

ASSEMBLY COMMUNITY DEVELOPMENT AND AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1294

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 7, 2022

The Assembly Community Development and Affairs Committee reports favorably and with committee amendments Assembly Bill No. 1294.

This bill, as amended, would establish a limited preemption from local zoning regulations for applications to convert certain office parks and retail centers into mixed-use developments. Office parks and retail shopping centers located within suburban parts of the State have been termed “stranded assets” and one of the problems inhibiting the reuse or redevelopment of these properties is zoning regulations which restrict their development to a single land use.

This bill seeks to spark interest among property owners to develop these sites by establishing a two-year window of time within which a developer may submit an application to convert an eligible property into a mixed-use development without being constrained by outdated zoning ordinances. The bill defines “eligible property” as an office park of at least 50,000 square feet or a retail center of at least 15,000 square feet, which office park or retail center has a vacancy rate of at least 40 percent.

The bill provides that a mixed-use development is a permitted use, which does not require a use variance, if the mixed-use development is the subject of an application for development to convert an eligible property to a mixed-use development, the application for development is submitted for approval within two years of the bill’s effective date, and the application for development:

- proposes to develop at least two types of uses; and
- proposes to either: reuse the existing building or buildings without expanding their square footage, or redevelop the eligible property without expanding the square footage of the building or buildings on the eligible property.

Furthermore, under the bill, if the application for development to convert an eligible property to a mixed-use development proposes construction of new residential units, at least 20 percent of the residential units constructed are required to be reserved as low income housing, moderate income housing, or very low income housing, as

those terms are defined in N.J.S.A.52:27D-304. Of the units reserved as low income housing, moderate income housing, or very low income housing, at least 50 percent within each bedroom distribution are required to be reserved as low income housing, including at least 13 percent within each bedroom distribution as very low income housing.

The bill would require a planning board to approve an application to convert an eligible property to a mixed-use development if the board determines that:

- the application can be granted without causing substantial detriment to the public good and without substantially impairing the intent and purpose of the zone plan and zoning ordinance, and
- the application complies with the other requirements of this section.

While freeing developers of these properties from municipal use restrictions, the bill retains local control over other aspects of the approval of an application to convert an eligible property to a mixed-use development. The bill specifically authorizes planning boards to condition approval of an application to convert an eligible property to a mixed-use development upon complying with requirements for parking, water supply, sanitary sewer capacity, storm water management, bulk standards, and all reasonable site plan review, recreation, and design standards. However, the bill imposes one limitation on this grant of authority by providing that the height and setback limitations applicable to a converted mixed-use development will be the greatest height and least restrictive setback limitations allowed within the zoning district under municipal ordinance or variance approved by the planning board.

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amendments to the bill provide that in mixed-use developments subject to the provisions of the bill, 20 percent of new residential units constructed are required to be reserved as low income housing, moderate income housing, or very low income housing, and of these reserved units, at least 50 percent within each bedroom distribution are required to be low income housing, including at least 13 percent within each bedroom distribution to be dedicated to very low income housing.