

**STATE**

**STATE PLANNING COMMISSION**

**Plan Endorsement; Period of Endorsement**

**Proposed Amended Rules: N.J.A.C. 5:85-7.21**

Authorized By: State Planning Commission  
Melanie Willoughby, Secretary and Director of the Office for  
Planning Advocacy

Authority: N.J.S.A. 52:18A-203

Calendar Reference: See Summary below for explanation of exception to calendar  
requirement

Proposal Number: PRN 2019-TBD

Submit written comments, electronic or paper, by May 3, 2019 to:

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of Marketing at (609) 292-7832 or NJ Relay (TTY) 1-800-852-7899.

The agency proposal follows:

**Summary**

Pursuant to its authority under N.J.S.A. 52:18A-203, the State Planning

Commission (“Commission”) is proposing amendments to N.J.A.C. 5:85-7.21 to extend the expiration dates of certain plan endorsements and center designations issued by the Commission prior to December 31, 2009 beyond their otherwise applicable expiration dates. The proposed amendments would extend only those endorsements and center designations set to expire in 2019.

The endorsements and center designations subject to this rulemaking were initially extended by operation of the Permit Extension Act of 2008, N.J.S.A. 40:55D-136.1 to -136.6, (“Act”). The Act tolled their expiration for a designated period depending on time remaining on the approval and the county in which the municipality is located. The endorsements and center designations were then extended an additional three years beyond their otherwise applicable expiration date by the Commission’s 2015 amendment to N.J.A.C. 5:85-7.21.

In many ways and for many reasons, the Commission’s process for issuing endorsements and center designations has been largely stalled since February 2010, the low point for private sector employment in New Jersey following the 2009 economic crash. In the nine intervening years, the cities have become more attractive to young people, the suburbs have experienced significant economic challenges due to losses in the big box real estate sector, and Superstorm Sandy forced the rethinking and reconstruction of wind- and flood-resistant infrastructure, particularly in the nine counties most impacted by the storm. For all of these and other related reasons, municipalities have, in many cases, not engaged in the Commission’s process and their existing endorsements and center designations now stand to soon expire. The Commission recognizes, however, that given adequate opportunity, these municipalities may wish to alter designations within their

communities or may desire to move quickly on the existing plan. As such, the Commission finds little reason to force the expiration of existing endorsements and center designations and impose the considerable expense of re-establishing plan endorsements or center designations on municipalities that wish to proceed on existing plans. Rather, the Commission proposes to amend N.J.A.C. 5:85-7.21 to allow for limited extensions of plan endorsements and center designations set to expire in 2019 to allow municipalities to focus their limited resources on moving forward.

The Commission's proposed amendments to N.J.A.C. 5:85-7.21 will extend the validity of plan endorsements and center designations approved by the Commission prior to December 31, 2009 for any center expiring in 2019 until June 30, 2020.

The extension period will give the Commission an opportunity to consult with municipalities and various other interested parties in regard to what the State Plan process should look like going forward and to move forward with whatever changes need to be made, including resiliency. Furthermore, during this extension the Commission will be able to analyze the plan endorsement process and make any necessary changes including if necessary regulatory to encourage communities to participate.

As the Commission has provided a 60-day comment period for this notice of proposal, this notice is excepted from the rulemaking calendar requirements, pursuant to N.J.A.C. 1:30-3.3(a)(5).

### **Social Impact**

The proposed amendments at N.J.A.C. 5:85-7.21(g) are intended to have a positive social impact in municipalities that will benefit from economic activity, job creation, and revenue generation. The amendments benefit municipalities by avoiding

the expense of re-establishing plan endorsements and center designations, allowing them to focus resources to essential services and other objectives. It ensures that specified geographic areas remain eligible for myriad economic incentives, enhances certainty for the near-term land use horizon, facilitating economic activity and job creation leading to increased ratable and taxable income. To the degree that they also leave in place non-growth, or minor-growth designations, they also work to reduce income inequality and maintain a high quality of life.

The amendments also will mark the beginning of a process of consultation with many groups on the most effective, efficient way to manage state planning going forward.

### **Economic Impact**

The proposed amendments at N.J.A.C. 5:85-7.21(g) will have a positive economic impact on the State and impacted municipalities. They will avoid unnecessary expense in having to revisit existing center designations and create the land use certainty needed to foster economic growth in the near term. Additionally, they will allow the continued focus of state economic incentives on areas slated for redevelopment and development, spurring near-term job creation, sustained employment security, and revenue generation.

### **Federal Standards Statement**

There are no Federal standards or requirements applicable to the proposed amendments. As a result, a Federal standards analysis is not required.

### **Jobs Impact**

The proposed amendments at N.J.A.C. 5:85-7.21(g) may have a positive impact on jobs and job growth in the State. As discussed in the Social Impact and Economic Impact Statements, the proposed amendment will ensure that designated geographic areas remain eligible for myriad economic incentives and land use standards. The greater certainty on the near-term land use horizon will allow developers and redevelopers to proceed with planned economic development and redevelopment in specified areas.

### **Agriculture Industry Impact**

The proposed amendments at N.J.A.C. 5:85-7.21(g) are unlikely to have an appreciable impact on the agricultural industry because the vast majority of impacted land is not in agricultural production.

### **Regulatory Flexibility Statement**

The proposed amendments at N.J.A.C. 5:85-7.21(g) impose no reporting, recordkeeping, or other compliance requirements on small business. The basis for this finding is that plan endorsement and center designations are sought by municipalities – not businesses.

### **Housing Affordability Impact Statement**

The proposed amendments at N.J.A.C. 5:85-7.21(g) are unlikely to have a significant change in the average costs associated with housing. The acreage of land affected by the proposed amendment is fairly minimal in comparison to the acreage of

land in New Jersey in total, and, therefore, the amendment is unlikely have a measurable effect on housing costs.

### **Smart Growth Development Impact Analysis**

The proposed amendments at N.J.A.C. 5:85-7.21(g) will have a positive impact on smart growth areas in the State through the maintenance of existing Planning Areas 1 or 2 and Center Designated lands, thus encouraging additional housing production in those areas.

**Full text** of the proposed amended rules follows:

N.J.A.C. 5:85-7.21 Period of endorsement

(a) – (f) (No change.)

**(g) Any center with an expiration date on or before December 31, 2019 is extended to June 30, 2020.**