

SENATE, No. 2352

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED MARCH 21, 2022

Sponsored by:

Senator NILSA I. CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Provides tax credit to developers for affordable housing projects in certain neighborhoods.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning tax credit for affordable housing projects
2 located in certain neighborhoods, and amending and
3 supplementing P.L.2009, c.90.

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

7
8 1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
9 read as follows:

10 3. As used in sections 3 through 18 of P.L.2009, c.90
11 (C.52:27D-489c et al.) and section 4 of P.L. _____, c. _____ (C. _____)
12 (pending before the Legislature as this bill):

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

15 "Ancillary infrastructure project" means structures or
16 improvements that are located within the incentive area but outside
17 the project area of a redevelopment project, including, but not
18 limited to, docks, bulkheads, parking garages, public electric
19 vehicle charging stations, freight rail spurs, roadway overpasses,
20 and train station platforms, provided a developer or municipal
21 redeveloper has demonstrated that the redevelopment project would
22 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-
27 4).

28 "Aviation district" means the area within a one-mile radius of the
29 outermost boundary of the "Atlantic City International Airport,"
30 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
31 24).

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

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

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 "Director" means the Director of the Division of Taxation in the
2 Department of the Treasury.

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

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

18 "Distressed neighborhood" means a census tract, located within a
19 distressed municipality, in which the median family income does
20 not exceed 80 percent of the Statewide or applicable metropolitan
21 median family income, as reported in the most recently completed
22 decennial census published by the United States Census Bureau.

23 "Electric vehicle charging station" means an electric component
24 assembly or cluster of component assemblies designed specifically
25 to charge batteries within electric vehicles by permitting the transfer
26 of electric energy to a battery or other storage device in an electric
27 vehicle.

28 "Eligibility period" means the period of time specified in a
29 redevelopment incentive grant agreement for the payment of
30 reimbursements to a developer, which period shall not exceed 20
31 years, with the term to be determined solely at the discretion of the
32 applicant.

33 "Eligible revenue" means the property tax increment and any
34 other incremental revenues set forth in section 11 of P.L.2009, c.90
35 (C.52:27D-489k), except in the case of a Garden State Growth
36 Zone, in which the property tax increment and any other
37 incremental revenues are calculated as those incremental revenues
38 that would have existed notwithstanding the provisions of the "New
39 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
40 (C.52:27D-489p et al.).

41 "Garden State Growth Zone" or "growth zone" means the four
42 New Jersey cities with the lowest median family income based on
43 the 2009 American Community Survey from the US Census, (Table
44 708. Household, Family, and Per Capita Income and Individuals,
45 and Families Below Poverty Level by City: 2009); or a municipality
46 which contains a Tourism District as established pursuant to section
47 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
48 Reinvestment Development Authority.

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

6 "Incentive grant" means reimbursement of all or a portion of the
7 project financing gap of a redevelopment project through the State
8 or a local Economic Redevelopment and Growth Grant program
9 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
10 or C.52:27D-489e) , or an award of tax credit pursuant to section 4
11 of P.L. , c. (C.) (pending before the Legislature as this bill).

12 "Infrastructure improvements in the public right-of-way" mean
13 public structures or improvements, including public electric vehicle
14 charging stations, located in the public right-of-way that are located
15 within a project area or that constitute an ancillary infrastructure
16 project, either of which are dedicated to or owned by a
17 governmental body or agency upon completion, or any required
18 payment in lieu of the structures, improvements or projects, or any
19 costs of remediation associated with the structures, improvements
20 or projects, and that are determined by the authority, in consultation
21 with applicable State agencies, to be consistent with and in
22 furtherance of State public infrastructure objectives and initiatives.

23 "Low-income housing" means housing affordable according to
24 federal Department of Housing and Urban Development or other
25 recognized standards for home ownership and rental costs and
26 occupied or reserved for occupancy by households with a gross
27 household income equal to 50 percent or less of the median gross
28 household income for households of the same size within the
29 housing region in which the housing is located.

30 "Major rail station" means a railroad station located within a
31 qualified incentive area which provides access to the public to a
32 minimum of six rail passenger service lines operated by the New
33 Jersey Transit Corporation.

34 "Mixed use parking project" means a redevelopment project, the
35 parking component of which shall constitute 51 percent or more of
36 any of the following:

37 a. the total square footage of the entire mixed use parking
38 project;

39 b. the estimated revenues of the entire mixed use parking
40 project; or

41 c. the total construction cost of the entire mixed use parking
42 project.

43 "Moderate-income housing" means housing affordable,
44 according to United States Department of Housing and Urban
45 Development or other recognized standards for home ownership
46 and rental costs, and occupied or reserved for occupancy by
47 households with a gross household income equal to more than 50
48 percent but less than 80 percent of the median gross household

1 income for households of the same size within the housing region in
2 which the housing is located.

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

5 a. a municipal government, a municipal parking authority, or a
6 redevelopment agency acting on behalf of a municipal government
7 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

8 b. a developer of a mixed use parking project, provided that the
9 parking component of the mixed use parking project is operated and
10 maintained by a municipal parking authority for the term of any
11 financial assistance granted pursuant to P.L.2015, c.69.

12 "Municipal Revitalization Index" means the 2007 index by the
13 Office for Planning Advocacy within the Department of State
14 measuring or ranking municipal distress.

15 "Non-parking component" means that portion of a mixed use
16 parking project not used for parking, together with the portion of
17 the costs of the mixed use parking project, including but not limited
18 to the footings, foundations, site work, infrastructure, and soft costs
19 that are allocable to the non-parking use.

20 "Parking component" means that portion of a mixed use parking
21 project used for parking, together with the portion of the costs of
22 the mixed use parking project, including but not limited to the
23 footings, foundations, site work, infrastructure, and soft costs that
24 are allocable to the parking use.

25 "Project area" means land or lands located within the incentive
26 area under common ownership or control including through a
27 redevelopment agreement with a municipality, or as otherwise
28 established by a municipality or a redevelopment agreement
29 executed by a State entity to implement a redevelopment project.

30 "Project cost" means the costs incurred in connection with the
31 redevelopment project by the developer until the issuance of a
32 permanent certificate of occupancy, or until such other time
33 specified by the authority, for a specific investment or
34 improvement, including the costs relating to receiving Highlands
35 Development Credits under the Highlands Transfer Development
36 Rights Program authorized pursuant to section 13 of P.L.2004,
37 c.120 (C.13:20-13), lands, buildings, improvements, real or
38 personal property, or any interest therein, including leases
39 discounted to present value, including lands under water, riparian
40 rights, space rights and air rights acquired, owned, developed or
41 redeveloped, constructed, reconstructed, rehabilitated or improved,
42 any environmental remediation costs, plus costs not directly related
43 to construction, of an amount not to exceed 20 percent of the total
44 costs, capitalized interest paid to third parties, and the cost of
45 infrastructure improvements, including ancillary infrastructure
46 projects, and, for projects located in a Garden State Growth Zone
47 only, the cost of infrastructure improvements including any
48 ancillary infrastructure project and the amount by which total

1 project cost exceeds the cost of an alternative location for the
2 redevelopment project, but excluding any particular costs for which
3 the project has received federal, State, or local funding.

4 "Project financing gap" means:

5 a. the part of the total project cost, including return on
6 investment, that remains to be financed after all other sources of
7 capital have been accounted for, including, but not limited to,
8 developer-contributed capital, which shall not be less than 20
9 percent of the total project cost, which may include the value of any
10 existing land and improvements in the project area owned or
11 controlled by the developer, and the cost of infrastructure
12 improvements in the public right-of-way, subject to review by the
13 State Treasurer, and investor or financial entity capital or loans for
14 which the developer, after making all good faith efforts to raise
15 additional capital, certifies that additional capital cannot be raised
16 from other sources on a non-recourse basis; and

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

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

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

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

25 b. multiplying that product by a fraction having a numerator
26 equal to the taxable value of all the property assessed within the
27 project area, minus the property tax increment base, and having a
28 denominator equal to the taxable value of all property assessed
29 within the project area.

30 For the purpose of this definition, "property tax increment base"
31 means the aggregate taxable value of all property assessed which is
32 located within the redevelopment project area as of October 1st of
33 the year proceeding the year in which the redevelopment incentive
34 grant agreement is authorized.

35 "Public electric vehicle charging station" means an electric
36 vehicle charging station located at a publicly available parking
37 space.

38 "Public hydrogen fueling station" means publicly available
39 equipment to store and dispense hydrogen fuel to vehicles
40 according to industry codes and standards.

41 "Publicly available parking space" means a parking space that is
42 available to, and accessible by, the public and may include on-street
43 parking spaces and parking spaces in surface lots or parking
44 garages, but shall not include: a parking space that is part of, or
45 associated with, a private residence; or a parking space that is
46 reserved for the exclusive use of an individual driver or vehicle or
47 for a group of drivers or vehicles, such as employees, tenants,

1 visitors, residents of a common interest development, or residents
2 of an adjacent building.

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

11 "Qualified residential project" means a redevelopment project
12 that is predominantly residential and includes multi-family
13 residential units for purchase or lease, or dormitory units for
14 purchase or lease, having a total project cost of at least
15 \$17,500,000, if the project is located in any municipality with a
16 population greater than 200,000 according to the latest federal
17 decennial census, or having a total project cost of at least
18 \$10,000,000 if the project is located in any municipality with a
19 population less than 200,000 according to the latest federal
20 decennial census, or is a disaster recovery project, or having a total
21 project cost of \$5,000,000 if the project is in a Garden State Growth
22 Zone.

23 "Qualifying economic redevelopment and growth grant incentive
24 area" or "incentive area" means:

- 25 a. an aviation district;
26 b. a port district;
27 c. a distressed municipality; **[or]**
28 d. a distressed neighborhood; or
29 e. an area (1) designated pursuant to the "State Planning Act,"

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

- 31 (a) Planning Area 1 (Metropolitan);
32 (b) Planning Area 2 (Suburban); or
33 (c) Planning Area 3 (Fringe Planning Area);

34 (2) located within a smart growth area and planning area
35 designated in a master plan adopted by the New Jersey
36 Meadowlands Commission pursuant to subsection (i) of section 6 of
37 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
38 adopted by the New Jersey Meadowlands Commission pursuant to
39 section 20 of P.L.1968, c.404 (C.13:17-21);

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

45 (4) located within a regional growth area, rural development
46 area zoned for industrial use as of the effective date of P.L.2016,
47 c.75, town, village, or a military and federal installation area
48 designated in the comprehensive management plan prepared and

1 adopted by the Pinelands Commission pursuant to the "Pinelands
2 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

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

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

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

9 (8) located only within the following portions of the areas
10 designated pursuant to the "State Planning Act," P.L.1985, c.398
11 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
12 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
13 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
14 Planning Area), Planning Area 4B (Rural/Environmentally
15 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
16 located within:

17 (a) a designated center under the State Development and
18 Redevelopment Plan;

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

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

27 (d) any area on which a structure exists or previously existed
28 including any desired expansion of the footprint of the existing or
29 previously existing structure provided the expansion otherwise
30 complies with all applicable federal, State, county, and local
31 permits and approvals;

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

35 (f) any area on which an existing tourism destination project is
36 located.

37 "Qualifying economic redevelopment and growth grant incentive
38 area" or "incentive area" shall not include any property located
39 within the preservation area of the Highlands Region as defined in
40 the "Highlands Water Protection and Planning Act," P.L.2004,
41 c.120 (C.13:20-1 et al.).

42 "Redevelopment incentive grant agreement" means an agreement
43 between:

44 a. the State and the New Jersey Economic Development
45 Authority and a developer; or

46 b. a municipality and a developer, or a municipal ordinance
47 authorizing a project to be undertaken by a municipal redeveloper,
48 under which, in exchange for the proceeds of an incentive grant or

1 tax credit under section 4 of P.L. _____, c. _____ (C. _____) (pending
2 before the Legislature as this bill), the developer agrees to perform
3 any work or undertaking necessary for a redevelopment project,
4 including the clearance, development or redevelopment,
5 construction, or rehabilitation of any structure or improvement of
6 commercial, industrial, residential, or public structures or
7 improvements within a qualifying economic redevelopment and
8 growth grant incentive area or a transit village.

9 "Redevelopment project" means a specific construction project
10 or improvement, including lands, buildings, improvements, real and
11 personal property or any interest therein, including lands under
12 water, riparian rights, space rights and air rights, acquired, owned,
13 leased, developed or redeveloped, constructed, reconstructed,
14 rehabilitated or improved, undertaken by a developer, owner or
15 tenant, or both, within a project area and any ancillary infrastructure
16 project including infrastructure improvements in the public right of
17 way, as set forth in an application to be made to the authority. The
18 use of the term "redevelopment project" in sections 3 through 18 of
19 P.L.2009, c.90 (C.52:27D-489c et al.) and section 4 of P.L. _____,
20 c. _____ (C. _____) (pending before the Legislature as this bill) shall
21 not be limited to only redevelopment projects located in areas
22 determined to be in need of redevelopment pursuant to sections 5
23 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) but shall
24 also include, but not be limited to, any work or undertaking in
25 accordance with the "Redevelopment Area Bond Financing Law,"
26 sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or
27 other applicable law, pursuant to a redevelopment plan adopted by a
28 State entity, or as described in the resolution adopted by a public
29 entity created by State law with the power to adopt a redevelopment
30 plan or otherwise determine the location, type and character of a
31 redevelopment project or part of a redevelopment project on land
32 owned or controlled by it or within its jurisdiction, including but
33 not limited to, the New Jersey Meadowlands Commission
34 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
35 New Jersey Sports and Exposition Authority established pursuant to
36 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
37 Economic Revitalization Authority created pursuant to P.L.2010,
38 c.51 (C.52:27I-18 et seq.). A redevelopment project may include
39 the development of zero-emission vehicle fueling and charging
40 infrastructure.

41 "Redevelopment utility" means a self-liquidating fund created by
42 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
43 489l) to account for revenues collected and incentive grants paid
44 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
45 revenues dedicated to a redevelopment project.

46 "Revenue increment base" means the amounts of all eligible
47 revenues from sources within the redevelopment project area in the
48 calendar year proceeding the year in which the redevelopment

1 incentive grant agreement is executed, as certified by the State
2 Treasurer for State revenues, and the chief financial officer of the
3 municipality for municipal revenues.

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

6 "SDA municipality" means a municipality in which an SDA
7 district is situated.

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

13 "Tourism destination project" means a redevelopment project
14 that will be among the most visited privately owned or operated
15 tourism or recreation sites in the State, and which is located within
16 the incentive area and has been determined by the authority to be in
17 an area appropriate for development and in need of economic
18 development incentive assistance.

19 "Transit project" means a redevelopment project located within a
20 1/2-mile radius, or one-mile radius for projects located in a Garden
21 State Growth Zone, surrounding the mid-point of a New Jersey
22 Transit Corporation, Port Authority Transit Corporation, or Port
23 Authority Trans-Hudson Corporation rail, bus, or ferry station
24 platform area, including all light rail stations.

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

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

31 a. buildings and structures, such as academic buildings,
32 recreation centers, indoor athletic facilities, public works garages,
33 and water and sewer treatment and pumping facilities;

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

36 c. transportation facilities, such as bus shelters and parking
37 facilities.

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

46 "Vacant commercial building" means any commercial building
47 or complex of commercial buildings having over 400,000 square
48 feet of office, laboratory, or industrial space that is more than 70

1 percent unoccupied at the time of application to the authority or is
2 negatively impacted by the approval of a "qualified business
3 facility," as defined pursuant to section 2 of P.L.2007, c.346
4 (C.34:1B-208), or any vacant commercial building in a Garden
5 State Growth Zone having over 35,000 square feet of office,
6 laboratory, or industrial space, or over 200,000 square feet of
7 office, laboratory, or industrial space in Atlantic, Burlington,
8 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
9 counties available for occupancy for a period of over one year.

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

16 "Workforce housing" means housing developed as part of a
17 qualified residential project, as defined in section 4 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill), and
19 affordable to, according to federal Department of Housing and
20 Urban Development or other recognized standards for home
21 ownership and rental costs, and occupied by, or reserved for
22 occupancy by, households with a gross household income equal to
23 more than 80 percent but less than 120 percent of the median gross
24 household income for households of the same size within the
25 housing region in which the qualified residential project is located.
26 Workforce housing may be reserved for occupancy by households
27 with at least one member working in the municipality in which the
28 qualified residential project is located.

29 "Zero-emission vehicle" means a vehicle certified as a zero
30 emission vehicle pursuant to the California Air Resources Board
31 zero emission vehicle standards for the applicable model year,
32 including but not limited to, battery electric-powered vehicles and
33 hydrogen fuel cell vehicles.

34 "Zero-emission vehicle fueling and charging infrastructure"
35 means infrastructure to charge or fuel zero-emission vehicles,
36 including but not limited to, public electric vehicle charging
37 stations and public hydrogen fueling stations.

38 (cf: P.L.2021, c.168, s.6)

39

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

42 8. a. (1) The authority, in consultation with the State Treasurer,
43 shall promulgate an incentive grant application form and procedure
44 for the Economic Redevelopment and Growth Grant program.
45 Within 30 days of the effective date of P.L. , c. (pending before
46 the Legislature as this bill), the authority shall promulgate an
47 alternate incentive grant application form to be used by developers

1 seeking tax credit pursuant to section 4 of P.L. _____,
2 c. (C. _____) (pending before the Legislature as this bill).

3 (2) (a) The Local Finance Board, in consultation with the
4 authority, shall develop a minimum standard incentive grant
5 application form for municipal Economic Redevelopment and
6 Growth Grant programs.

7 (b) Through regulation, the authority shall establish standards
8 for redevelopment projects seeking State or local incentive grants
9 based on the green building manual prepared by the Commissioner
10 of Community Affairs pursuant to section 1 of P.L.2007,
11 c.132 (C.52:27D-130.6), regarding the use of renewable energy,
12 energy-efficient technology, and non-renewable resources in order
13 to reduce environmental degradation and encourage long-term cost
14 reduction.

15 b. Within each incentive grant application, a developer shall
16 certify information concerning:

- 17 (1) the status of control of the entire redevelopment project site;
18 (2) all required State and federal government permits that have
19 been issued for the redevelopment project, or will be issued pending
20 resolution of financing issues;
21 (3) local planning and zoning board approvals, as required, for
22 the redevelopment project;
23 (4) estimates of the revenue increment base, the eligible
24 revenues for the project, and the assumptions upon which those
25 estimates are made.

26 c. (1) With regard to State tax revenues proposed to be
27 pledged or tax credit to be awarded for an incentive grant, the
28 authority and the State Treasurer shall review the project costs,
29 evaluate and validate the project financing gap estimated by the
30 developer, and conduct a State fiscal impact analysis to ensure that
31 the overall public assistance provided to the project, except with
32 regards to a qualified residential project, a mixed use parking
33 project, or a project involving university infrastructure, will result
34 in net benefits to the State including, without limitation, both direct
35 and indirect economic benefits and non-financial community
36 revitalization objectives, including but not limited to, the promotion
37 of the use of public transportation in the case of the ancillary
38 infrastructure project portion of any transit project.

39 (2) With regard to local incremental revenues proposed to be
40 pledged for an incentive grant the authority and the Local Finance
41 Board shall review the project costs, and except with respect to an
42 application by a municipal redeveloper, evaluate and validate the
43 project financing gap projected by the developer, and conduct a
44 local fiscal impact analysis to ensure that the overall public
45 assistance provided to the project, except with regards to a qualified
46 residential project, a mixed use parking project, or a project
47 involving university infrastructure, will result in net benefits to the
48 municipality wherein the redevelopment project is located

1 including, without limitation, both direct and indirect economic
2 benefits and non-financial community revitalization objectives,
3 including but not limited to, the promotion of the use of public
4 transportation in the case of the ancillary infrastructure project
5 portion of any transit project.

6 (3) The authority, State Treasurer, and Local Finance Board
7 may act cooperatively to administer and review applications, and
8 shall consult with the Office of State Planning on matters
9 concerning State, regional, and local development and planning
10 strategies.

11 (4) The costs of the aforementioned reviews shall be assessed to
12 the applicant as an application fee, except for applications
13 submitted on or after January 1, 2018, but before June 30, 2019,
14 which are amended after the effective date of P.L.2020, c.156
15 (C.34:1B-269 et al.), the authority may waive fees.

16 (5) A developer who has already applied for an incentive grant
17 award prior to the effective date of the "New Jersey Economic
18 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
19 but who has not yet been approved for the grant, or has not
20 executed an agreement with the authority, may proceed under that
21 application or seek to amend the application or reapply for an
22 incentive grant award for the same project or any part thereof for
23 the purpose of availing himself or herself of any more favorable
24 provisions of the Economic Redevelopment and Growth Grant
25 program established pursuant to the "New Jersey Economic
26 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
27 except that projects with costs exceeding \$200,000,000 shall not be
28 eligible for revised percentage caps under subsection d. of section
29 19 of P.L.2013, c.161 (C.52:27D-489i).

30 (cf: P.L.2021, c.160, s.56)

31

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

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

39 b. The decision of whether to enter into a redevelopment
40 incentive grant agreement is solely within the discretion of the
41 authority and the State Treasurer, provided that they both agree to
42 enter into an agreement.

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

46 d. (1) The redevelopment incentive grant agreement shall
47 specify the maximum amount of project costs, the amount of the
48 incentive grant to be awarded the developer, the frequency of

1 payments, and the eligibility period, which shall not exceed 20
2 years, during which reimbursement will be granted or tax credit
3 awarded, and for a project receiving an incentive grant in excess of
4 \$50 million, the amount of the negotiated repayment amount to the
5 State, which may include, but not be limited to, cash, equity, and
6 warrants. Except for redevelopment incentive grant agreements
7 with a municipal redeveloper, or with the developer of a
8 redevelopment project solely with respect to the cost of
9 infrastructure improvements in the public right-of-way including
10 any ancillary infrastructure project in the public right-of-way, in no
11 event shall the base amount of the combined reimbursements or tax
12 credit under redevelopment incentive grant agreements with the
13 State or municipality exceed 20 percent of the total project cost,
14 except in a Garden State Growth Zone, which shall not exceed 30
15 percent.

16 (2) **【The】** Except in the case of a qualified residential project
17 receiving tax credit pursuant to section 4 of P.L. _____,
18 c. (C. _____) (pending before the Legislature as this bill), the
19 authority shall be permitted to increase the amount of the
20 reimbursement under the redevelopment incentive grant agreement
21 with the State by up to 10 percent of the total project cost if the
22 project is:

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

29 (b) located in a distressed municipality which lacks adequate
30 access to health care and health services in the judgment of the
31 Chief Executive Officer of the authority and will include a health
32 care and health services center with a minimum of 10,000 square
33 feet of space devoted to the provision of health care and health
34 services;

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

39 (d) a transit project;

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

43 (f) located in a highlands development credit receiving area or
44 redevelopment area;

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

46 (h) a disaster recovery project;

47 (i) an aviation project;

48 (j) a tourism destination project; or

1 (k) substantial rehabilitation or renovation of an existing
2 structure or structures.

3 (3) The maximum amount of any redevelopment incentive grant
4 shall be equal to up to 30 percent of the total project costs, except
5 for projects located in a Garden State Growth Zone, in which case
6 the maximum amount of any redevelopment incentive grant shall be
7 equal to up to 40 percent of the total project costs. Notwithstanding
8 anything to the contrary contained within this section, the maximum
9 amount of any redevelopment incentive grant with respect to a
10 mixed use parking project shall be up to 100 percent of the total
11 project costs allocable to the parking component of the project, and
12 shall be up to 40 percent of the total project costs allocable to the
13 non-parking component of the project.

14 e. Except in the case of a qualified residential project, a mixed
15 use parking project, or a project involving university infrastructure,
16 the authority and the State Treasurer may enter into a
17 redevelopment incentive grant agreement only if they make a
18 finding that the State revenues to be realized from the
19 redevelopment project will be in excess of the amount necessary to
20 reimburse the developer for its project financing gap. This finding
21 may be made by an estimation based upon the professional
22 judgment of the Chief Executive Officer of the authority and the
23 State Treasurer.

24 f. In deciding whether to recommend entering into a
25 redevelopment incentive grant agreement and in negotiating a
26 redevelopment agreement with a developer, the Chief Executive
27 Officer of the authority shall consider the following factors:

28 (1) the economic feasibility of the redevelopment project;

29 (2) the extent of economic and related social distress in the
30 municipality and the area to be affected by the redevelopment
31 project or the level of site specific distress to include dilapidated
32 conditions, brownfields designation, environmental contamination,
33 pattern of vacancy, abandonment, or under utilization of the
34 property, rate of foreclosures, or other site conditions as determined
35 by the authority;

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

38 (4) the likelihood that the redevelopment project shall, upon
39 completion, be capable of generating new tax revenue in an amount
40 in excess of the amount necessary to reimburse the developer for
41 project costs incurred as provided in the redevelopment incentive
42 grant agreement, provided, however, that any tax revenue generated
43 by a redevelopment project that is a disaster recovery project shall
44 be considered new tax revenue even if the same or more tax revenue
45 was generated at or on the site prior to the disaster;

46 (5) the relationship of the redevelopment project to a
47 comprehensive local development strategy, including other major
48 projects undertaken within the municipality;

1 (6) the need of the redevelopment incentive grant agreement to
2 the viability of the redevelopment project or the promotion of the
3 use of public transportation; and

4 (7) the degree to which the redevelopment project enhances and
5 promotes job creation and economic development or the promotion
6 of the use of public transportation.

7 g. (1) A developer who has entered into a redevelopment
8 incentive grant agreement with the authority and the State Treasurer
9 pursuant to this section may, upon notice to and consent of the
10 authority and the State Treasurer, pledge, assign, transfer, or sell
11 any or all of its right, title and interest in and to the agreements and
12 in the incentive grants payable thereunder, and the right to receive
13 same, along with the rights and remedies provided to the developer
14 under the agreement. Any such assignment shall be an absolute
15 assignment for all purposes, including the federal bankruptcy code.

16 (2) Any pledge of incentive grants made by the developer shall
17 be valid and binding from the time the pledge is made and filed in
18 the records of the authority. The incentive grants pledged and
19 thereafter received by the developer shall immediately be subject to
20 the lien of the pledge without any physical delivery thereof or
21 further act, and the lien of any pledge shall be valid and binding
22 against all parties having claims of any kind in tort, contract, or
23 otherwise against the developer irrespective of whether the parties
24 have notice thereof. Neither the redevelopment incentive grant
25 agreement nor any other instrument by which a pledge under this
26 section is created need be filed or recorded except with the
27 authority.

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

29
30 4. (New section) a. As used in this section:

31 "Qualified residential project" means a redevelopment project
32 having no less than 25 dwelling units, which is predominantly
33 residential and includes multi-family residential units for purchase
34 or lease, or dormitory units for purchase or lease. The use of the
35 term "qualified residential project" in this section shall not be
36 limited by the total project cost.

37 b. Up to the limits established in sections 3 through 18 of
38 P.L.2009, c.90 (C.52:27D-489c et al.) and subsection c. of this
39 section, and in accordance with a redevelopment incentive grant
40 agreement, beginning upon the receipt of occupancy permits for a
41 qualified residential project, or upon such other event evidencing
42 project completion as set forth in the incentive grant agreement, the
43 State Treasurer shall award tax credit for a qualified residential
44 projects located in distressed neighborhoods. A qualified
45 residential project shall be eligible for tax credit if:

46 (1) at least 20 percent of the residential units are constructed and
47 reserved for low- to moderate-income housing; and

- 1 (2) at least 20 percent of the residential units are constructed and
2 reserved for workforce housing.
- 3 c. The value of all tax credit approved by the authority
4 pursuant to this section shall not exceed \$600 million.
- 5 d. (1) A developer shall submit an application for tax credit in
6 accordance with section 8 of P.L.2009, c.90 (C.52:27D-489h). The
7 authority shall accept applications for tax credit until the value of
8 all credits approved by the authority reaches the limit set forth in
9 subsection c. of this section.
- 10 (2) If the authority approves an application for tax credit, then
11 the developer shall execute a redevelopment incentive grant
12 agreement pursuant to section 9 of P.L.2009, c.90 (C.52:27D-489i).
13 The State Treasurer shall award tax credit to the developer equal to
14 the amount set forth in the incentive grant agreement.
- 15
- 16 5. This act shall take effect immediately.
- 17
- 18

19 STATEMENT

20

21 This bill would provide up to \$600 million in tax credit available
22 to developers to construct affordable housing projects in distressed
23 neighborhoods. A distressed neighborhood is a neighborhood
24 located within a distressed municipality, in which the median
25 family income does not exceed 80 percent of the Statewide or
26 metropolitan median family income, as reported in the most
27 recently completed decennial census published by the United States
28 Census Bureau. Distressed municipalities include certain
29 municipalities that receive assistance from the State, municipalities
30 under the supervision of the Local Finance Board pursuant to the
31 provisions of the "Local Government Supervision Act (1947),"
32 P.L.1947, c.151 (C.52:27BB-1 et seq.), municipalities identified by
33 the Director of the Division of Local Government Services in the
34 Department of Community Affairs to be facing serious fiscal
35 distress, SDA municipalities, and municipalities in which a major
36 rail station is located.

37 In order to qualify for tax credit, a developer must construct a
38 residential project in which (1) at least 20 percent of the residential
39 units are constructed and reserved for low- to moderate-income
40 housing; and (2) at least 20 percent of the residential units are
41 constructed and reserved for workforce housing. Developers would
42 apply for tax credit in the same manner in which developers applied
43 for grants under the Economic Redevelopment Growth Program.

44 This bill will incentivize development of affordable and market-
45 rate housing in distressed neighborhoods around the State. The bill
46 is expected to create balanced redevelopment in municipalities
47 experiencing financial trouble and a more comprehensive urban
48 development strategy. The bill is designed to transform the State's

- 1 urban centers from areas with just offices, to 24-hours per day,
- 2 seven-days per week communities with robust residential
- 3 populations.