

SENATE, No. 4736

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED OCTOBER 27, 2025

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Enhances ability of religious and nonprofit organizations to convert certain property to inclusionary developments with affordable housing.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT enhancing the ability of religious and nonprofit
2 organizations to convert certain nonresidential property to
3 inclusionary developments with affordable housing and
4 supplementing P.L.1975, c.291 (C.40:55D-1 et seq.).
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
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9 1. a. As used in this section:

10 "Adjoining property" means property that shares a boundary with
11 an eligible property, including but not limited to, a property that is,
12 at least in part, situated directly across a road from an eligible
13 property.

14 "Eligible property" means property, including non-residential
15 buildings, owned by a religious organization or tax-exempt
16 nonprofit organization.

17 "Inclusionary development" means the same as the term defined
18 pursuant to subsection f. of section 4 of P.L.1985, c.222 (C.52:27D-
19 304).

20 b. A municipal planning board enforcing municipal zoning
21 regulations shall permit conversions or partial conversions of
22 eligible properties into inclusionary developments pursuant to the
23 provisions of P.L. , c. (C.) (pending before the Legislature
24 as this bill).

25 c. An inclusionary development that is the subject of an
26 application for development to convert an eligible property shall be
27 a permitted use and shall not require a use variance pursuant to
28 subsection d. of section 57 of P.L.1975, c.291 (C.40:55D-70) if the
29 application for development complies with the following
30 requirements:

31 (1) the inclusionary development, which may include the
32 demolition of existing structures, complies with the zoning
33 requirements applicable to development projects within the
34 applicable municipal zone as provided for in subsection d. of this
35 section;

36 (2) at least 20 percent of the residential units to be constructed
37 shall be reserved as very-low income housing, low-income housing,
38 or moderate-income housing, as those terms are defined pursuant
39 section 4 of P.L.1985, c.222 (C.52:27D-304);

40 (3) of the residential units reserved as very low-income housing,
41 low-income housing, or moderate-income housing, at least 50
42 percent within each bedroom distribution are low-income units, and
43 at least 13 percent of the low-income units are very-low income
44 units; and

45 (4) the residential units reserved as very low-income housing,
46 low-income housing, or moderate-income housing comply with the
47 Uniform Housing Affordability Controls promulgated by the New

1 Jersey Housing and Mortgage Financing Agency, required pursuant
2 to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et seq.).

3 d. The municipal planning board shall approve an application
4 to repurpose or redevelop an eligible property into an inclusionary
5 development, notwithstanding the eligible property's location in the
6 municipality, if the project complies with applicable zoning
7 requirements, and as described pursuant to subsection e. of this
8 section.

9 e. A proposed housing development project on an eligible
10 property that qualifies as a permitted use pursuant to subsection c.
11 of this section shall be allowed the following density and height
12 restrictions:

13 (1) The development project shall be allowed a density of 40
14 units per acre and a height of one story above the maximum height
15 otherwise applicable to the zoning district in which the eligible
16 property is located.

17 (2) If the municipal zoning regulations applicable to the eligible
18 property allow for greater residential density or building heights on
19 the eligible property, or an adjoining property, than permitted in
20 paragraph (1) of this subsection, the greater density or building
21 height shall apply to the eligible property. A development project
22 approved pursuant to this section shall not use an incentive, waiver,
23 or concession to increase the height of the development to greater
24 than the height authorized pursuant to this paragraph. For the
25 purposes of a conversion or partial conversion of an eligible
26 property into an inclusionary development, the owner shall be
27 authorized to apply the zoning restrictions of an adjoining property.

28 (3) Except as provided in paragraph (2) of this subsection, a
29 housing development project approved pursuant to this section shall
30 be eligible for other applicable incentives, waivers, and programs.

31
32 2. Notwithstanding any provision of the "Long Term Tax
33 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.) to the
34 contrary, a project undertaken pursuant to section 1 of P.L. , c.
35 (C.) (pending before the Legislature as this bill) shall be
36 eligible for long term tax exemption pursuant to the "Long Term
37 Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.).

38
39 3. The provisions of P.L. , c. (C.) (pending before the
40 Legislature as this bill) shall not prohibit or limit an applicant's
41 ability to apply and qualify for tax incentives, financing, or grants
42 in order to supplement investments for projects undertaken pursuant
43 to P.L. , c. (C.) (pending before the Legislature as this
44 bill). Notwithstanding this provision, project eligibility for tax
45 incentives, financing, or grants, or any other award, shall be
46 determined by the respective awarding entity.

1 4. A development project and any municipal action undertaken
2 pursuant to P.L. , c. (C.) (pending before the Legislature as
3 this bill) shall be in compliance with the "Municipal Land Use
4 Law," P.L.1975, c.291 (C.40:55D-1 et seq.) and all other applicable
5 municipal zoning ordinance requirements that do not conflict with
6 the requirements of P.L. , c. (C.) (pending before the
7 Legislature as this bill).

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9 5. This act shall take effect immediately.

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12 STATEMENT

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14 This bill would authorize the conversion of certain property
15 owned by religious and nonprofit organizations to inclusionary
16 developments, limit the criteria for a municipality to reject such an
17 application, and specify tax exemption eligibility.

18 The bill would require a municipal planning board to permit the
19 conversion or partial conversion of an eligible property, as defined
20 in the bill, into an inclusionary development, for which a certain
21 percentage of the units are reserved as very low-, low-, or moderate-
22 income housing (affordable housing). The conversion of an eligible
23 property into an inclusionary development with affordable housing
24 would be a permitted use and would not require a use variance, and
25 would be subject to certain zoning requirements and the following
26 affordability constraints:

27 (1) at least 20 percent of the units are required to be reserved as
28 very-low, low-, or moderate-income housing;

29 (2) of the income-restricted units, at least 50 percent within each
30 bedroom distribution are required to be low-income units, and at
31 least 13 percent of the low-income units as very-low-income units;
32 and

33 (3) the income-restricted units are required to comply with the
34 State's Uniform Housing Affordability Controls.

35 The bill requires a municipal planning board to approve an
36 application to repurpose or redevelop an eligible property into an
37 inclusionary development with affordable housing, regardless of the
38 eligible property's location in the municipality if the project
39 complies with applicable zoning requirements, as described in the
40 bill. The bill specifies certain permitted density and height criteria.

41 Regardless of any provision of the "Long Term Tax Exemption
42 Law," P.L.1991 (C.40A:20-1 et seq.) to the contrary, the bill
43 specifies that a project undertaken pursuant to the bill is to be
44 eligible for long term tax exemption pursuant to the "Long Term
45 Tax Exemption Law." The "Long Term Tax Exemption Law"
46 permits a municipality to enter into financial agreements with urban
47 renewal entities, which agreements require an entity to make
48 payments in lieu of real property taxes pertaining to the

1 improvements constructed on the property. The provisions of the
2 bill are not to prohibit or limit an applicant's ability to apply and
3 qualify for variances, tax incentives, financing, or grants. A
4 development project and any municipal action undertaken pursuant
5 to the bill is to be in compliance with the "Municipal Land Use
6 Law," P.L.1975, c.291 (C.40:55D-1 et seq.) and all other applicable
7 municipal zoning ordinance requirements that do not conflict with
8 the bill.