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NEWS RELEASE

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Whitman Administration Launches Urban Redevelopment Initiative

Following up on a key Inaugural Address initiative, Gov. Christie Whitman and Department of Community Affairs Commissioner Jane M. Kenny today announced details of a program to acquire and redevelop abandoned, often tax-delinquent properties that are missing links in urban revitalization plans.

During a tour of strategic sites idled by tax liens in Trenton, the Governor released guidelines that will be used to weigh applications for funding under the new program.

Gov. Whitman first announced the initiative in her Inaugural Address and backed it with \$400 million in financial assistance arranged through the New Jersey Economic Development Authority (EDA) and the New Jersey Housing and Mortgage Finance Agency (HMFA). The Governor has also earmarked \$25 million in her proposed budget for the initiative.

"This program is designed to help urban areas obtain clear legal title to tax-delinquent properties that stand in the way of redevelopment efforts," said Gov. Whitman. "It's part of a tool kit of programs we've assembled to revitalize cities across the state."

The New Jersey Urban Mayors Association has agreed to sponsor forums on the initiative to familiarize local officials with the program.

Under the program, the state will assist local governments, non-profit groups and private developers in acquiring title to properties needed for viable redevelopment plans.

The program will be managed by the New Jersey Redevelopment Authority (NJRA).

During the first year of the program, NJRA-eligible municipalities and business or non-profits located therein will be invited to submit applications for assistance with commercial, residential or mixed-use projects.

"This is the latest step in the Governor's efforts to help communities turn eyesores into sights for sore eyes," said Commissioner Kenny. "By gaining access to these select deeds, we can return abandoned properties to productive use."

Each project application submitted to the NJRA will include a detailed proposal identifying the project site, the properties to be acquired, the redevelopment plan and any known liens. A feasibility analysis will also be required.

The NJRA will review each application to determine whether it meets the goals of the program, and whether it is consistent with redevelopment objectives of the municipality and has received community input. The authority will then forward each application that passes the initial screening to a special project committee.

The project committee will be comprised of senior management from the state's key financing agencies -- NJRA, HMFA, EDA and the Department of Community Affairs. The panel will review the financial details of each prospective project, and then act as a "one-stop" clearinghouse for applications, forwarding them to the appropriate financing agency as follows:

- Housing redevelopment projects will go to the HMFA.
- Large commercial developments will go to the EDA.
- Community economic development projects will go to the NJRA.
- Projects that combine a housing component with other development will be financed jointly by EDA and HMFA.

The financing agency may, with the approval of the applicant, create a subsidiary corporation to acquire the needed properties and direct the development of the project. Municipal officials and local residents and businesses would join agency members on the subsidiary board.