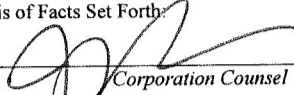
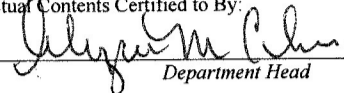


ORDINANCE OF THE CITY OF EAST ORANGE, NEW JERSEY

1st Reading: 05, 20, 2024
Public Hearing: 06, 10, 2024
Final Reading: 06, 10, 2024

Referred to Planning Board: / /
Received from Planning Board: / /

Approved as to Form and Legality
On Basis of Facts Set Forth:
 5/17/24
Corporation Counsel

Factual Contents Certified to By:

Department Head

Appropriations:

Comptroller

Tabled: / /
Removed From Table: / /

Councilman/Councilwoman _____ Presents the following Ordinance:

ORDINANCE NO. 13 OF 2024

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 51 OF THE CITY CODE ENTITLED "LAND USE, ARTICLE X, ADMINISTRATION; MISCELLANEOUS PROVISIONS" TO INCLUDE A SECTION FOR ESCROW ACCOUNT PURSUANT TO THE LOCAL REDEVELOPMENT AND HOUSING LAW

WHEREAS, the City Council of the City of East Orange (the "City Council") has designated certain real property within the City of East Orange (the "City") as areas in need of redevelopment (together with any properties so designated after the adoption of this Ordinance, the "Redevelopment Areas") pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"); and

WHEREAS, the City Council has designated certain real property within the City as an area in need of rehabilitation pursuant to the Redevelopment Law (together with any properties so designated after the adoption of this Ordinance, the "Rehabilitation Areas"); and

WHEREAS, the City Council has duly adopted redevelopment plans governing one or more of the Redevelopment Areas and/or the Rehabilitation Areas (together with any redevelopment plans so enacted after the date of this Ordinance, the "Redevelopment Plans"); and

WHEREAS, pursuant to Section 8 of the Redevelopment Law, the City may collect revenue from a prospective developer to defray the costs of the City acting as the redevelopment entity; and

WHEREAS, pursuant to Section 16 of the Redevelopment Law, in order to effectuate low or moderate-income housing projects (regardless of whether or not such housing projects are within areas in need of redevelopment or areas in need of rehabilitation), the City may (i) receive and accept funds or other financial assistance, (ii) cooperate with a private entity to construct, rehabilitate or operate publicly assisted housing, (iii) provide technical assistance and support to private developers interested in constructing low and moderate-income housing, and (iv) enter into all contracts and agreements necessary or incidental to the performance of the duties authorized by the Redevelopment Law; and

WHEREAS, the City has received, and anticipates continuing to receive, applications and/or proposals (each an "Application") for the redevelopment of property located within the Redevelopment Areas or the Rehabilitation Areas and subject to the Redevelopment Plans, or for the development of low or moderate income housing projects, submitted by proposed developers (each a "Prospective Developer") to the City for review and consideration (as described in each such Application, the "Project"); and

WHEREAS, the City desires to enter into negotiations with Prospective Developers for (i) a redevelopment agreement and/or (ii) an agreement for long- or short-term financial assistance, as may be applicable or appropriate for each respective Project (each an **"Agreement"**); and

WHEREAS, each Prospective Developer shall defray certain costs incurred by or on behalf of the City arising out of or in connection with the discussions and negotiations associated with an Agreement, and the City desires to establish a mechanism whereby it can enter into escrow agreements governing the deposit and disposition of funds to cover the City's costs.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EAST ORANGE, COUNTY OF ESSEX, STATE OF NEW JERSEY, AS FOLLOWS:

Section 1. (New Section Only)

§ 51-57.1 Escrow Funding Account and Procedures.

Where (a) the City has designated a rehabilitation area or a redevelopment area, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., and has adopted a redevelopment plan for such area, or (b) where a low or moderate income housing project is proposed, the City Council hereby authorizes the Mayor or his designee, in consultation with Director of Policy, Planning and Development, Redevelopment Counsel and Corporation Counsel, to negotiate and execute an escrow agreement to offset any and all professional or out of pocket costs incurred by the City with respect to the review of any such proposed project and the negotiation of one or more agreements associated with the project (the "Escrow Agreement").
ENTRY INTO AN ESCROW AGREEMENT SHALL NOT ASSURE ANY PROSPECTIVE DEVELOPER OF ANY PARTICULAR RESULT AND SHALL NOT BIND THE CITY TO ENTER INTO ANY POTENTIAL REDEVELOPMENT AGREEMENT, TAX AGREEMENT, FINANCIAL AGREEMENT, OR ANY OTHER AGREEMENT RELATED TO THE PROPOSED REDEVELOPMENT PROJECT. The Director of the City's Finance Department will establish the escrow account (the "Escrow Account"). The escrow deposit will be held by the City of East Orange's Finance Department, for the Department of Policy, Planning and Development, and disbursed, pursuant to an Escrow Agreement.

Upon submission of appropriate vouchers or statements, the Director of Finance of the municipality, or his/her designee, shall make all of the payments of expenses/fees to professionals for services rendered to the municipality and shall keep a record of same for the purpose of monitoring and maintaining escrow deposits.

§ 51-57.2 Escrow Funding Account Amounts.

Potential Redevelopers shall be required to make payments to the escrow account to cover the City's costs and expenses related to their project. The Mayor or his designee is authorized to determine the total amount of escrow funds to be first deposited into the Escrow Account (the "Deposit"), as set forth as follows:

Residential Projects

Number of Residential Units	Deposit
10 units or less	\$2,500
11 to 25 units	\$5,000
26 to 50 units	\$7,500
51 to 100 units	\$10,000

In excess of 100 units	\$20,000
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Non-Residential Projects

Building Square Footage	Deposit
Under 2,000 square feet	\$2,500
2,001 to 5,000 square feet	\$5,000
5,001 to 10,000 square feet	\$7,500
10,001 to 20,000 square feet	\$10,000
In excess of 20,000 square feet	\$20,000

Mixed-Use Projects Deposit will be determined by calculating the Residential Deposit and Non-Residential Deposit as set forth above. The applicant shall pay whichever is greater.

The amount to be replenished shall occur when and as often as may occur that the Escrow Account is drawn down to or below half of the Deposit amount. The Prospective Redeveloper shall be notified and shall within 10 days of the notification provide an additional amount sufficient to replenish the Escrow Account to the amounts set forth in this Ordinance.

Section 2. All Escrow Accounts previously entered into are hereby confirmed and ratified.

Section 3. If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereof shall not affect the remaining parts of this Ordinance.

Section 4. This Ordinance shall take effect immediately.

FIRST READING

Councilmember	AYE	NAY	NV	AB	VETO
GOMEZ	✓				
MONK	✓				
LENEUS	✓				
LEWIS	✓				
FAUNTLEROY	✓				

Councilmember	AYE	NAY	NV	AB	VETO
HOLMAN	✓				
GARRETT-WARD	✓				
AWE	✓				
JAMES				✓	
PULLINS, JR.	✓				

RECORD OF COUNCIL VOTE ON SECOND READING & FINAL PASSAGE

Councilmember	AYE	NAY	NV	AB	VETO
GOMEZ	X				
MONK	X				
LENEUS	X				
LEWIS	X				
FAUNTLEROY	X				

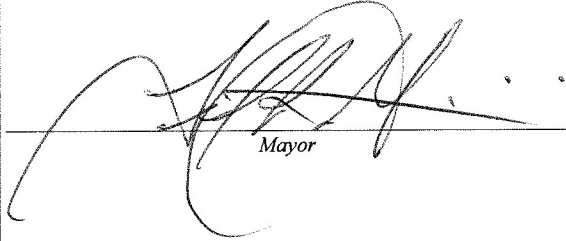
Councilmember	AYE	NAY	NV	AB	VETO
HOLMAN	X				
GARRETT-WARD	X				
AWE	X				
JAMES				X	
PULLINS, JR.	X				

X - Indicates Vote AB - Absent NV - Not Voting (Abstain/Excused)

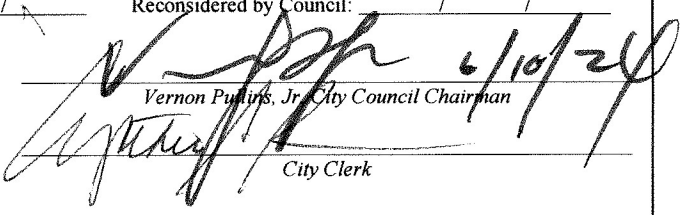
ACTION ON VETO: ✓ to Sustain ✓✓ to Override

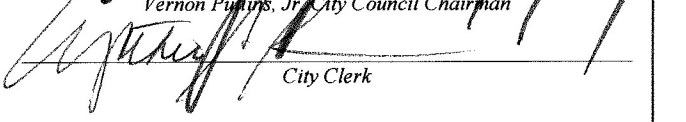
Passed on First Reading: 05 / 20 / 2024
 Adopted on Final Reading: 06 / 10 / 2024
 Presented to Mayor: 06 / 11 / 2024
 Approved: _____ Vetoes: _____

Reconsidered by Council: _____



 Mayor



 Vernon Pullins, Jr. City Council Chairman


 City Clerk