

55:14J-15 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA 55:14J-15 et al. (Boarding House Life Safety Improvement Act--provides loans to boarding homes)

LAWS 1981 CHAPTER 515

Bill No. S3484

Sponsor(s) Caufield and Parker

Date Introduced Dec. 3, 1981

Committee: Assembly

Senate Revenue, Finance and Appropriations

Amended during passage	Yes	NO	Amendments during passage denoted by asterisks. Substituted for A3527 (not attached since identical to S3484). Assembly statement to A3527 (attached)
Date of Passage: Assembly	<u>Jan. 4, 1982</u>		
Senate	<u>Dec. 14, 1981</u>		
Date of approval	<u>Jan. 12, 1982</u>		

Following statements are attached if available:

Sponsor statement	Yes	NO	(Below)
Committee Statement: Assembly	YES	No	
Senate	Yes	NO	
Fiscal Note	YES	No	
Veto Message	YES	No	
Message on signing	Yes	NO	

Following were printed:

Reports	Yes	NO
Hearings	Yes	NO

Sponsors' statement:

This bill authorizes the Housing Finance Agency to finance and make life safety improvement loans for boarding houses and establishes the boarding house rental assistance fund for that purpose.

(over)

6/22/81

- 974.90 New Jersey. Legislature. General Assembly. Institutions,
H434 Health and Welfare Committee.
1981 Public hearing, held 1-21-81. Trenton, 1981.
- 974.90 New Jersey. Department of Law and Public Safety.
O44 Report and recommendations to the Governor
1981L on New Jersey boarding, rooming and health care
facilities. Dec. 30, 1981. Trenton, 1981.
(p.10)
- 974.90 New Jersey. Legislature. Senate. Institutions, Health
H434 and Welfare Committee.
1978h Public hearing on recommendations to curb boarding
home problems and abuses, held 7-26-78. Trenton, 1978.
- 974.90 New Jersey. Health Commissioners Advisory Committee
H434 on Sheltered Boarding Homes.
1978 Findings and recommendations. Feb. 23, 1978.
Trenton, 1978.
(Policy Objective 13)

1-12-82

[OFFICIAL COPY REPRINT]

SENATE, No. 3484

STATE OF NEW JERSEY

INTRODUCED DECEMBER 3, 1981

By Senators CAUFIELD and PARKER

Referred to Committee on Revenue, Finance and Appropriations

AN ACT to authorize the Housing Finance Agency to finance and make life safety improvement loans for boarding houses, establishing the Boarding House Rental Assistance Fund, ***[**providing for the **]*** *making an** appropriation of moneys to the Boarding House Rental Assistance Fund and amending **and supplementing** P. L. 1967, c. 81.

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

1 1. (New section) This act shall be known and may be cited as
2 the "Boarding House Life Safety Improvement Act of 1981."

1 2. (New section) a. The Legislature hereby finds and declares
2 that there exists in this State a need to render life safety improve-
3 ments at or to boarding houses in order to improve the health,
4 safety and welfare of the residents of boarding houses. The Leg-
5 islature hereby further finds and declares that the rent which will
6 of necessity be charged said residents by the owners of the boarding
7 houses in order to amortize the cost to the owners of constructing,
8 acquiring or rendering life safety improvements at or to their
9 boarding houses would be such that many of said residents could
10 not afford to reside in the boarding houses and that, therefore,
11 enactment of the provisions hereinafter set forth is in the public
12 interest.

13 b. As used in this act:

14 (1) "Boarding house" means either a boarding house or a room-
15 ing house, as those terms are defined in this act, **or, for the pur-*
16 *poses of this act, a residential health care facility as defined in*
16A *section 1 of P. L. 1953, c. 212 (C. 30:11A-1) or licensed pursuant*
16B *to P. L. 1971, c. 136 (C. 26:2H-1 et seq.),** and does not include
16C either a housing project or a project.

17 Boarding house means any building, together with any related
18 structure, accessory building, any land appurtenant thereto, and

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

19 any part thereof, which contains two or more units of dwelling
 20 space arranged or intended for a single room occupancy, exclusive
 21 of any such unit occupied by an owner or operator, and wherein
 22 personal or financial services are provided to the residents, in-
 23 cluding any residential hotel or congregate living arrangement, but
 24 excluding any hotel, motel or established guest house wherein a
 25 minimum of 85% of the units of dwelling space are offered for
 26 limited tenure only, any foster home as defined in section 1 of
 27 P. L. 1962, c. 137 (C. 30:4C-26.1), any community residence for
 28 the developmentally disabled as defined in section 2 of P. L. 1977,
 29 c. 448 (C. 30:11B-2) any dormitory owned or operated on behalf
 30 of any nonprofit institution of primary, secondary or higher edu-
 31 cation for the use of its students, any building arranged for single
 32 room occupancy wherein the units of dwelling space are occupied
 33 exclusively by students enrolled in a full-time course of study at
 34 an institution of higher education approved by the Department of
 35 Higher Education, and any facility or living arrangement operated
 36 by, or under contract with, any State department or agency, upon
 37 the written authorization of the commissioner.

38 (2) "Life safety improvement" means any addition, modifica-
 39 tion or repair to a boarding house which is necessary to improve
 40 the life safety of the residents of the boarding house, as certified
 41 by the Department of Community Affairs.

42 (3) "Life safety improvement loan" means a loan from the
 43 agency the proceeds of which are to be used to finance, in whole
 44 or in part, the construction, acquisition or rendering of life safety
 45 improvements at or to boarding houses.

46 (4) "Boarding house sponsor" means the owner of a boarding
 47 house and does not include a qualified housing sponsor.

48 (5) "Commissioner" means the Commissioner of the Department
 49 of Community Affairs.

50 (6) "Rooming house" means a boarding house wherein no per-
 51 sonal or financial services are provided to the residents.

51A *(7) "*Agency*" means the New Jersey Housing Finance Agency
 51B as defined in section 4 of P. L. 1967, c. 81 (C. 55:14J-4).*

52 c. In order to encourage the construction, acquisition and ren-
 53 dering of life safety improvements at or to boarding houses, the
 54 agency is hereby authorized to finance by life safety improvement
 55 loans the construction, acquisition and rendering of life safety
 56 improvements at or to boarding houses.

57 d. In order to carry out the purpose of this section, the agency
 58 may accept from boarding house sponsors applications for life
 59 safety improvement loans and enter into agreements with housing

60 sponsors with respect thereto. In considering applications for life
61 safety improvement loans, the agency shall give consideration to:

62 (1) The degree of need for the life safety improvement at the
63 boarding house with respect to which the application is made.

64 (2) Factors affecting the tax-exempt status of interest on the
65 obligations of the agency issued to raise the money necessary to
66 make the life safety improvement loan, including the location and
67 ownership of boarding houses with respect to which applications
68 have been and are being made.

69 (3) The extent of the benefit which, in the agency's opinion, can
70 be expected to be achieved from the life safety improvement in-
71 tended to be financed with the life safety improvement loan for
72 which the application is made giving effect to, among other things,
73 the cost of such life safety improvements.

73A **(4) The applicant's ability to obtain alternate financing.*

73B *(5) The extent of the applicant's compliance with the "Rooming*
73C *and Boarding House Act of 1979," P. L. 1979, c. 496 (C. 55:13B-1*
73D *et al.). Such a determination shall be accomplished through an*
73E *inspection of the boarding house by either the New Jersey Depart-*
73F *ment of Community Affairs or the New Jersey Department of*
73G *Health. Deficiencies which are to be corrected through life safety*
73H *improvement loans are not to be used as a basis for disapproving*
73I *such loan under this section.**

74 e. Life safety improvement loans made by the agency shall not
75 be subject to the terms and conditions set forth in section ***[6]*** * 9*
76 of ***[this act]*** *P. L. 1967, c. 81 (C. 55:143-9 et seq.)* but shall be
76A subject to the following terms and conditions:

77 (1) The amount of the loan shall not exceed 100% of the cost
78 of the life safety improvement to be constructed, acquired or ren-
79 dered, as determined by the agency.

80 (2) The interest rate on the loan shall be established by the
81 agency at the lowest level consistent with the agency's cost of
82 operation but in no event lower than the effective cost to the agency
83 of the obligations of the agency sold to raise the money used to
84 make the loan.

85 (3) The loan shall be evidenced by a promissory note which shall
86 contain such terms and provisions and be in a form approved by
87 the agency*, and the terms and provisions shall include, but not be
88 limited to, agency requirements such that:

89 *(i) the boarding house sponsor remit to the agency the entire*
90 *unpaid balance of all life safety improvement loans made by the*
91 *agency to the sponsor as of the time when the facility ceases to be*

92 a boarding house; (ii) the boarding house sponsor remit to the
 93 agency, for payment to the Department of Community Affairs for
 94 deposit in the "Boarding House Rental Assistance Fund," an
 95 amount equal to the rental assistance payments made to or on be-
 96 half of the residents of a boarding house, pursuant to this section,
 97 prior to the point in time when the facility ceases to be a boarding
 98 house, provided that the inclusion of this second requirement in the
 99 promissory note and the remittance of the amount shall be required
 100 only if and to the extent that the agency determines it to be feasible
 101 and practicable; and (iii) in the event of any sale which occurs
 102 during the period when the life safety improvement loan is being
 103 repaid, to a purchaser who will maintain the facility as a boarding
 104 house, the boarding house sponsor shall either remit the entire un-
 105 paid balance of all life safety improvement loans made by the
 106 agency to the sponsor or assign the loan to the purchaser.*

107 (4) As a condition of the loan, the agency shall have the power
 108 at all times during the construction, acquisition or rendering of a
 109 life safety improvement at or to a boarding house and for a rea-
 110 sonable period of time subsequent thereto to enter without prior
 111 notice the boarding house with respect to which the loan is to be
 112 made in order to inspect the construction, acquisition or rendering
 113 of the life safety improvement being financed with the loan.

1 3. Section 15 of P. L. 1967, c. 81 (C. 55:14J-15) is amended to
 2 read as follows:

3 15. (a) The agency shall have the power and is hereby authorized
 4 from time to time to issue its bonds, bond anticipation notes and
 5 other obligations in such principal amounts as in the opinion of
 6 the agency shall be necessary to provide sufficient funds for achiev-
 7 ing any of its corporate purposes, including the making of mortgage
 8 loans, *the making of life safety improvement loans*, the payment,
 9 funding or refunding of the principal of, or interest or redemption
 10 premiums on, any bonds, bond anticipation notes and other obliga-
 11 tions issued by it whether the bonds, bond anticipation notes or
 12 other obligations or interest to be funded or refunded have or have
 13 not become due, the establishment of reserves to secure such bonds,
 14 bond anticipation notes and other obligations and all other expendi-
 15 tures of the agency incident to and necessary or convenient to
 16 carry out its corporate purposes and power; *provided, however,*
 17 *that the agency's power to issue its bonds, bond anticipation notes*
 18 *and other obligations in order (i) to make life safety improvement*
 19 *loans, (ii) to fund reserves for such bonds, bond anticipation notes*
 20 *and other obligations (excluding therefrom for purposes of this*
 21 *calculation such bonds, bond anticipation notes and other obliga-*

22 *tions that have been refunded), and (iii) to refund bonds, bond*
23 *anticipation notes and other obligations originally issued to make*
24 *life safety improvement loans and to fund reserves for such bonds,*
25 *bond anticipation notes, and other obligations is limited to the*
26 *extent that the amount of debt service payable in any 1 year on*
27 *all such bonds, bond anticipation notes and other obligations then*
28 *outstanding may never exceed \$4,000,000.00.*

29 (b) Except as may be otherwise expressly provided herein or
30 by the agency, every issue of bonds, bond anticipation notes or
31 other obligations shall be general obligations payable out of any
32 moneys or revenues of the agency, subject only to any agreements
33 with the holders of particular bonds, bond anticipation notes or
34 other obligations pledging any particular moneys or revenues. The
35 agency may issue such types of bonds, bond anticipation notes or
36 other obligations as it may determine, including bonds, bond
37 anticipation notes or other obligations on which the principal and
38 interest are payable (1) exclusively from the income and revenues
39 of the project financed with the proceeds of such bonds, bond antici-
40 pation notes or other obligations; (2) exclusively from the income
41 and revenues of certain designated projects whether or not they
42 are financed in whole or in part with the proceeds of such bonds,
43 bond anticipation notes or other obligations; **[or]** (3) *exclusively*
44 *from the moneys received as repayment of the life safety improve-*
45 *ment loans made with the proceeds of such bonds, bond anticipation*
46 *notes or other obligations; or (4) from its revenues generally. Any*
47 *such bonds, bond anticipation notes or other obligations may be*
48 *additionally secured by a pledge of any grant or contributions from*
49 *any department or agency of the United States or person or a*
50 *pledge of any moneys, income or revenues of the agency from any*
51 *source whatsoever.*

52 (c) Any provision of any law to the contrary notwithstanding,
53 any bonds, bond anticipation notes or other obligations issued pur-
54 suant to this act shall be fully negotiable within the meaning and
55 for all purposes of Title 12A of the New Jersey Statutes, and each
56 holder or owner of such a bond, bond anticipation note or other
57 obligation, or of any coupon appurtenant thereto, by accepting such
58 bond, bond anticipation note or other obligation or coupon shall be
59 conclusively deemed to have agreed that such bond, bond antici-
60 pation note, other obligation or coupon is and shall be fully negotiable
61 within the meaning and for all purposes of said Title 12A of the
62 New Jersey Statutes.

63 (d) Bonds, bond anticipation notes or other obligations of the
64 agency shall be authorized by resolution of the agency and may

65 be issued in one or more series and shall bear such date or dates,
 66 mature at such time or times not exceeding 50 years from the
 67 date thereof, bear interest at a rate or rates within such maximum
 68 rate (not exceeding 6% per annum), be in such denomination or
 69 denominations, be in such form, either coupon or registered, carry
 70 such conversion or registration privileges, have such rank or pri-
 71 ority, be executed in such manner, be payable from such sources
 72 in such medium of payment at such place or places within or without
 73 this State, and be subject to such terms of redemption (with or
 74 without premium) as such resolution or resolutions may provide.

75 (e) Bonds, bond anticipation notes or other obligations of the
 76 agency may be sold at public or private sale at such price or prices
 77 as the agency shall determine, provided, however, that the interest
 78 cost to their average maturity of the money received for any group
 79 of bonds or other obligations sold in a single transaction (computed
 80 according to standard tables of bond values) shall not exceed 6%
 81 per annum.

1 4. Section 32 of P. L. 1967, c. 81 (C. 55:14J-32) is amended to
 2 read as follows:

3 32. (a) No member, officer, employee or agent of the agency for
 4 purposes of personal gain, shall have or attempt to have directly
 5 or indirectly, any interest:

6 (1) In any contract or agreement of the agency;

7 (2) In the sale or purchase of any property by the agency;

8 (3) In any mortgage loan, *life safety improvement loan* or appli-
 9 cation therefor; **[or]**

10 (4) In any housing project constructed, rehabilitated or operated,
 11 or to be constructed, rehabilitated or operated under the provisions
 12 of the act; *or*

13 (5) *In any boarding house at which or to which a life safety*
 14 *improvement is or is to be constructed, acquired or rendered with*
 15 *moneys provided by a life safety improvement loan from the*
 16 *agency.*

17 (b) Any member, officer, employee or agent of the agency who
 18 shall be found guilty of violating the provisions of this section shall
 19 be a disorderly person and subject to a fine of not less than \$100.00
 20 or more than **[\$2,500.00]** ***[\$1,000.00]*** *\$2,500.00*. Any such per-
 21 son shall be barred from public employment in this State in any
 22 capacity whatsoever for a period of 5 years from the date he was
 23 adjudged a disorderly person.

1 5. Section 34 of P. L. 1967, c. 81 (C. 55:14J-34) is amended
 2 to read as follows:

3 34. In order to carry out the purposes and provisions of this

4 act, the agency, in addition to any powers granted to it elsewhere
5 in this act, shall have the following powers:

6 (a) To adopt bylaws for the regulation of its affairs and the
7 conduct of its business; to adopt an official seal and alter the same
8 at pleasure; to maintain an office at such place or places within this
9 State as it may designate; to sue and be sued in its own name;

10 (b) To conduct examinations and hearings and to hear testimony
11 and take proof, under oath or affirmation, at public or private hear-
12 ings, on any matter material for its information and necessary to
13 carry out the provisions of this act;

14 (c) To issue subpoenas requiring the attendance of witnesses and
15 the production of books and papers pertinent to any hearing before
16 such agency, or before one or more of the members of the agency
17 appointed by it to conduct such hearing;

18 (d) To apply to any court, having territorial jurisdiction of the
19 offense, to have punished for contempt any witness who refuses to
20 obey a subpoena, or who refuses to be sworn or affirmed to testify,
21 or who is guilty of any contempt after summons to appear;

22 (e) To acquire by purchase, gift, foreclosure or condemnation
23 any real or personal property, or any interest therein, to enter into
24 any lease of property and to hold, sell, assign, lease, encumber,
25 mortgage or otherwise dispose of any real or personal property,
26 or any interest therein, or mortgage lien interest owned by it or
27 under its control, custody or in its possession and release or
28 relinquish any right, title, claim, lien, interest, easement or demand
29 however acquired, including any equity or right of redemption, in
30 property foreclosed by it and to do any of the foregoing by public
31 or private sale, with or without public bidding, notwithstanding
32 the provisions of any other law;

33 (f) To adopt such rules and regulations as shall be expressly
34 authorized by this act and such additional rules and regulations as
35 shall be necessary or desirable to carry out the purposes of this
36 act; it shall publish the same and file them with the Secretary of
37 State;

38 (g) To borrow money or secure credit on a temporary, short-
39 term, interim or on a long-term basis, and to issue negotiable bonds,
40 bond anticipation notes or other obligations and to provide for the
41 rights of the holders thereof;

42 (h) To make and enter into all contracts and agreements neces-
43 sary or incidental to the performance of its duties and the execution
44 of its powers under this act, including contracts or agreements
45 with qualified financial institutions for the servicing and processing
46 of mortgage loans pursuant to this act;

47 (i) To appoint an executive director and such additional officers,
48 who need not be members of the agency as the agency deems ad-
49 visable, and to employ consulting architects, engineers, attorneys,
50 accountants, construction and financial experts and such other
51 employees and agents as may be necessary in its judgment to fix
52 their compensation; and to promote and discharge such officers,
53 employees and agents, all without regard to the provisions of
54 Title 11 of the Revised Statutes, Civil Service;

55 (j) To receive and accept aid or contributions from any source,
56 of money, property, labor or other things of value, to be held, used
57 and applied to carry out the purposes of this act subject to such
58 conditions upon which such grants and contributions may be made,
59 including, but not limited to, gifts or grants from any department
60 or agency of the United States or this State for payment of rent
61 supplements to eligible families or for the payment in whole or in
62 part of the interest expense for a housing project or for any other
63 purpose consistent with this act;

64 (k) To enter into agreements to pay annual sums in lieu of taxes
65 to any political subdivision of the State with respect to any real
66 property owned or operated directly by the agency;

67 (l) To procure insurance against any loss in connection with
68 its property and other assets (including mortgages and mortgage
69 loans) in such amounts and from such insurers as it deems de-
70 sirable;

71 (m) To the extent permitted under its contract with the holders
72 of bonds, bond anticipation notes and other obligations of the
73 agency, to consent to any modification with respect to rate of in-
74 terest, time and payment of any installment of principal or interest,
75 security or any other terms of any mortgage, mortgage loan, mort-
76 gage loan commitment, *life safety improvement loan*, contract or
77 agreement of any kind to which the agency is a party.

78 (n) To the extent permitted under its contract with the holders
79 of bonds, bond anticipation notes and other obligations, to enter
80 into contracts with any qualified housing sponsor containing pro-
81 visions enabling the said qualified housing sponsor to reduce the
82 rental or carrying charges to persons unable to pay the regular
83 schedule of charges where by reason of other income or payment
84 from the agency, any department or agency of the United States
85 or this State, such reductions can be made without jeopardizing the
86 economic stability of the housing project;

87 (o) With respect to projects financed prior to January 1,
88 1973, to make and collect such fees and charges, including but not
89 limited to payment for all costs of financing by the agency, service

90 charges, mortgage insurance premiums, reserves against losses and
91 reimbursement for advances made to the agency, as it shall de-
92 termine is reasonable to enable the agency, to the extent feasible,
93 to be self-sustaining;

94 (p) To invest and reinvest any moneys of the agency not re-
95 quired for immediate use or disbursement and any moneys held in
96 the Housing Finance Fund, reserve funds or sinking funds, in the
97 same manner as trust funds in the custody of the State Treasurer.

98 All functions, powers and duties relating to the investment or
99 reinvestment of such funds, including the purchase, sale or
100 exchange of any investments or securities may, upon the request of
101 the agency, be exercised and performed by the Director of the
102 Division of Investment, in accordance with written directions of
103 the agency signed by an authorized officer;

104 (q) To provide, contract or arrange for, where by reason of the
105 financing arrangement review of the application and proposed
106 construction of a project is required by or in behalf of any depart-
107 ment or agency of the United States, consolidated processing of
108 any such application or supervision to avoid duplication thereof
109 by either undertaking the processing in whole or in part for any
110 such department or agency or, in the alternative, delegating the
111 processing in whole or in part to any such department or agency;

112 (r) To make mortgage loans and to participate with any depart-
113 ment or agency of the United States, this State, a municipality,
114 or any banking institution, foundation, labor union, insurance
115 company, trustee or fiduciary in a loan to a qualified housing spon-
116 sor secured by a single participating mortgage or by separate
117 mortgages, the interest of each having equal priority as to lien in
118 proportion to the amount of the loan so secured, but need not be
119 equal as to interest rate, time or rate of amortization or otherwise
120 and to undertake commitments to make such loans;

121 (s) To sell, at public or private sale, with or without bidding,
122 *any life safety improvement loan, any security for a life safety*
123 *improvement loan*, any mortgage or other obligation securing a
124 mortgage loan made by the agency;

125 (t) To make commitments to purchase, and to purchase, service
126 and sell, mortgages insured by any department or agency of the
127 United States, and to make loans directly upon the security of
128 any such mortgage;

129 (u) To provide qualified housing sponsors with such advisory
130 consultation, training and educational services as will assist them
131 to plan, construct, rehabilitate and operate housing projects for
132 moderate income families, including but not limited to assistance

133 in community development and organization, home management
134 and advisory services for the residents of the housing projects,
135 and to encourage community organizations to assist in developing
136 such projects;

137 (v) To encourage research in, and demonstration projects to
138 develop new and better techniques and methods for increasing the
139 supply of housing for moderate income families and to engage in
140 such research and demonstration projects and to receive and ac-
141 cept contributions, grants or aid, from any source, public or pri-
142 vate, including but not limited to the United States and this State,
143 for carrying out this purpose;

144 (w) To do all acts and things necessary or convenient to carry
145 out the powers expressly granted in this act;

146 (x) To provide to qualified housing sponsors through mortgage
147 loans or otherwise, financing or refinancing of fully completed, as
148 well as partially completed, projects which may or may not be
149 occupied, provided that said projects meet all the requirements
150 of the act to which this act is amendatory, except that, prior to the
151 making of the mortgage loan commitment by the agency, said
152 projects need not have complied with section 37 of the act to which
153 this act is amendatory; and

154 (y) With respect to projects financed *or life safety improvement*
155 *loans made* on or after January 1, 1973, to make and collect such
156 fees and charges, including but not limited to payment for all costs
157 of financing by the agency, service charges, mortgage insurance
158 premiums, reserves against losses and reimbursement for advances
159 made to *or by* the agency, as it shall determine is reasonable to
160 enable the agency, to the extent feasible, to be self-sustaining.

1 6. (New section) There is hereby established in the Department
2 of Community Affairs a fund to be known as the "Boarding House
3 Rental Assistance Fund". The fund shall be under the control of
4 the Commissioner of the Department of Community Affairs. The
5 fund shall be maintained by the Department of the Treasury and,
6 may be invested by the Division of Investment of the Department
7 of the Treasury in investments in which other State funds may be
8 invested, including without limitation the State of New Jersey
9 Cash Management Fund. There shall be deposited in the fund all
10 moneys appropriated thereto by the Legislature and any other
11 moneys made available for the purposes for which the fund is
12 established. The fund is established for the purposes of providing
13 rental assistance to residents of boarding houses in need of such
14 assistance in order to meet the rental payments at the boarding
15 houses in which they reside necessitated by the construction, acqui-

16 sition or rendering of life safety improvements at or to the said
 17 boarding houses with the proceeds of life safety improvement
 18 loans made by the Housing Finance Agency; and to provide a
 19 source of repayment for such life safety improvement loans **and,*
 20 *subject to the approval of the treasurer, to pay the cost to the De-*
 21 *partment of Community Affairs of discharging its obligations under*
 22 *this act**. As and when needed in order to meet on a timely basis
 23 that part of the rental obligations of residents of boarding houses
 24 attributable to debt service (including fees and charges payable
 25 to the Housing Finance Agency) on life safety improvement loans
 26 made by the Housing Finance Agency to finance the construction,
 27 acquisition or rendering of life safety improvements at said board-
 28 ing houses, the commissioner is authorized and directed to disburse
 29 from the fund to or on behalf of the residents of said boarding
 30 houses the amount of money which, together with amounts already
 31 disbursed and to be disbursed, will be sufficient to meet on a timely
 32 basis such part of the rental obligations of the residents of said
 33 boarding houses.

1 7. (New section) In furtherance of the purposes of this act, the
 2 commissioner is authorized to enter into rental assistance agree-
 3 ments with boarding house sponsors providing for the payment
 4 of rental assistance to or on behalf of the residents of the subject
 5 boarding houses in respect of that part of their rent that is attribu-
 6 table to debt service on life safety improvement loans, as deter-
 7 mined by the Housing Finance Agency. Rental assistance agree-
 8 ments may permit or require the commissioner to make rental
 9 assistance payments on behalf of boarding house residents directly
 10 to the Housing Finance Agency or upon its order in satisfaction of
 11 the boarding house sponsors' payment obligations on life safety
 12 improvement loans. As a condition to the payment of such rental
 13 assistance, rental assistance agreements shall require ***[(i)]*** that
 14 the boarding house sponsor remit to the commissioner for return to
 15 the fund in the Department of the Treasury from which the appro-
 16 priation for the rental assistance payment was originally made and
 17 amount equal to any rental assistance payment made by the com-
 18 missioner to or on behalf of a resident of the subject boarding
 19 house who, were such resident a family as defined in section 3(d)
 20 of P. L. 1967, c. 81 (C. 55:14J-3(d)), would not have constituted a
 21 family of moderate income, as defined in section 3(e) of P. L. 1967,
 22 c. 81 (C. 55:14J-3(e)), at any time during the period of time covered
 23 by the rental assistance payment provided, however, that the
 24 agency may, in its discretion, establish a lower income standard
 25 for residents of boarding houses which would require remittance

26 to the commissioner by the owners of such boarding houses of rental
27 assistance payments formerly made by the commissioner to or on
28 behalf of residents with incomes above such income standard***]**; and
29 (ii) that the boarding house sponsor remit to Housing Finance
30 Agency the entire unpaid balance of all life safety improvement
31 loans made by the Housing Finance Agency to the boarding house
32 sponsor prior to the point in time at which the facility for which
33 the life safety improvement loans were made ceases to be a
34 boarding house**]**.*.

1 8. (New section) On or before December 1 of each year, the
2 commissioner shall submit to the Governor and the State Trea-
3 surer a Boarding House Rental Assistance Fund Annual Report
4 which shall include the following: (a) a summary of the activities
5 and transactions of the Boarding House Rental Assistance Fund
6 during the preceding fiscal year; (b) an estimate of the amount
7 of rental charges which will be made during the ensuing 12
8 months of the residents of Boarding Houses on account of the
9 debt service (including fees and charges payable to the Housing
10 Finance Agency) on life safety improvement loans made by the
11 Housing Finance Agency to finance the construction, acquisition
12 or rendering of life safety improvements at or to said boarding
13 houses, together with a brief description of each of said boarding
14 houses, life safety improvement loans and life safety improvements
15 and a summary of various characteristics of the residents of said
16 boarding houses including their ages, disabilities, if any, and
17 income levels; (c) a statement as to the maximum amount of debt
18 service payable in any 1 year on all outstanding obligations of
19 the Housing Finance Agency issued with respect to life safety
20 improvement loans and (d) an estimate of, and request for, the
21 amount of money in addition to the then current balance of the
22 Boarding House Rental Assistance Fund which will be needed in
23 the ensuing fiscal year to meet the disbursements from the fund
24 which the commissioner anticipates will be made in furtherance of
25 the purposes of the fund and in satisfaction of the commissioner's
26 obligations under rental assistance agreements.

1 9. (New section) In order to assure that there exists sufficient
2 money in the Boarding House Rental Assistance Fund so as to
3 permit the fund to be fully employed in furtherance of its purposes
4 and to enable the commissioner to fulfill his commitments under
5 rental assistance agreements, there shall be appropriated in each
6 fiscal year and paid to the Department of Community Affairs for
7 deposit in the Boarding House Rental Assistance Fund (i) from the
8 Casino Revenue Fund, the amount of money requested for such

9 fiscal year by the commissioner in the applicable Boarding House
 10 Rental Assistance Fund Annual Report, as amended by the com-
 11 missioner from time to time, for the benefit of boarding house
 12 residents who are either senior citizens or disabled residents of the
 13 State within the meaning of regulations promulgated by the com-
 14 missioner; and (ii) from the General Fund, the amount of money
 15 requested for such fiscal year by the commissioner in the applicable
 16 Boarding House Assistance Fund Annual Report, as amended by
 17 the commissioner from time to time, for the benefit of boarding
 18 house residents who are neither senior citizens nor disabled resi-
 19 dents of the State within the meaning of regulations promulgated
 20 by the commissioner.

21 **After receipt of each "Boarding House Rental Assistance Fund"*
 22 *Annual Report, the State Treasurer shall determine whether or not*
 23 *during the preceding fiscal year rental assistance payments were*
 24 *made with funds appropriated from the Casino Revenue Fund to*
 25 *or on behalf of residents of boarding houses who, were they fam-*
 26 *ilies as defined in subsection (d) of section 3 of P. L. 1967, c. 81*
 27 *(C. 55:14J-3), would have constituted families of moderate income*
 28 *as defined in subsection (e) of section 3 of P. L. 1967, c. 81*
 29 *(C. 55:14J-3) during such fiscal year, but who were not either*
 30 *senior citizens or disabled residents of the State within the mean-*
 31 *ing of regulations promulgated by the commissioner. Upon making*
 32 *a determination the preceding fiscal year with funds appropriated*
 33 *from the Casino Revenue Fund to or on behalf of one or more of*
 34 *such residents, the treasurer shall request and the State shall ap-*
 35 *propriate from the General Fund to the Casino Revenue Fund an*
 36 *amount of money equal to payments so made from funds appro-*
 37 *priated from the Casino Revenue Fund, provided, however, that*
 38 *neither the request nor the appropriation shall be required if, or to*
 39 *the extent that, the amount of payments is reimbursed from any*
 40 *other available source, which may be, but shall not be limited to, a*
 41 *payment from unencumbered funds of the New Jersey Housing*
 42 *Finance Agency, as authorized by the agency.*

1 10. (New section) *In the event that the commissioner is for any*
 2 *reason unable to make rental assistance payments on one or more*
 3 *rental assistance agreements, the agency may authorize payments*
 4 *from its unencumbered reserves. If no such authorization is made,*
 5 *or the amount authorized is insufficient to make full payments*
 6 *under the agreements, there shall be appropriated from the General*
 7 *Fund in each fiscal year and paid to the Department of Community*
 8 *Affairs, for disbursement to the agency, sufficient funds to make*
 9 *full payments. The commissioner shall annually report to the Gov-*

10 *ernor and the treasurer detailing the need for the appropriations;*
11 *the report may be made to the agency under this provision of this*
12 *act shall not reduce the amount of principal or interest owing to*
13 *the agency on any life safety improvement loan. The provisions*
14 *of this section shall not apply to any issue of bonds, bond antici-*
15 *pation notes, or other obligations of the agency, unless the agency,*
16 *by resolution or other appropriate action, provides that such pro-*
17 *visions shall be applicable; and further provided that in no event*
18 *shall the provisions of this section apply to any issue of bonds,*
19 *bond anticipation notes or other obligations of the agency with re-*
20 *spect to which the agency has established or is establishing a hous-*
21 *ing finance fund pursuant to P. L. 1967, c. 81 (C. 55:14J-1 et seq.).*

1 *11. There is appropriated to the Department of Community Af-*
2 *fairs, for deposit in the "Boarding House Rental Assistance*
3 *Fund," the sums of \$750,000.00 from the Casino Revenue Fund*
4 *and \$250,000.00 from the General Fund.**

1 **[10.]* *12.* This act shall take effect immediately.*

ASSEMBLY INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3527

with Assembly committee amendments

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STATE OF NEW JERSEY

DATED: DECEMBER 7, 1981

This bill, known as the "Boarding House Life Safety Improvement Act of 1981," authorizes the New Jersey Housing Finance Agency in the Department of Community Affairs to float bonds in order to finance and make low interest life safety loans available to boarding and rooming houses, as defined in the "Rooming and Boarding House Act of 1979, P. L. 1979, c. 496 (C. 55:13B-1 et al.). The amount of a life safety improvement loan shall not exceed 100% of the cost of the improvement, and all improvements must be certified as necessary by the Department of Community Affairs.

In order to assure the financial integrity of the bonds, and thus make them more attractive to bond purchasers, this legislation establishes the "Boarding House Rental Assistance Fund," which is to be maintained by the Department of Treasury. Appropriations to this fund from the Casino Revenue Fund (for those senior citizens and disabled individuals residing in rooming and boarding houses) and the General Fund (for other persons living in these facilities) are to be used to guarantee the payment of the debt service (principal and interest) on a loan to the Housing Finance Agency. The owner of a boarding house is responsible for repayment of an amount of money to the fund equal to any rental assistance payments made on behalf of any resident who does not meet certain moderate income qualifications.

The amount of debt service payable in any year by the Housing Finance Agency through the fund is limited to \$4 million.

The committee agrees with the purpose of this legislation and released the bill with a number of amendments, including the following:

(1) The inclusion of residential health care facilities in the definition of boarding houses.

(2) Language regarding the obligations of the boarding home sponsor if the facility is sold or ceases to be operated as a boarding house during the period in which a life safety improvement loan is outstanding.

(a) If the facility ceases to be operated as a boarding house, the sponsor must remit the unpaid balance of any life safety improvement

loan to the Housing Finance Agency. Additionally, the sponsor must remit all rental assistance payments made prior to the point at which the facility ceases operating.

(b) If the facility is sold, the sponsor must remit the unpaid loan balance or assign the loan to the purchaser.

(3) A \$1 million appropriation has been added. \$750,000 will come from the Casino Revenue Fund and \$250,000 from the General Fund.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 3484

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 10, 1981

Senate Bill No. 3484, with committee amendments, permits the New Jersey Housing Finance Agency to issue bonds in order to make low interest loans for life safety improvements in boarding and rooming houses, and for the purposes of this act, the committee amended the bill to include residential health care facilities in the definition of boarding houses.

The amount of the loan cannot exceed the cost of the life safety improvement and the interest rate on the loan must be at the lowest level consistent with the agency's costs of operation, but is not to be lower than the effective cost to the Housing Finance Agency of the obligations sold to raise the money to make the loan. The agency's power to issue bonds for life safety improvement loans is limited to the extent that debt service can never exceed \$4,000,000.00 per year.

The bill also establishes the "Boarding House Rental Assistance Fund" under the control of the Commissioner of the Department of Community Affairs. The fund is to provide rental assistance to residents of boarding houses in need of assistance in order to meet that part of the rental payments at the boarding house attributable to the debt service on loans for life safety improvements; and to provide a source of repayment for the life safety improvement loans.

The "Rental Assistance Fund" is to be funded from two sources: the Casino Revenue Fund in the case of rental assistance payments made to or on behalf of senior citizens and the disabled and from the General Fund in the case of boarding home residents who are neither senior citizens nor disabled. The bill further permits the Commissioner to make rental assistance payments directly to the Housing Finance Agency on behalf of boarding house residents in order to satisfy the boarding house sponsors' payment of obligation on life safety improvement loans.

Other committee amendments were made to assure that should the facility cease to be a boarding house according to the provisions of this act, the boarding house sponsor must remit any unpaid balance of

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any life safety improvement loan plus rental assistance payments made prior to the point the facility ceases to be a boarding house. If the facility is sold, the unpaid balance of the loan must be remitted, or the loan assigned to the purchaser.

Lastly, committee amendments added a \$1,000,000.00 appropriation to provide initial funding for the rental assistance fund; \$750,000.00 from the Casino Revenue Fund and \$250,000.00 from the General Fund.

The department estimates that the amount of life safety improvement loan funds needed is about \$18,000,000.00. The life of the loan program should be about 12 years. Administrative costs are estimated to be about \$170,000.00 per year, and, subject to the treasurer's approval, chargeable to the fund.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

JANUARY 18, 1982

FOR FURTHER INFORMATION

DAVE DONAIO

S-3195, sponsored by Senator Joseph Merlino (D-Mercer), raising the income eligibility ceiling for the State's Pharmaceutical Assistance to the Aged (PAA) program. The eligibility ceilings are raised from \$9,000 to \$12,000 for single individuals and from \$12,000 to \$15,000 for married couples. The bill extends PAA benefits to disabled persons as well.

Because the PAA program also determines eligibility for the "lifeline" utility credit and tenant rebate programs, the bill will effectively increase the number of recipients in all three programs.

The bill takes effect March 1, 1982.

S-3501, sponsored by Senator John Russo (D-Ocean), establishing a Statewide Speedy Trial Coordinating Committee to administer a Speedy Trial Program.

The bill is a one-time-only appropriation of \$500,000 in grants to county speedy trial committees to clear the criminal case backlog.

S-3508, sponsored by Senator Donald DiFrancesco (R-Union), keeping the maximum contribution for gubernatorial inaugural events at the current \$250 per person. The bill also prohibits non-profit fundraisers from contributing to the Governor-elect's activities.

S-3484, sponsored by Senator John Caufield (D-Essex), authorizing the State Housing Finance Agency (HFA) to finance fire and other safety improvement loans for boarding homes. Under the bill, the HFA would sell bonds and use the proceeds to make the improvement loans.

S-3156, sponsored by Senator Steven P. Perskie (D-Atlantic), eliminating tenure for municipal managers in municipalities with a council-manager system of government. A grandfather clause will protect current municipal managers with tenure.

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