

52:27D-64.1 AND 64.2

LEGISLATIVE HISTORY CHECKLIST

NJSA 52:27D-64.1 and 52:27D-64.2

Laws of 1976 Chapter 4

Bill No. S1017

Sponsor(s) Merlino & Dugan

Date Introduced January 26, 1976

Committee: Assembly -

Senate Revenue, Finance & Appropriations

Amended during passage Yes No

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Following statements are attached if available:

Sponsor statement Yes No

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

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SENATE, No. 1017

STATE OF NEW JERSEY

INTRODUCED JANUARY 26, 1976

By Senators MERLINO and DUGAN

Referred to Committee on Revenue, Finance and Appropriations

A SUPPLEMENT to the "Department of Community Affairs Demonstration Grant Law of 1967," approved May 31, 1967 (P. L. 1967, c. 82, C. 52:27D-59 et seq.).

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

1 1. The Legislature finds that the Revolving Housing Develop-  
2 ment and Demonstration Grant Fund established under section 5  
3 of the act to which this act is a supplement, through advances to  
4 nonprofit and mutual housing sponsors to defray initial develop-  
5 ment costs of housing projects to be constructed or rehabilitated  
6 with mortgages subsidized by State and Federal agencies and  
7 through the establishment of and grants to demonstration pro-  
8 grams which develop, test and report methods and techniques for  
9 preventing and eliminating slums and blight in urban and non-  
10 farm rural areas and rehabilitating housing for families of mod-  
11 erate income, has served to encourage nonprofit and mutual  
12 housing sponsors to construct and rehabilitate new and improved  
13 moderate income housing for the residents of this State. The Leg-  
14 islature further finds, however, that the continued success of this  
15 program is dependent upon a healthy, viable, and protected New  
16 Jersey Housing Finance Agency since that agency is the primary  
17 State instrumentality for financing actual construction and reha-  
18 bilitation of moderate income housing units. The Legislature finds  
19 that the seed money advances and demonstration grants made  
20 through the Revolving Housing Development and Demonstration  
21 Grant Fund will not continue to generate additional moderate  
22 income housing and innovative housing techniques unless private,  
23 nonprofit enterprises are able to obtain sufficient moneys to under-  
24 take actual development of moderate income housing through  
25 mortgages from the New Jersey Housing Finance Agency.

26 Further, the Legislature finds that uncertainties in the municipal  
27 bond market have made it increasingly difficult for the New Jersey  
28 Housing Finance Agency, notwithstanding its excellent manage-  
29 ment and financial records, to sell notes, bonds, and other obliga-  
30 tions of the agency and, accordingly, the health, vitality, and  
31 productivity of that agency is threatened. The Legislature further  
32 finds that expanding the uses of this fund to authorize the com-  
33 missioner to invest in notes, bonds, or other obligations of the  
34 New Jersey Housing Finance Agency and to make grants to the  
35 New Jersey Housing Finance Agency so that said agency may  
36 establish funds to secure notes, bonds and other obligations of  
37 the agency will assist that agency in overcoming the municipal  
38 bond market uncertainties and thus retain the vitality of both  
39 that agency and the Revolving Housing Development and Demon-  
40 stration Grant Fund, as well as further serve the valid public  
41 purpose of protecting the health and welfare of the residents of  
42 this State by eliminating the slums and blighted sections of the  
43 urban and nonfarm rural area of this State and ending the short-  
44 age of safe and sanitary housing accommodations in this State  
45 available to families with moderate income.

1 2. The commissioner is hereby authorized to use the moneys  
2 held in the fund, or any portion thereof, to purchase notes, bonds  
3 or other obligations of the New Jersey Housing Finance Agency  
4 and to make grants to the New Jersey Housing Finance Agency  
5 so that it may establish a fund or funds to secure notes, bonds or  
6 other obligations issued by it.

1 3. This act shall take effect immediately.

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#### STATEMENT

This bill expressly reaffirms the extremely significant relationship and overlapping goals of the New Jersey Housing Finance Agency and the Housing Demonstration Grant Law of 1967. More specifically, the bill emphasizes that demonstration grant money would be of little effect unless there continues to exist a strong and viable Housing Finance Agency that can make available sufficient funds to housing sponsors for the actual construction and rehabilitation of moderate income housing.

Recognizing the above, this bill expressly provides that housing demonstration grant money can be used to purchase obligations of the Housing Finance Agency or to be used as part of a corpus of a fund that secures the repayment of Housing Finance Agency obligations.