House Bill 174 (COMMITTEE SUBSTITUTE)

By: Representatives Jones of the 62nd, Bruce of the 61st, Gravley of the 67th, Hightower of the 68th, and Alexander of the 66th

A BILL TO BE ENTITLED AN ACT

- 1 To amend Chapter 61 of Title 36 of the Official Code of Georgia Annotated, the "Urban
- 2 Redevelopment Law," so as to revise terminology from "slums" to "pockets of blight"; to
- 3 provide for related matters; to repeal conflicting laws; and for other purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 SECTION 1.

- 6 Chapter 61 of Title 36 of the Official Code of Georgia Annotated, the "Urban
- 7 Redevelopment Law," is amended by revising Code Section 36-61-2, relating to definitions,
- 8 as follows:
- 9 "36-61-2.
- 10 As used in this chapter, the term:
- 11 (1) 'Agency' or 'urban redevelopment agency' means a public agency created by Code
- 12 Section 36-61-18.
- 13 (2) 'Area of operation' means the area within the corporate limits of the municipality or
- 14 county and the area within five miles of such limits, except that it shall not include any
- area which lies within the territorial boundaries of another incorporated municipality or
- another county unless a resolution is adopted by the governing body of such other
- municipality or county declaring a need therefor.
- 18 (3) 'Board' or 'commission' means a board, commission, department, division, office,
- body, or other unit of the municipality or county.
- 20 (4) 'Bonds' means any bonds (including refunding bonds), notes, interim certificates,
- 21 certificates of indebtedness, debentures, or other obligations.
- 22 (5) 'Clerk' means the clerk or other official of the municipality or county who is the
- custodian of the official records of such municipality or county.
- 24 (6) 'County' means any county in this state.
- 25 (7) 'Downtown development authority' means an authority created pursuant to Chapter
- 26 42 of this title.

27 (8) 'Federal government' means the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

- 29 (9) 'Housing authority' means a housing authority created by and established pursuant
- to Article 1 of Chapter 3 of Title 8, the 'Housing Authorities Law.'
- 31 (10) 'Local governing body' means the council or other legislative body charged with
- 32 governing the municipality and the board of commissioners or governing authority of the
- county.
- 34 (11) 'Mayor' means the mayor of a municipality or other officer or body having the
- duties customarily imposed upon the executive head of a municipality.
- 36 (12) 'Municipality' means any incorporated city or town in the this state.
- 37 (13) 'Obligee' includes any bondholder, agents, or trustees for any bondholders, or any
- 38 lessor demising to the municipality or county property used in connection with an urban
- redevelopment project, or any assignee or assignees of such lessor's interest or any part
- 40 thereof, and the federal government when it is a party to any contract with the
- 41 municipality or county.
- 42 (14) 'Person' means any individual, firm, partnership, corporation, company, association,
- joint-stock association, or body politic and includes any trustee, receiver, assignee, or
- other person acting in a similar representative capacity.
- 45 (15) 'Pocket of blight' means an area in which there is a predominance of buildings or
- 46 <u>improvements</u>, whether residential or nonresidential, which by reason of dilapidation,
- 47 <u>deterioration</u>, age, or obsolescence; inadequate provision for ventilation, light, air,
- 48 <u>sanitation, or open spaces; high density of population and overcrowding; existence of</u>
- 49 <u>conditions which endanger life or property by fire and other causes; or any combination</u>
- of such factors, are conducive to ill health, transmission of disease, infant mortality,
- 51 juvenile delinquency, or crime and detrimental to the public health, safety, morals, or
- welfare. 'Pocket of blight' also means an area which by reason of the presence of a
- 53 <u>substantial number of deteriorated or deteriorating structures; predominance of defective</u>
- or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility,
- or usefulness; unsanitary or unsafe conditions; deterioration of site or other
- improvements; tax or special assessment delinquency exceeding the fair value of the land;
- 57 <u>the existence of conditions which endanger life or property by fire and other causes;</u>
- 58 <u>having development impaired by airport or transportation noise or other environmental</u>
- 59 <u>hazards</u>; or any combination of such factors, substantially impairs or arrests the sound
- growth of a municipality or county, retards the provisions of housing accommodations,
- or constitutes an economic or social liability and is a menace to the public health, safety,
- 62 <u>morals, or welfare in its present condition and use.</u>
- 63 (16) 'Pocket of blight clearance and redevelopment' may include:

- 64 (A) Acquisition of a pocket of blight or portion thereof;
- (B) Rehabilitation or demolition and removal of buildings and improvements;
- 66 (C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds,
- and other improvements necessary for carrying out in the area the urban redevelopment
- provisions of this chapter in accordance with the urban redevelopment plan; and
- 69 (D) Making the land available for development or redevelopment by private enterprise
- or public agencies, including sale, initial leasing, or retention by the municipality or
- 71 county itself, at its fair value for uses in accordance with the urban redevelopment plan.
- 72 (15)(17) 'Public body' means the state or any municipality, county, board, commission,
- authority, district, housing authority, urban redevelopment agency, or other subdivision
- or public body of the state.
- 75 (16)(18) 'Real property' includes all lands, including improvements and fixtures thereon
- and property of any nature appurtenant thereto or used in connection therewith, and every
- estate, interest, right, and use, legal or equitable, therein, including terms for years and
- liens by way of judgment, mortgage, or otherwise.
- 79 (17)(19) 'Rehabilitation' or 'conservation' may include the restoration and redevelopment
- of a slum area pocket of blight or portion thereof, in accordance with an urban
- redevelopment plan, by:
- 82 (A) Carrying out plans for a program of voluntary or compulsory repair and
- rehabilitation of buildings or other improvements;
- 84 (B) Acquisition of real property and rehabilitation or demolition and removal of
- buildings and improvements thereon where necessary to eliminate unhealthful,
- unsanitary, or unsafe conditions, to lessen density, to reduce traffic hazards, to
- 87 eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove
- or prevent the spread of slums pockets of blight or deterioration, or to provide land for
- 89 needed public facilities;
- 90 (C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds,
- and other improvements necessary for carrying out in the area the urban redevelopment
- provisions of this chapter; and
- 93 (D) The disposition of any property acquired in such urban redevelopment area,
- including sale, initial leasing or retention by the municipality or county itself, at its fair
- value for uses in accordance with the urban redevelopment plan.
- 96 (18) 'Slum area' means an area in which there is a predominance of buildings or
- 97 improvements, whether residential or nonresidential, which by reason of dilapidation,
- 98 deterioration, age, or obsolescence; inadequate provision for ventilation, light, air,
- sanitation, or open spaces; high density of population and overcrowding; existence of
- conditions which endanger life or property by fire and other causes; or any combination

of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare. 'Slum area' also means an area which by reason of the presence of a substantial number of slum, deteriorated, or deteriorating structures; predominance of defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; tax or special assessment delinquency exceeding the fair value of the land; the existence of conditions which endanger life or property by fire and other causes; by having development impaired by airport or transportation noise or by other environmental hazards; or any combination of such factors substantially impairs or arrests the sound growth of a municipality or county, retards the provisions of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use.

- 114 (19) 'Slum clearance and redevelopment' may include:
- (A) Acquisition of a slum area or portion thereof;
 - (B) Rehabilitation or demolition and removal of buildings and improvements;
- (C) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds,
- and other improvements necessary for carrying out in the area the urban redevelopment
 provisions of this chapter in accordance with the urban redevelopment plan; and
- 120 (D) Making the land available for development or redevelopment by private enterprise
- or public agencies (including sale, initial leasing, or retention by the municipality or
- county itself) at its fair value for uses in accordance with the urban redevelopment plan.
- 123 (20) 'Urban redevelopment area' means a slum area pocket of blight which the local governing body designates as appropriate for an urban redevelopment project.
- 125 (21) 'Urban redevelopment plan' means a plan, as it exists from time to time, for an urban 126 redevelopment project, which plan shall:
- (A) Conform to the general plan for the municipality or county as a whole; and
- (B) Be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban redevelopment area; zoning and planning changes, if any; land uses; maximum densities; building requirements; and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public
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135 (22) 'Urban redevelopment project' may include undertakings or activities of a 136 municipality or county in an urban redevelopment area for the elimination and for the 137 prevention of the development or spread of slums pockets of blight and may involve slum

pocket of blight clearance and redevelopment in an urban redevelopment area, rehabilitation or conservation in an urban redevelopment area, or any combination or part thereof, in accordance with an urban redevelopment plan. Although the power of eminent domain may not be exercised for such purposes, such undertakings or activities may include:

- (A) Acquisition, without regard to any requirement that the area be a slum or blighted area pocket of blight, of air rights in an area consisting of lands and highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing and related facilities and uses designed for, and limited primarily to, families and individuals of low or moderate income; and
- (B) Construction of foundations and platforms necessary for the provision of air rights sites of housing and related facilities and uses designed for, and limited primarily to, families and individuals of low or moderate income or construction of foundations necessary for the provision of air rights sites for development of nonresidential facilities."

155 SECTION 2.

Said chapter is further amended by revising Code Section 36-61-3, relating to legislative findings and declaration of necessity, as follows:

158 "36-61-3.

(a) It is found and declared that there exist in municipalities and counties of this state slum areas pockets of blight, as defined in paragraph (18) (15) of Code Section 36-61-2, which constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of this state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities and counties, retards the provision of housing accommodations, aggravates traffic problems, and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums pockets of blight is a matter of state policy and state concern, in order that the this state and its municipalities and counties shall not continue to be endangered by areas which are local centers of disease, promote juvenile delinquency, and, while contributing little to the tax income of the this state and its municipalities and counties, consume an excessive proportion of its revenues because of the extra services required for police, fire, accident, hospitalization, and other forms of public protection, services, and facilities.

(b) It is further found and declared that certain slum areas pockets of blight or portions thereof may require acquisition, clearance, and disposition, subject to use restrictions, as provided in this chapter, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that the other areas or portions thereof, through the means provided in this chapter, may be susceptible of conservation or rehabilitation in such a manner that the conditions and evils enumerated in subsection (a) of this Code section may be eliminated, remedied, or prevented and that, to the extent that is feasible, salvable slum areas pockets of blight should be conserved and rehabilitated through voluntary action and the regulatory process.

(c) It is further found and declared that the powers conferred by this chapter are for public

(c) It is further found and declared that the powers conferred by this chapter are for public uses and purposes for which public money may be expended and the power of eminent domain may be exercised. The necessity, in the public interest, for the provisions enacted in this chapter is declared as a matter of legislative determination."

SECTION 3.

Said chapter is further amended by revising Code Section 36-61-5, relating to resolution of necessity as prerequisite to exercise of powers, as follows:

190 "36-61-5.

No municipality or county shall exercise any of the powers conferred upon municipalities and counties by this chapter until after its local governing body has adopted a resolution

finding that:

(1) One or more slum areas pockets of blight exist in such municipality or county; and

(2) The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas is necessary in the interest of the public health, safety, morals, or welfare

of the residents of the municipality or county."

SECTION 4.

Said chapter is further amended by revising Code Section 36-61-6, relating to formulation of workable program, as follows:

201 "36-61-6.

For the purposes of this chapter, a municipality or county may formulate a workable program for utilizing appropriate private and public resources, including those specified in Code Section 36-61-11, to eliminate and prevent the development or spread of slums pockets of blight, to encourage needed urban rehabilitation, to provide for the redevelopment of slum areas pockets of blight, or to undertake such of the aforesaid activities or such other feasible municipal or county activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include,

without limitation, provision for the prevention of the spread of slums pockets of blight into areas of the municipality or county which are free from slums pockets of blight, through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of slum areas pockets of blight or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements, encouraging voluntary rehabilitation, and compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of slum areas pockets of blight or portions thereof."

217 **SECTION 5.**

218 Said chapter is further amended by revising Code Section 36-61-7, relating to preparation of 219 redevelopment plan, approval, modification, and effect of approval, as follows:

220 "36-61-7.

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- (a) A municipality or county shall not approve an urban redevelopment plan for an urban
- redevelopment area unless the governing body, by resolution, has determined such area to
- be a slum area pocket of blight and designated such area as appropriate for an urban
- redevelopment project. Authority is vested in every municipality and county to prepare,
- 225 to adopt, and to revise, from time to time, a general plan for the physical development of
- the municipality or county as a whole (giving due regard to the environs and metropolitan
- surroundings), to establish and maintain a planning commission for such purpose and
- related municipal and county planning activities, and to make available and to appropriate
- the necessary funds therefor. A municipality or county shall not acquire real property for
- an urban redevelopment project unless the local governing body has approved the urban
- redevelopment plan in accordance with subsection (d) of this Code section.
- 232 (b) The municipality or county may itself prepare or cause to be prepared an urban
- redevelopment plan; alternatively, any person or agency, public or private, may submit a
- plan to a municipality or county.
- 235 (c) The local governing body of the municipality or county shall hold or shall cause some
- agency of the municipality or county to hold a public hearing on an urban redevelopment
- plan or a substantial modification of an approved urban redevelopment plan, after public
- 238 notice thereof by publication in a newspaper having a general circulation in the area of
- operation of the municipality or county. The notice shall describe the time, date, place, and
- purpose of the hearing, shall generally identify the urban redevelopment area covered by
- the plan, and shall outline the general scope of the urban redevelopment project under
- consideration.
- 243 (d) Following such hearing, the local governing body may approve an urban
- redevelopment plan if it finds that:

(1) A feasible method exists for the relocation of families who will be displaced from the urban redevelopment area in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such families;

- (2) The urban redevelopment plan conforms to the general plan of the municipality or county as a whole; and
- (3) The urban redevelopment plan will afford maximum opportunity, consistent with the 250 sound needs of the municipality or county as a whole, for the rehabilitation or 251 redevelopment of the urban redevelopment area by private enterprise. 252
 - (e) An urban redevelopment plan may be modified at any time, provided that, if modified after the lease or sale by the municipality or county of real property in the urban redevelopment project area, such modification shall be subject to such rights at law or in equity as a lessee or purchaser or his or her successor or successors in interest may be entitled to assert. Any proposed modification which will substantially change the urban redevelopment plan as previously approved by the local governing body shall be subject to the requirements of this Code section, including the requirement of a public hearing,
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- 260 before it may be approved.

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- (f) Upon the approval of an urban redevelopment plan by a municipality or county, the 261
- 262 provisions of the plan with respect to the future use and building requirements applicable
- 263 to the property covered by the plan shall be controlling with respect thereto."

264 **SECTION 6.**

- 265 Said chapter is further amended by revising paragraphs (1), (6), and (9) of Code 266 Section 36-61-8, relating to powers of municipalities and counties generally, as follows:
- "(1) To undertake and carry out urban redevelopment projects within its area of 267 268 operation; to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this chapter; and to disseminate slum pocket of blight 269 270 clearance and urban redevelopment information;"
- "(6) Within their area of operation, to make or have made all plans necessary to the 271 carrying out of the purposes of this chapter and to contract with any person, public or 272 273 private, in making and carrying out such plans and to adopt or approve, modify, and amend such plans. Such plans may include, without limitation: 274
- (A) A general plan for the locality as a whole; 275
- (B) Urban redevelopment plans; 276
- (C) Plans for carrying out a program of voluntary or compulsory repair and 277 rehabilitation of buildings and improvements, to include but not to be limited to making 278 279 loans and grants from funds received from the federal government, as well as from 280 funds received from the repayment of such loans and interest thereon, to persons, public

or private, owning private housing for the purpose of financing the rehabilitation of such housing;

- (D) Plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements; and
- (E) Appraisals, title searches, surveys, studies, and other preliminary plans and work necessary to prepare for the undertaking of urban redevelopment projects.

The municipality or county is authorized to develop, test, and report methods and techniques and to carry out demonstrations and other activities for the prevention and elimination of slums pockets of blight and to apply for, accept, and utilize grants of funds from the federal government for such purposes;"

"(9) Within their areas of operation, to organize, coordinate, and direct the administration of the provisions of this chapter as they apply to such municipality or county, in order that the objective of remedying slums pockets of blight and preventing the causes thereof within the municipality or county may be most effectively promoted and achieved, and to establish such new office or offices of the municipality or county or to reorganize existing offices in order to carry out such purpose most effectively: and"

SECTION 7.

Said chapter is further amended by revising subsection (a) of Code Section 36-61-10, relating to disposal of property in redevelopment area generally, notice and bidding procedures, exchange with veterans' organization, and temporary operation of property, as follows:

"(a) A municipality or county may sell, lease, or otherwise transfer real property in an urban redevelopment area or any interest therein acquired by it and may enter into contracts with respect thereto, for residential, recreational, commercial, industrial, or other uses or for public use; or the municipality or county may retain such property or interest for public use, in accordance with the urban redevelopment plan, subject to such covenants, conditions, and restrictions, including covenants running with the land and including the incorporation by reference therein of the provisions of an urban redevelopment plan or any part thereof, as it may deem to be in the public interest or necessary or desirable to assist in preventing the development or spread of future slums pockets of blight or to otherwise carry out the purposes of this chapter. Such sale, lease, other transfer, or retention and any agreement relating thereto may be made only after the approval of the urban redevelopment plan by the local governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote such real property only to the uses specified in the urban redevelopment plan and may be obligated to comply with such other requirements

as the municipality or county may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on the real property required by the urban redevelopment plan. Such real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban redevelopment plan. In determining the fair value of real property for uses in accordance with the urban redevelopment plan, a municipality or county shall take into account and give consideration to the uses provided in such plan; the restrictions upon and the covenants, conditions, and obligations assumed by the purchaser or lessee or by the municipality or county retaining the property; and the objectives of such plan for the prevention of the recurrence of slum areas pockets of blight. The municipality or county in any instrument of conveyance to a private purchaser or lessee may provide that such purchaser or lessee shall be without power to sell, lease, or otherwise transfer the real property without the prior written consent of the municipality or county until he or she has completed the construction of any and all improvements which he or she has obligated himself or herself to construct thereon. Real property acquired by a municipality or county which, in accordance with the provisions of the urban redevelopment plan, is to be transferred shall be transferred as rapidly as feasible in the public interest consistent with the carrying out of the provisions of the urban redevelopment plan. The inclusion in any such contract or conveyance to a purchaser or lessee of any such covenants, restrictions, or conditions, including the incorporation by reference therein of the provisions of an urban redevelopment plan or any part thereof, shall not prevent the filing of the contract or conveyance in the land records of the county in such manner as to afford actual or constructive notice thereof."

SECTION 8.

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Said chapter is further amended by revising subsection (b) of Code Section 36-61-17, relating to exercise of redevelopment powers by municipalities and counties and delegation to redevelopment agency or housing authority, as follows:

- "(b) As used in this Code section, the term 'urban redevelopment project powers' shall include all of the rights, powers, functions, duties, privileges, immunities, and exemptions granted to a municipality or county under this chapter, except the following:
- 347 (1) The power to determine an area to be a slum area pocket of blight and to designate such area as appropriate for an urban redevelopment project;
- 349 (2) The power to approve and amend urban redevelopment plans;
- 350 (3) The power to establish a general plan for the locality as a whole;
- 351 (4) The power to formulate a workable program under Code Section 36-61-6;
- 352 (5) The powers, duties, and functions referred to in Code Section 36-61-11;

358	SECTION 9.
357	powers provided for in paragraph (8) of Code Section 36-61-8."
356	(8) The power to appropriate funds, to levy taxes and assessments, and to exercise other
355	(7) The power to issue general obligation bonds; and
354	Section 36-61-4, Code Section 36-61-5, and subsection (d) of Code Section 36-61-7;
353	(6) The power to make the determinations and findings provided for in Code

359 All laws and parts of laws in conflict with this Act are repealed.