate of return on a developer's contributed capital, when used to
17 determine the project financing gap, reflective of the reduced
18 financial risk of the project, as set by the authority : (i) with respect
19 to a mixed use parking project or qualified residential project
20 constructed upon all or a portion of a project site which project site
21 was previously the subject of an award of tax credits pursuant to the
22 "Urban Transit Hub Tax Credit Act," P.L.2007, c.346 (C.34:1B-207
23 et seq.), as amended by P.L.2009, c.90 (C.52:27D-489a et al.), but
24 those tax credits were not issued, (ii) for entertainment venues with
25 seating capacity in excess of 5,000, (iii) a visitor center within or
26 adjacent to a national historic park, or (iv) a youth center in or
27 adjacent to a national historic park.

28 e. Except in the case of a qualified residential project, a mixed
29 use parking project, or a project involving university infrastructure,
30 the authority and the State Treasurer may enter into a
31 redevelopment incentive grant agreement only if they make a
32 finding that the State revenues to be realized from the
33 redevelopment project will be in excess of the amount necessary to
34 reimburse the developer for its project financing gap. This finding
35 may be made by an estimation based upon the professional
36 judgment of the Chief Executive Officer of the authority and the
37 State Treasurer.

38 f. In deciding whether to recommend entering into a
39 redevelopment incentive grant agreement and in negotiating a
40 redevelopment agreement with a developer, the Chief Executive
41 Officer of the authority shall consider the following factors:

- 42 (1) the economic feasibility of the redevelopment project;
- 43 (2) the extent of economic and related social distress in the
44 municipality and the area to be affected by the redevelopment
45 project or the level of site specific distress to include dilapidated
46 conditions, brownfields designation, environmental contamination,
47 pattern of vacancy, abandonment, or under-utilization of the

1 property, rate of foreclosures, or other site conditions as determined
2 by the authority;

3 (3) the degree to which the redevelopment project will advance
4 State, regional, and local development and planning strategies;

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

13 (5) the relationship of the redevelopment project to a
14 comprehensive local development strategy, including other major
15 projects undertaken within the municipality;

16 (6) the need of the redevelopment incentive grant agreement to
17 the viability of the redevelopment project or the promotion of the
18 use of public transportation; and

19 (7) the degree to which the redevelopment project enhances and
20 promotes job creation and economic development or the promotion
21 of the use of public transportation.

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

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

43 (cf: P.L.2018, c.44, s.3)

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45 5. This act shall take effect immediately.

STATEMENT

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This bill would provide up to \$600 million in tax credits available to developers to construct certain affordable housing projects. In order to qualify for the tax credit, a developer must construct a residential project in which at least 50 percent of the residential units are constructed and reserved for very low-, low-, and moderate-income housing, of which, at least 13 percent must be reserved for very low-income housing. Developers would apply for tax credits in the same manner in which developers applied for grants under the State Economic Redevelopment and Growth Grant program.