

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:27D-280 to 52:27D-287; 2A:42-10.16
52:27C-24; 40A:4-45.23

"Prevention of
Homelessness Act"

LAWS OF: 1984

CHAPTER: 180

Bill No: A299

Sponsor(s): Schwartz, Charles and Watson

Date Introduced: Pre-filed

Committee: **Assembly:** Revenue, Finance and Appropriations; Housing and Urban Policy

Senate: Institutions, Health and Welfare, Revenue, Finance and Appropriations

Amended during passage: Yes Substituted for S1358
(not attached since identical to A299)

Date of Passage: **Assembly:** February 23, 1984

Senate: October 18, 1984

Date of Approval: November 8, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes 2-6-84 and 1-30-84

Senate Yes 6-18-84 and 9-13-84

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: Yes

Hearings: Yes

974.90 New Jersey. Legislature. Assembly. Housing and Urban Policy Committee.
H842 Public hearing on emergency provisions for the homeless, held
1983e. 3-31-83. Trenton, 1983.

(OVER)

974.90 New Jersey. Dept. of the Public Advocate.
H842 Statement...on housing and urban policy, held 9-30-83.
1983j Trenton, 1983.

(see especially pp. 12-13)

974.90 New Jersey. Governor's Task Force on the Homeless.
H842 Report...October 7, 1983. Trenton, 1983.
1983K

180 84
11-8-84
[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 299

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen SCHWARTZ, CHARLES and WATSON

AN ACT concerning rental and other housing assistance, amending and supplementing P. L. 1944, c. 85*, *amending P. L. 1974, c. 47** and supplementing P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known and may be cited as the "Prevention
2 of Homelessness Act (1984)".

1 2. a. It is the longstanding policy of this State that no person
2 should suffer unnecessarily from cold or hunger, or be deprived
3 of shelter.

4 b. At the present time, many persons have been rendered home-
5 less as a result of economic adversity, a severe shortage of afford-
6 able housing, and increased stress due to the complexity of daily
7 living.

8 c. It is both more economical and more socially desirable to
9 place homeless people in suitable apartments, or to enable people
10 to retain possession of their houses or apartments and thereby
11 avoid homelessness, than to house them in hotel rooms or in other
12 facilities intended for short-term occupancy.

13 d. The ****[Division of Housing and Development of the]****
14 Department of Community Affairs has had extensive experience in
15 the administration of the federal section 8 existing housing and
16 moderate rehabilitation rental assistance programs and is therefor
17 the most appropriate agency to administer a program providing
18 temporary rental or other housing assistance to persons who are
19 homeless or in imminent danger of homelessness by reason of
20 inability to pay rent or other housing costs.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted January 30, 1984.

**Senate committee amendments adopted September 13, 1984.

1 3. Section 24 of P. L. 1944, c. 85 (C. 52:27C-24) is amended to
2 read as follows:

3 24. In addition to the powers hereinabove specifically granted,
4 the authority shall have the following powers:

5 a. To acquire property, real, personal or mixed, or any interest
6 therein by purchase, lease, gift, bequest, devise, exchange or emi-
7 nent domain; to hold and improve property; to operate, lease, sell
8 or exchange property; to construct or contract for the construction
9 of projects and community facilities other than any project or
10 facility which would be competitive with any existing public utility
11 as the same is defined in [section] R. S. 48:2-13 [of the Title
12 Public Utilities of the Revised Statutes]; to borrow money and
13 secure the same by bonds or mortgages upon property held or to be
14 held by it; but nothing herein contained shall be deemed to autho-
15 rize the authority to pledge the credit of this State or to constitute
16 any bonds or mortgages so issued by its obligations of this State.

17 b. To receive any grant or grants to be made by the federal,
18 State, county, municipal or other governments, or from any other
19 sources.

20 c. If, for any of the purposes hereunder, the authority shall find
21 it necessary or convenient for it to acquire title to, or any lesser
22 interest in, real property in this State, then the authority may
23 acquire title to such property by purchase, lease or condemnation,
24 and shall have the right to acquire realty by eminent domain in
25 accordance with the provisions of [chapter 1 of Title 20 of the
26 Revised Statutes] the "Eminent Domain Act of 1971" P. L. 1971,
27 c. 36 (C. 20:3-1 et seq.).

28 d. To make and enforce reasonable rules and regulations for
29 the effectuation of its powers and purposes.

30 e. *To provide rental assistance grants to persons of low or*
31 *moderate income to enable them to pay the fair market value for*
32 *housing units.*

33 f. *To provide loans and grants of temporary rental or other*
34 *temporary housing assistance to persons without housing or in*
35 *imminent danger of losing housing as a result of having insufficient*
36 *income from other sources to allow payment of the rental or other*
37 *housing costs.*

38 g. *In order to encourage increased availability of affordable*
39 *housing for persons of low and moderate income, to provide sub-*
40 *sidies or other reductions of interest rates on loans made to public*
41 *or private nonprofit agencies or limited dividend corporations for*
42 *the purpose of acquiring, constructing, repairing or rehabilitating*
43 *residential structures to be used for such housing.*

1 4. (New section) The ****[division]**** *Department of Community*
 2 *Affairs* may establish priorities of eligibility for temporary
 3 rental or other housing assistance among the various categories of
 4 persons needing assistance in obtaining or retaining housing,
 5 including, without limitation, persons subject to immediate eviction
 6 for nonpayment of rent, or foreclosure for nonpayment of mortgage
 7 installments or property taxes, when nonpayment is attributable to
 8 illness, unemployment, underemployment or any other failure of
 9 resources beyond the person's control.

1 5. (New section) No person shall continue to receive temporary
 2 rental assistance if alternative sources of rental subsidy, including,
 3 without limitation, rental assistance under the federal section 8 pro-
 4 grams and public housing, become available. Every local housing
 5 authority, and every limited dividend or nonprofit housing corpo-
 6 ration or association which owns or controls a subsidized housing
 7 project, or subsidized units within a housing project and which
 8 receives local property tax abatement pursuant to any law of this
 9 State, shall give priority to applications by persons receiving
 10 temporary rental assistance, subject to the requirements of other
 11 applicable federal and State statutes and regulations.

1 6. (New section) Benefits under this program shall not be
 2 treated as income in determining eligibility requirements for other
 3 State programs or for New Jersey gross income tax purposes.

1 7. (New section) The ****[division]**** *Department of Community*
 2 *Affairs* shall establish standards of habitability applicable to any
 3 housing unit the rental for which is paid, in whole or in part, by
 4 temporary rental assistance payments from the authority.

1 8. There is appropriated to the Department of Community
 2 Affairs \$1,650,000.00 to establish a fund for the purpose of pro-
 3 viding temporary rental and other housing assistance to persons
 4 who are homeless or in imminent danger of losing housing, ***[and]***
 5 providing interest subsidies to encourage increased availability of
 6 affordable housing pursuant to subsection g. of section 24 of P. L.
 7 1944, c. 85 (C. 52:27C-24) *and paying the administrative cost of*
 8 *the temporary rental and other housing assistance and interest*
 9 *subsidy programs*. Loans made from this fund shall be repaid to
 10 the Department of Community Affairs for redeposit in the fund.
 11 In addition, the Department of Community Affairs is authorized
 12 to apply up to \$500,000.00 of Housing Demonstration Fund moneys
 13 for the purpose of providing loans and grants for the acquisition,
 14 construction, repair or rehabilitation of structures which are to
 15 be operated as shelters for homeless persons by one or more agen-
 16 cies designated for that purpose pursuant to P. L. 1983, c. 343;

17 when it appears to the Commissioner of the Department of Com-
 18 munity Affairs that assistance is necessary in order to permit an
 19 agency to provide sufficient accommodations for persons likely to
 20 be in need of shelter.

1 9. (New section) The ****[division]**** *Department of Community*
 2 *Affairs* shall establish maximum lengths of terms of eligibility
 3 for temporary rental assistance and other temporary housing
 4 assistance, and varying levels of assistance, and shall be empowered
 5 to convert loans into grants when necessary to carry out the
 6 purposes of this act.

1 *10. (New section) There shall be a perpetual Fund for Housing
 2 Rehabilitation, Shelter for the Homeless and Senior Citizen Rental
 3 Assistance, into which shall be paid all revenues accruing to the
 4 State from the real estate transfer fees imposed pursuant to P. L.
 5 1968, c. 49 (C. 46:15-5 et seq.) or of any other law which may
 6 hereafter be enacted imposing a fee or tax upon the transfer of
 7 real estate in proportion to the value thereof, to a maximum of
 8 \$20,000,000.00 the balance to go to the General Fund, and any other
 9 sums which may from time to time be appropriated by the Legis-
 10 lature for the purpose.

11 This fund, and the income thereof, shall be annually appropriated
 12 to the following, and no other, purposes:

13 (1) To assist public agencies, or private agencies qualifying for
 14 public subsidy, which are engaged in providing housing for persons
 15 of low and moderate income, to restore or rehabilitate units of
 16 housing which have become, or are in danger of becoming, unusable
 17 by reason of dilapidation, disaster or willful damage, when the
 18 agency's resources are otherwise insufficient to accomplish that
 19 restoration or rehabilitation; and further, to provide subsidies
 20 reducing the interest to be paid by any such agency on any loan
 21 made to it for the purpose of acquiring, constructing, repairing or
 22 rehabilitating any structure so as to provide affordable housing
 23 for persons of low and moderate income;

24 (2) To make rental assistance payments to qualified housing
 25 sponsors of housing projects for senior citizens pursuant to the
 26 "New Jersey Housing Finance Agency Law of 1967," P. L. 1967,
 27 c. 81 (C. 55:14J-1 et seq.) or any subsequent revision or amend-
 28 ment thereof having like purpose under agreements with the spon-
 29 sors that shall make it feasible for the qualified housing sponsor
 30 to provide a sufficient number and variety of housing units for
 31 senior citizens of low and moderate income; and

32 (3) To make grants, not exceeding in any one fiscal year 5% of
 33 the total amount available for appropriation from the fund to

34 public agencies, or private agencies qualifying for public subsidy,
 35 for the purpose of acquiring, constructing, repairing or rehabilitat-
 36 ing any structure that is to be operated as a shelter for homeless
 37 persons, when a grant is needed in order to permit the agency to
 38 provide sufficient volume of adequate accommodation for persons
 39 likely to be in need of shelter.]*

1 ***[11.]*** *10.* (New section) All grants made to counties and mu-
 2 nicipalities under the "Prevention of Homelessness Act (1984)"
 3 P. L. , c. (C.) (now pending before the Legislature
 4 as Assembly Bill No. 299 **and Senate Bill No. 1358** of 1984)
 5 shall be State aid and exempt from the limitations put on increases
 6 in municipal budgets and county tax levies pursuant to P. L. 1976,
 7 c. 68 (C. 40A:4-45.1 et seq.).

1 *11. Section 2 of P. L. 1974, c. 47 (C. 2A:42-10.16) is amended
 2 to read as follows:

3 2. In any proceeding for the summary dispossession of a tenant,
 4 warrant for possession issued by a court of appropriate jurisdic-
 5 tion:

6 a. Shall include a notice to the tenant of any right to apply to
 7 the court for a stay of execution of the warrant, *together with a*
 8 *notice advising that the tenant may be eligible for temporary hous-*
 9 *ing assistance or other social services and that the tenant should*
 10 *contact the appropriate county welfare agency, at the address and*
 11 *telephone number given in the notice, to determine eligibility; and,*

12 b. Shall be executed not earlier than the third day following the
 13 day of personal service upon the tenant by the appropriate court
 14 officer. In calculating the number of days hereby required, Satur-
 15 day, Sunday and court holidays shall be excluded; and

16 c. Shall be executed during the hours of 8 a.m. to 6 p.m., unless
 17 the court, for good cause shown, otherwise provides in its judgment
 18 for possession.

19 Whenever a written notice, in accordance with the provisions of
 20 subsection 2a., is given to the tenant by the court, this shall con-
 21 stitute personal service in accordance with the provisions of sub-
 22 section 2b.

23 The county district court shall retain jurisdiction for a period
 24 of 10 days subsequent to the actual execution of the warrant for
 25 possession for the purpose of hearing applications by the tenant
 26 for lawful relief.*

1 **12. There is appropriated to the Department of Health the sum
 2 of \$75,000.00 to provide medical support services for homeless
 3 persons under the provisions of this act.**

1 ****[12.]**** *13.** This act shall take effect immediately.

1 11. (New section) All grants made to counties and municipalities
 2 under the "Prevention of Homelessness Act (1984)" P. L. ,
 3 c. (C.) (now pending before the Legislature as As-
 4 sembly Bill No. 299 of 1984) shall be State aid and exempt from
 5 the limitations put on increases in municipal budgets and county
 6 tax levies pursuant to P. L. 1976, c. 68 (C. 40A:4-45.1 et seq.).

1 12. This act shall take effect immediately.

SPONSOR'S STATEMENT

This bill would create a program to assist persons and families which, for reasons beyond their control, are threatened with loss of housing because of inability to pay their full rent or other housing costs. The statement of policy in section 2 points out that prevention of homelessness in this way is both more economical and more socially desirable than attempting to provide emergency accommodations after a person or family has lost its home through eviction or foreclosure. The bill would also provide for interest-rate subsidies to encourage increased availability of housing affordable to low and moderate income families.

Responsibility for administering the program is lodged with the Division of Housing and Development in the Department of Community Affairs. The division is authorized to make rental assistance payments to enable low and moderate income persons to pay fair market rentals, and to make loans or grants for rental or other housing costs to persons in imminent danger of losing their housing through failure of income or other resources. Where alternative sources of rental subsidy are, or become, available, temporary assistance payments through this program will cease; and local housing authorities and other subsidized housing projects are directed to give priority to persons receiving such temporary assistance payments. The division is authorized to establish priorities of eligibility for categories of persons needing assistance, and standards of habitability for housing units for which it agrees to assist in paying the rent.

The bill carries an appropriation of \$1,650,000.00 for the rental assistance and interest-subsidy programs. In addition it authorizes the Department of Community Affairs to apply up to \$500,000.00 of its Housing Development and Demonstration Grant Fund to provide loans or grants to local agencies for the purpose of acquiring or rehabilitating structures to be used as emergency shelters for homeless persons.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 299

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: FEBRUARY 6, 1984

Assembly Bill No. 299 OCR creates a program to assist in the prevention of homelessness by providing emergency accommodations, rental assistance grants and interest rate subsidies to low and moderate income families for affordable housing.

FISCAL IMPACT

The bill appropriates \$1,650,000.00 to the Department of Community Affairs to establish a fund for said purposes. Loans made from the fund are to be repaid and redeposited in the fund. In addition to the amount to be appropriated, up to \$500,000.00 is to be available to local agencies to acquire or rehabilitate structures for emergency shelters.

ASSEMBLY HOUSING AND URBAN POLICY
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 299
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 30, 1984

The bill proposes to combat homelessness by establishing a program of housing assistance payments to enable individuals and families to obtain, or retain, housing when in straitened economic circumstances. It provides the following forms of assistance:

1. Rental Assistance payments to enable persons to afford "fair market value rents".
2. Loans and grants to persons whose income is otherwise insufficient to acquire housing or to retain the housing they have.
3. Subsidies to enable public agencies, or private, nonprofit or limited-dividend housing corporations, to offer affordable housing for persons of low and moderate income.

In administering the program, the Division of Housing is authorized to (1) establish priority categories of persons to be assisted (e.g., those facing eviction or foreclosure due to illness or layoff; (2) enforce "standards of habitability" for housing units occupied by persons receiving rental assistance payments; (3) set maximum periods of eligibility for receiving rental or other housing assistance; and (4) convert loans to grants "where necessary".

It is further provided: (1) that rental assistance not be given under this program to anyone having an alternative source (e.g., the federal "Section 8" program); and (2) that local public housing authorities and publicly subsidized housing projects give "priority"—so far as consistent with other State and federal laws and regulations under which they operate—to tenancy application of persons receiving rental assistance payments under this program.

The program is financed by a direct appropriation of \$1,650,000.00; in addition, the appropriations section authorizes the Department to use \$500,000.00 of its Housing Demonstration Fund to assist duly authorized operators of shelters for the homeless to acquire, repair, construct or rehabilitate structures that are to be used for such shelters.

At the sponsor's request, section 10 of the original bill was deleted

by amendment. This section provided for a further program of housing subsidies, which the sponsor now intends to cover in a separate bill.

At the instance of the Department of Community Affairs, amendments were adopted to: (1) make it clear that the funds appropriated by section 8 may be used for administrative expenses of the program, and (2) add a section to provide that any tenant against whom eviction proceedings have been taken shall receive written notice that he may be eligible for housing assistance.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 299

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JUNE 18, 1984

This bill, entitled the "Prevention of Homelessness Act," establishes a program in the Division of Housing and Development in the Department of Community Affairs to assist individuals and families who, for reasons beyond their control, are without housing or are threatened with loss of housing because of inability to pay their full rent, mortgage or other housing costs.

The bill appropriates \$1,650,000.00 to establish a fund in the department to provide the following forms of assistance: rental assistance payments to enable persons to afford "fair market value rents;" loans and grants to persons whose income is otherwise insufficient to acquire housing or to retain the housing they have; and subsidies to enable public agencies, or private, nonprofit or limited-dividend housing corporations, to offer affordable housing for persons of low and moderate income.

The bill authorizes the Division of Housing to: (1) establish priority categories of persons to be assisted (e.g., those facing eviction or foreclosure due to illness or layoff); (2) enforce standards of habitability for housing units occupied by persons receiving rental assistance payments; (3) set maximum periods of eligibility for receiving rental or other housing assistance; and (4) convert loans to grants where necessary.

Other provisions of the bill provide that: rental assistance shall not be given to anyone having an alternative source of assistance (e.g., the federal Section 8 program); local public housing authorities and publicly subsidized housing projects shall give priority—so far as is consistent with other State and federal laws and regulations under which they operate—to tenancy applications of persons receiving rental assistance payments under this program; and the department is authorized to use \$500,000.00 of its Housing Demonstration Fund moneys to assist duly authorized operators of shelters for the homeless to acquire, repair, construct or rehabilitate structures that are to be used for shelters.

Finally, the bill provides that any tenant against whom eviction proceedings have been taken shall receive written notice that he may be eligible for housing assistance.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 299

[OFFICIAL COPY REPRINT]
with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1984

As amended by the committee, this bill establishes a program in the Department of Community Affairs to assist individuals and families who, for reasons beyond their control, are without housing or are threatened with loss of housing because of inability to pay their full rent, mortgage or other housing costs.

The bill appropriates \$1,650,000.00 to establish a fund in the department to provide rental assistance payments and loans and grants to persons whose income is otherwise insufficient to acquire housing or to retain the housing they have; and subsidies to enable housing agencies to offer affordable housing for persons of low and moderate income.

The bill authorizes the department to: (1) establish priority categories of persons to be assisted; (2) enforce standards of habitability for housing units occupied by persons receiving rental assistance payments; (3) set maximum periods of eligibility for receiving rental or other housing assistance; (4) convert loans to grants where necessary; and (5) use \$500,000.00 of its Housing Demonstration Fund moneys to assist duly authorized operators of shelters for the homeless to acquire, repair, construct or rehabilitate structures that are to be used for shelters.

The bill also provides that any tenant against whom eviction proceedings have been taken shall receive written notice that he may be eligible for housing assistance and stipulates that benefits under this act shall not be treated as income for other State eligibility programs or for New Jersey Gross Income Tax purposes.

COMMITTEE AMENDMENTS

The committee amended the bill to:

(1) include a \$75,000.00 appropriation to the Department of Health to provide medical support services for the homeless;

(2) substitute the Department of Community Affairs for the Division of Housing and Development as the official entity for establishing standards, guidelines and regulations.

As amended, this bill is identical to Senate Bill No. 1358, with committee amendments.



REC'D 11 8 1984

OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: PAUL WOLCOTT
609-292-8956

TRENTON, N.J. 08625

Release: THURS., NOVEMBER 8, 1984

Governor Thomas H. Kean has signed legislation which creates a program to provide temporary rental or other housing assistance to persons who are homeless or in danger of losing housing through an inability to pay.

The bill, A-299, was sponsored by Assemblyman David C. Schwartz, D-Middlesex. It was substituted for legislation sponsored by State Senator William L. Gormley, R-Atlantic.

The measure appropriates \$1,650,000 to the Department of Community Affairs to establish a fund to aid individuals and families who, for reasons beyond their control, are homeless or threatened with the loss of housing through inability to pay rent, mortgage of other housing costs.

The fund will be administered by the Division of Housing.

"New Jersey has long had a commitment to aiding the homeless, and I believe this new program, developed by my Department of Community Affairs, underscores this commitment," Kean said.

The bill also authorized the use of these funds to encourage the construction of affordable housing by subsidizing interest costs. It further permits the Department to apply up to \$500,000 as loans and grants for the acquisition, construction, repair and rehabilitation of shelters for the homeless.

- more -

The Governor also signed the following bills:

A-883, sponsored by Assemblyman Robert P. Hollenbeck, D-Bergen, which provides for the assessment and taxation of real property that is exempt from taxation but used by a private party in connection with an activity conducted for profit.

A-2461, sponsored by Assemblyman Delores G. Cooper, R-Atlantic, which extends for six years the extra protections granted to tenants who are threatened with displacement from their homes in Atlantic City through the conversion or demolition of their buildings. The law providing protection was originally passed in 1978 with a life of three years. It was extended in 1981 for an additional three years. This bill provides an additional six year extension.

S-1284, sponsored by State Senator Matthew Feldman, D-Bergen, which permits a county or municipal utilities authority to loan money to a private developer for the construction and operation of a solid waste system, sewerage treatment system in wastewater treatment or collection system.

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