



LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1998

CHAPTER:128

NJSA: 55:14K-72 to 55:14K-81

"Senior and Disabled Cooperative Housing"

BILL NO: A1632 (Substituted for S254 1st Reprint)

SPONSOR(S): Luongo and Biondi

DATE INTRODUCED: February 10, 1998

COMMITTEE:

ASSEMBLY: Local Government and Housing

SENATE: ~~~~

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE:

ASSEMBLY: June 25, 1998

SENATE: September 28, 1998

DATE OF APPROVAL: November 9, 1998

THE FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: 1st Reprint

(Amendments during passage denoted by superscript numbers)

A1632

SPONSORS STATEMENT: *Yes* (Begins on page 7 of original bill)

COMMITTEE STATEMENT:

ASSEMBLY: *Yes*

SENATE: *No*

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *No*

S254

SPONSORS STATEMENT: *Yes* (Begins on page 7 of original bill)
(Bill and Sponsors Statement identical to A1632)

COMMITTEE STATEMENT:

ASSEMBLY: *No*

SENATE: *Yes*

FLOOR AMENDMENT STATEMENTS: *No*

LEGISLATIVE FISCAL ESTIMATE: *No*

VETO MESSAGE: *No*

GOVERNOR'S PRESS RELEASE ON SIGNING: *Yes*

THE FOLLOWING WERE PRINTED:

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REPORTS: *No*

HEARINGS: *No*

NEWSPAPER ARTICLES: *No*

[First Reprint]

ASSEMBLY, No. 1632

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED FEBRUARY 10, 1998

Sponsored by:

Assemblyman GERALD J. LUONGO

District 4 (Camden and Gloucester)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

Co-Sponsored by:

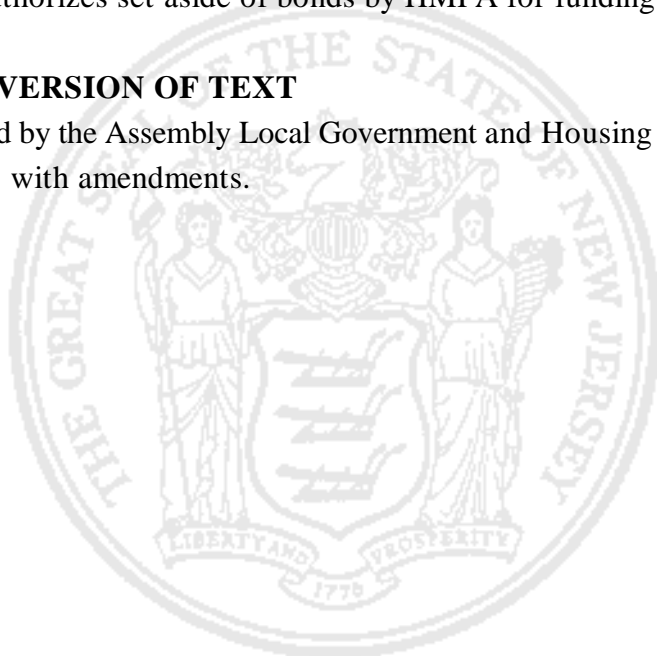
Assemblyman Thompson, Senators Allen, Robertson and Rice

SYNOPSIS

Establishes "Senior and Disabled Cooperative Housing Finance Incentive Program;" authorizes set aside of bonds by HMFA for funding thereof.

CURRENT VERSION OF TEXT

As reported by the Assembly Local Government and Housing Committee on May 4, 1998, with amendments.



(Sponsorship Updated As Of: 9/29/1998)

1 AN ACT to assist nonprofit corporations in providing cooperative
2 living opportunities to low and moderate income senior or disabled
3 purchasers and supplementing chapter 14K of Title 55 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. This act shall be known and may be cited as the "Senior and
10 Disabled Cooperative Housing Finance Incentive Act."

11

12 2. The Legislature finds and declares that:

13 a. New Jersey has the second largest population of senior residents
14 in the country and many persons with disability and each decennial
15 census reveals a significant increase in this population;

16 b. Given the relatively onerous property tax burden within this
17 State, the high cost of living, and increasing medical costs, many
18 seniors and persons with disability on fixed incomes find it increasingly
19 difficult to maintain a decent standard of living ¹**[in older age]**¹;

20 c. Cooperative housing arrangements, in which seniors or disabled
21 persons share accommodations with others, ¹whether as homeowners
22 or renters,¹ providing the opportunity for ¹**[proper]**¹ social
23 interaction, housekeeping assistance, and other prerequisites of daily
24 living, allow for the pooling of the cost of owning and maintaining ¹or
25 renting¹ a residence while at the same time affording residents the
26 privacy they desire and deserve;

27 d. In addition, given the astronomical costs of health care and
28 nursing home care, this arrangement may prove to be a viable option
29 for many seniors and persons with disability who do not have the
30 financial or other resources necessary to remain economically
31 independent and enjoy a high quality of life; and

32 e. Accordingly, it is the purpose of this act to foster the creation
33 of affordable housing arrangements for low and moderate income
34 seniors and persons with disability by establishing a program to aid
35 qualified housing sponsors in developing affordable cooperative
36 housing for ¹**[purchase]**occupancy¹ by seniors and persons with
37 disability of limited economic means ¹who will share certain
38 responsibilities and costs for property maintenance and other
39 necessities as may be agreed to¹.

40

41 3. As used in this act:

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ALH committee amendments adopted May 4, 1998.

1 "Agency" means the New Jersey Housing and Mortgage Finance
2 Agency.

3 "Annual income" means total income, from all sources, during
4 the last full calendar year preceding the filing of an application for a
5 loan pursuant to this act.

6 "Bonds" means bonds, notes or any other form of evidence of
7 indebtedness of the agency, bearing either a fixed rate or a variable
8 rate of interest, issued by the agency.

9 "Eligible project" means a project undertaken by a qualified housing
10 sponsor to create housing for shared occupancy by seniors or persons
11 with disability of low or moderate income, ¹whether for
12 homeownership or rental.¹ which meets the standards of eligibility for
13 loans under the program created by section 4 of P.L. , c. (C.)
14 (pending before the Legislature as this bill).

15 "Eligible purchaser" means a purchaser of a dwelling unit in an
16 eligible project who fulfills the definition of a senior or person with
17 disability pursuant to this section, is of low or moderate income and
18 to whom a loan may be made under the program pursuant to section
19 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

20 "Fund" means the Senior and Disabled Cooperative Housing
21 Incentive Fund established by section 6 of P.L. , c. (C.)
22 (pending before the Legislature as this bill).

23 "Housing region" means a housing region as defined in subsection
24 b. of section 4 of P.L.1985, c.222 (C.52:27D-304) and determined by
25 the Council on Affordable Housing pursuant to section 7 of P.L.1985,
26 c.222 (C.52:27D-307).

27 "Low income" means a gross annual household income equal to
28 50% or less of the median gross annual household income for
29 households of the same size within the relevant housing region.

30 "Moderate income" means a gross annual household income equal
31 to not more than 80%, but more than 50% of the median gross annual
32 household income for households of the same size within the relevant
33 housing region.

34 "Person with disability" means any person who is ¹**[50] 18¹** years
35 of age or older and who ¹**[is a recipient of disability benefits under the**
36 **federal "Railroad Retirement Act of 1974" (45 U.S.C. §231 et seq.),**
37 **the Federal Civil Service Retirement Program (5 U.S.C. §8331 et seq.)**
38 **or any federal law administered by the United States Department of**
39 **Veterans Affairs where the disability is rated as 60%, or higher]** fulfills
40 the definition of having a "disability" pursuant to section 3 of the
41 "Americans with Disabilities Act of 1990," 42 USC §12102)¹.

42 "Program" means the New Jersey Senior and Disabled Cooperative
43 Housing Finance Incentive Program created by P.L. , c. (C.)
44 (pending before the Legislature as this bill).

45 "Qualified housing sponsor" means any corporation or association
46 of persons organized under ¹**[Title 15A of]**¹ the New Jersey Statutes,

1 or any other corporation having for one of its purposes the
2 improvement of realistic opportunities for low income and moderate
3 income housing, as defined pursuant to the "Fair Housing Act,"
4 P.L.1985, c.222 (C.52:27D-301 et al.), and appearing capable, by
5 virtue of past activities, qualifications of staff or board, or other
6 features, of furthering the purposes of P.L. , c. (C.) (pending
7 before the Legislature as this bill).

8 "Retrofitting" means renovating or remodeling an existing
9 residential or non-residential structure to allow for cooperative living.

10 "Senior" means an individual who is 55 years of age or older.

11 "Substantial rehabilitation" means repair, reconstruction or
12 renovation which (1) costs in excess of 60% of the fair market value
13 of a rehabilitated dwelling after such repair, reconstruction or
14 renovation, or (2) renders a previously vacant and uninhabitable
15 dwelling safe, sanitary and decent for residential purposes or (3)
16 converts to safe, sanitary and decent residential use a structure
17 previously in non-residential use.

18

19 4. a. There is hereby established in the agency the "New Jersey
20 Senior and Disabled Cooperative Housing Finance Incentive Program"
21 for the purpose of assisting the financing of eligible projects and for
22 making loans to any eligible purchaser of a dwelling unit in an eligible
23 project pursuant to P.L. , c. (C.) (pending before the
24 Legislature as this bill) out of the Senior and Disabled Cooperative
25 Incentive Fund created pursuant to section 6 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).

27 For the purposes of this act, any project undertaken by a qualified
28 housing sponsor may include, but shall not be limited to, projects in
29 which seniors or persons with disability reside in: an apartment unit
30 in a small complex with a community room for informal gatherings; or
31 a home within which the individual has a private bedroom or bedroom
32 sitting area and shares common areas, housekeeping chores, and some
33 meals 'regardless of whether the housing is produced for
34 homeownership or rental'. These living **[arrangement]**
35 arrangements' may also allow for the provision of housekeeping
36 services and meals by professional workers with the sharing of the
37 associated costs by residents.

38 b. Loans made to an eligible purchaser pursuant to subsection a. of
39 this section shall be subject to the following conditions: (1) the unit
40 is to be occupied as the principal place of residence of the eligible
41 purchaser; and (2) that purchaser has entered into an agreement with
42 a qualified housing sponsor to participate in the program. Loans shall
43 also be made to qualified housing sponsors that will sponsor and
44 manage cooperative housing for older adults.

45 Loans made pursuant to this subsection shall be made only to pre-
46 qualified home purchasers whose eligibility for such loans under the

1 terms of P.L. , c. (C.) (pending before the Legislature as this
2 bill) has been determined by the agency.

3 c. A loan made to an eligible purchaser out of funds made available
4 pursuant to P.L. , c. (C.) (pending before the Legislature as
5 this bill) shall be secured by a mortgage held by the agency. The
6 mortgage shall be secured by the property purchased by the eligible
7 purchaser and shall be amortized monthly.

8 The loan shall be repayable in full upon sale, lease or other transfer
9 of the property resulting in that property's ceasing to be the principal
10 residence of that purchaser; except that such eligible purchaser shall
11 be entitled at any prior time, and without ceasing to maintain the
12 property as his principal residence, to make repayment in whole or
13 part. The agency may forbear the payment of interest to the extent it
14 deems prudent and as may be permitted by the conditions of the bonds
15 in any case in which it finds good cause and that the exaction of such
16 payment would work an exceptional hardship upon the borrower.

17
18 5. a. In furtherance of the public policy of P.L. , c. (C.)
19 (pending before the Legislature as this bill), the agency shall set aside,
20 from the bonds of the agency, an amount to be determined by the
21 agency of the total aggregate original principal amount of such bonds
22 to provide mortgage loans to purchasers under the "Senior and
23 Disabled Cooperative Housing Finance Incentive Program" created
24 pursuant to P.L. , c. (C.) (pending before the Legislature as
25 this bill).

26 b. In addition to being used to provide mortgage loans pursuant to
27 subsection a. of this section, these bonds also shall be utilized to assist
28 qualified housing sponsors in the development of eligible projects in
29 the manner and to the extent provided in the program established by
30 P.L. , c. (C.) (pending before the Legislature as this bill).

31 c. The bonds shall bear the rate or rates of interest as may be
32 determined by the agency, which interest shall be payable as may be
33 determined by the agency.

34
35 6. a. There is hereby established in the agency the "Senior and
36 Disabled Cooperative Housing Incentive Fund," which fund shall be
37 continuing and nonlapsing, for the purpose of assisting the financing
38 of eligible projects pursuant to this act. Moneys in the fund not
39 immediately required for payment or liquid reserves may be invested
40 and reinvested by the agency in the same manner in which other
41 agency funds may be invested.

42 b. There shall be paid into the fund (1) otherwise uncommitted
43 reserves of the agency available for this purpose, in amounts to be
44 determined by the agency to be prudent and appropriate; (2) any
45 income earned upon investment of moneys in the fund by the agency
46 pursuant to subsection a. of this section; and (3) any other funds that

1 may be available to the fund through appropriation by the Legislature
2 or otherwise.

3 c. Moneys in the fund shall be used exclusively for (1) funding
4 loans pursuant to section 4 of P.L. , c. (C.) (pending before
5 the Legislature as this bill) and (2) defraying the administrative costs
6 of the agency in carrying out the purposes and provisions of P.L. ,
7 c. (C.) (pending before the Legislature as this bill), but not
8 more than two per cent of the proceeds of the bonds authorized and
9 actually expended pursuant to section 5 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) shall be used for such
11 administrative costs.

12 d. Interest upon loans to eligible purchasers and to qualified
13 housing sponsors shall be established by the agency at the lowest rate
14 compatible with the integrity of the fund and its proper administration,
15 maintenance of adequate reserves and the ability of the agency to pay
16 the interest upon and repay the principal of bonds under the program.
17

18 7. A project of new construction, substantial rehabilitation, or
19 retrofitting by a qualified housing sponsor shall be eligible for a loan
20 under P.L. , c. (C.) (pending before the Legislature as this
21 bill) if:

22 a. the housing units to be constructed or substantially rehabilitated
23 are sufficient in number and located on the same or contiguous parcels
24 of land or within such proximity to each other as to render the cost per
25 unit of housing practicable for acquisition by low or moderate income
26 purchasers; and

27 b. each housing unit which is constructed, substantially
28 rehabilitated, or retrofitted will conform to all requirements of the
29 "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-
30 119 et seq.).
31

32 8. In selecting those eligible projects which shall receive loans from
33 the fund, the agency shall accord priority to those projects for which:

34 a. Private donors or local units of government will contribute land,
35 money or other in-kind resources to make the program feasible;

36 b. Financial or other contributions will be made from public or
37 private sources, including tax abatements, waivers of fees relating to
38 development or waivers of construction, development or zoning
39 requirements, to the extent allowable by existing law, in order to
40 reduce the cost of homes to be constructed, substantially rehabilitated,
41 or retrofitted;

42 c. Use of the loans will be efficient, as measured by the number of
43 dwelling units produced in proportion to the amount of all loans,
44 having due regard to the difference of construction costs in different
45 housing regions and to the relative costs of different family size units;

46 d. Construction costs per square foot compare favorably with

1 average construction costs in the same housing region;

2 e. The project will contribute significantly to the rehabilitation of
3 or removal or prevention of blight in the area in which it is located, in
4 the judgment of the agency, regardless of whether the area has been
5 formally designated, in accordance with statutory procedures, as
6 blighted or in need of rehabilitation;

7 f. ¹【The design of the project provides for the involvement of local
8 residents in its planning and execution;

9 g. ¹ The design of the project encourages the development of
10 housing units which are suitable for and attractive and accessible to
11 senior households and households of persons with disability; and

12 ¹【h.】 g. ¹ The qualified housing sponsor will ¹work with residents
13 to¹ both seek out and coordinate health care and social work services
14 in order to make them available to the resident population.

15

16 9. Any eligible project that conforms to the standards and
17 requirements of P.L. , c. (C.) (pending before the
18 Legislature as this bill) and the regulations promulgated pursuant
19 thereto is hereby declared to be a public work in furtherance of the
20 housing policy of this State, and any contribution of property, money
21 or services in furtherance of such a program by a unit of local
22 government shall be deemed an expense or cost incurred in furtherance
23 of a public purpose.

24

25 10. The agency is authorized to promulgate the rules and
26 regulations necessary to effectuate the provisions and purposes of
27 P.L. , c. (C.) (pending before the Legislature as this bill) in
28 accordance with the "Administrative Procedure Act," P.L.1968, c.410
29 (C.52:14B-1 et seq.). In developing these regulations the agency shall
30 examine and analyze any existing programs of similar type that have
31 been successfully effectuated in other jurisdictions, and shall endeavor
32 to formulate criteria and procedures, both for the design and operation
33 of viable projects and for the selection of and obligations assigned to
34 individual participants who shall be assisted by the program.

35

36 11. This act shall take effect immediately.

ASSEMBLY, No. 1632

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED FEBRUARY 10, 1998

Sponsored by:

Assemblyman GERALD J. LUONGO

District 4 (Camden and Gloucester)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

SYNOPSIS

Establishes "Senior and Disabled Cooperative Housing Finance Incentive Program;" authorizes set aside of bonds by HMFA for funding thereof.

CURRENT VERSION OF TEXT

As introduced.



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2 living opportunities to low and moderate income senior or disabled
3 purchasers and supplementing chapter 14K of Title 55 of the
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6 **BE IT ENACTED** by the Senate and General Assembly of the State
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10 Disabled Cooperative Housing Finance Incentive Act."

11

12 2. The Legislature finds and declares that:

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14 in the country and many persons with disability and each decennial
15 census reveals a significant increase in this population;

16 b. Given the relatively onerous property tax burden within this
17 State, the high cost of living, and increasing medical costs, many
18 seniors and persons with disability on fixed incomes find it increasingly
19 difficult to maintain a decent standard of living in older age;

20 c. Cooperative housing arrangements, in which seniors or disabled
21 persons share accommodations with others, providing the opportunity
22 for proper social interaction, housekeeping assistance, and other
23 prerequisites of daily living, allow for the pooling of the cost of
24 owning and maintaining a residence while at the same time affording
25 residents the privacy they desire and deserve;

26 d. In addition, given the astronomical costs of health care and
27 nursing home care, this arrangement may prove to be a viable option
28 for many seniors and persons with disability who do not have the
29 financial or other resources necessary to remain economically
30 independent and enjoy a high quality of life; and

31 e. Accordingly, it is the purpose of this act to foster the creation
32 of affordable housing arrangements for low and moderate income
33 seniors and persons with disability by establishing a program to aid
34 qualified housing sponsors in developing affordable cooperative
35 housing for purchase by seniors and persons with disability of limited
36 economic means.

37

38 3. As used in this act:

39 "Agency" means the New Jersey Housing and Mortgage Finance
40 Agency.

41 "Annual income" means total income, from all sources, during the
42 last full calendar year preceding the filing of an application for a loan
43 pursuant to this act.

1 "Bonds" means bonds, notes or any other form of evidence of
2 indebtedness of the agency, bearing either a fixed rate or a variable
3 rate of interest, issued by the agency.

4 "Eligible project" means a project undertaken by a qualified housing
5 sponsor to create housing for shared occupancy by seniors or persons
6 with disability of low or moderate income, which meets the standards
7 of eligibility for loans under the program created by section 4 of
8 P.L. , c. (C.) (pending before the Legislature as this bill).

9 "Eligible purchaser" means a purchaser of a dwelling unit in an
10 eligible project who fulfills the definition of a senior or person with
11 disability pursuant to this section, is of low or moderate income and
12 to whom a loan may be made under the program pursuant to section
13 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

14 "Fund" means the Senior and Disabled Cooperative Housing
15 Incentive Fund established by section 6 of P.L. , c. (C.)
16 (pending before the Legislature as this bill).

17 "Housing region" means a housing region as defined in subsection
18 b. of section 4 of P.L.1985, c.222 (C.52:27D-304) and determined by
19 the Council on Affordable Housing pursuant to section 7 of P.L.1985,
20 c.222 (C.52:27D-307).

21 "Low income" means a gross annual household income equal to
22 50% or less of the median gross annual household income for
23 households of the same size within the relevant housing region.

24 "Moderate income" means a gross annual household income equal
25 to not more than 80%, but more than 50% of the median gross annual
26 household income for households of the same size within the relevant
27 housing region.

28 "Person with disability" means any person who is 50 years of age
29 or older and who is a recipient of disability benefits under the federal
30 "Railroad Retirement Act of 1974" (45 U.S.C.§ 231 et seq.), the
31 Federal Civil Service Retirement Program (5 U.S.C.§ 8331 et seq.) or
32 any federal law administered by the United States Department of
33 Veterans Affairs where the disability is rated as 60%, or higher.

34 "Program" means the New Jersey Senior and Disabled Cooperative
35 Housing Finance Incentive Program created by P.L. , c. (C.)
36 (pending before the Legislature as this bill).

37 "Qualified housing sponsor" means any corporation or association
38 of persons organized under Title 15A of the New Jersey Statutes, or
39 any other corporation having for one of its purposes the improvement
40 of realistic opportunities for low income and moderate income
41 housing, as defined pursuant to the "Fair Housing Act," P.L.1985,
42 c.222 (C.52:27D-301 et al.), and appearing capable, by virtue of past
43 activities, qualifications of staff or board, or other features, of
44 furthering the purposes of P.L. , c. (C.) (pending before the
45 Legislature as this bill).

1 "Retrofitting" means renovating or remodeling an existing
2 residential or non-residential structure to allow for cooperative living.

3 "Senior" means an individual who is 55 years of age or older.

4 "Substantial rehabilitation" means repair, reconstruction or
5 renovation which (1) costs in excess of 60% of the fair market value
6 of a rehabilitated dwelling after such repair, reconstruction or
7 renovation, or (2) renders a previously vacant and uninhabitable
8 dwelling safe, sanitary and decent for residential purposes or (3)
9 converts to safe, sanitary and decent residential use a structure
10 previously in non-residential use.

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12 4. a. There is hereby established in the agency the "New Jersey
13 Senior and Disabled Cooperative Housing Finance Incentive Program"
14 for the purpose of assisting the financing of eligible projects and for
15 making loans to any eligible purchaser of a dwelling unit in an eligible
16 project pursuant to P.L. , c. (C.) (pending before the
17 Legislature as this bill) out of the Senior and Disabled Cooperative
18 Incentive Fund created pursuant to section 6 of P.L. , c. (C.)
19 (pending before the Legislature as this bill).

20 For the purposes of this act, any project undertaken by a qualified
21 housing sponsor may include, but shall not be limited to, projects in
22 which seniors or persons with disability reside in: an apartment unit
23 in a small complex with a community room for informal gatherings; or
24 a home within which the individual has a private bedroom or bedroom
25 sitting area and shares common areas, housekeeping chores, and some
26 meals. These living arrangement may also allow for the provision of
27 housekeeping services and meals by professional workers with the
28 sharing of the associated costs by residents.

29 b. Loans made to an eligible purchaser pursuant to subsection a.
30 of this section shall be subject to the following conditions: (1) the
31 unit is to be occupied as the principal place of residence of the eligible
32 purchaser; and (2) that purchaser has entered into an agreement with
33 a qualified housing sponsor to participate in the program. Loans shall
34 also be made to qualified housing sponsors that will sponsor and
35 manage cooperative housing for older adults.

36 Loans made pursuant to this subsection shall be made only to pre-
37 qualified home purchasers whose eligibility for such loans under the
38 terms of P.L. , c. (C.) (pending before the Legislature as this
39 bill) has been determined by the agency.

40 c. A loan made to an eligible purchaser out of funds made available
41 pursuant to P.L. , c. (C.) (pending before the Legislature as
42 this bill) shall be secured by a mortgage held by the agency. The
43 mortgage shall be secured by the property purchased by the eligible
44 purchaser and shall be amortized monthly.

45 The loan shall be repayable in full upon sale, lease or other transfer
46 of the property resulting in that property's ceasing to be the principal

1 residence of that purchaser; except that such eligible purchaser shall
2 be entitled at any prior time, and without ceasing to maintain the
3 property as his principal residence, to make repayment in whole or
4 part. The agency may forbear the payment of interest to the extent it
5 deems prudent and as may be permitted by the conditions of the bonds
6 in any case in which it finds good cause and that the exaction of such
7 payment would work an exceptional hardship upon the borrower.

8
9 5. a. In furtherance of the public policy of P.L. , c. (C.)
10 (pending before the Legislature as this bill), the agency shall set aside,
11 from the bonds of the agency, an amount to be determined by the
12 agency of the total aggregate original principal amount of such bonds
13 to provide mortgage loans to purchasers under the "Senior and
14 Disabled Cooperative Housing Finance Incentive Program" created
15 pursuant to P.L. , c. (C.) (pending before the Legislature as
16 this bill).

17 b. In addition to being used to provide mortgage loans pursuant to
18 subsection a. of this section, these bonds also shall be utilized to assist
19 qualified housing sponsors in the development of eligible projects in
20 the manner and to the extent provided in the program established by
21 P.L. , c. (C.) (pending before the Legislature as this bill).

22 c. The bonds shall bear the rate or rates of interest as may be
23 determined by the agency, which interest shall be payable as may be
24 determined by the agency.

25
26 6. a. There is hereby established in the agency the "Senior and
27 Disabled Cooperative Housing Incentive Fund," which fund shall be
28 continuing and nonlapsing, for the purpose of assisting the financing
29 of eligible projects pursuant to this act. Moneys in the fund not
30 immediately required for payment or liquid reserves may be invested
31 and reinvested by the agency in the same manner in which other
32 agency funds may be invested.

33 b. There shall be paid into the fund (1) otherwise uncommitted
34 reserves of the agency available for this purpose, in amounts to be
35 determined by the agency to be prudent and appropriate; (2) any
36 income earned upon investment of moneys in the fund by the agency
37 pursuant to subsection a. of this section; and (3) any other funds that
38 may be available to the fund through appropriation by the Legislature
39 or otherwise.

40 c. Moneys in the fund shall be used exclusively for (1) funding
41 loans pursuant to section 4 of P.L. , c. (C.) (pending before
42 the Legislature as this bill) and (2) defraying the administrative costs
43 of the agency in carrying out the purposes and provisions of P.L. ,
44 c. (C.) (pending before the Legislature as this bill), but not
45 more than two per cent of the proceeds of the bonds authorized and
46 actually expended pursuant to section 5 of P.L. , c. (C.)

1 (pending before the Legislature as this bill) shall be used for such
2 administrative costs.

3 d. Interest upon loans to eligible purchasers and to qualified
4 housing sponsors shall be established by the agency at the lowest rate
5 compatible with the integrity of the fund and its proper administration,
6 maintenance of adequate reserves and the ability of the agency to pay
7 the interest upon and repay the principal of bonds under the program.
8

9 7. A project of new construction, substantial rehabilitation, or
10 retrofitting by a qualified housing sponsor shall be eligible for a loan
11 under P.L. , c. (C.) (pending before the Legislature as this
12 bill) if:

13 a. the housing units to be constructed or substantially rehabilitated
14 are sufficient in number and located on the same or contiguous parcels
15 of land or within such proximity to each other as to render the cost per
16 unit of housing practicable for acquisition by low or moderate income
17 purchasers; and

18 b. each housing unit which is constructed, substantially
19 rehabilitated, or retrofitted will conform to all requirements of the
20 "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-
21 119 et seq.).
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23 8. In selecting those eligible projects which shall receive loans from
24 the fund, the agency shall accord priority to those projects for which:

25 a. Private donors or local units of government will contribute land,
26 money or other in-kind resources to make the program feasible;

27 b. Financial or other contributions will be made from public or
28 private sources, including tax abatements, waivers of fees relating to
29 development or waivers of construction, development or zoning
30 requirements, to the extent allowable by existing law, in order to
31 reduce the cost of homes to be constructed, substantially rehabilitated,
32 or retrofitted;

33 c. Use of the loans will be efficient, as measured by the number of
34 dwelling units produced in proportion to the amount of all loans,
35 having due regard to the difference of construction costs in different
36 housing regions and to the relative costs of different family size units;

37 d. Construction costs per square foot compare favorably with
38 average construction costs in the same housing region;

39 e. The project will contribute significantly to the rehabilitation of
40 or removal or prevention of blight in the area in which it is located, in
41 the judgment of the agency, regardless of whether the area has been
42 formally designated, in accordance with statutory procedures, as
43 blighted or in need of rehabilitation;

44 f. The design of the project provides for the involvement of local
45 residents in its planning and execution;

1 g. The design of the project encourages the development of
2 housing units which are suitable for and attractive and accessible to
3 senior households and households of persons with disability; and

4 h. The qualified housing sponsor will both seek out and coordinate
5 health care and social work services in order to make them available
6 to the resident population.

7
8 9. Any eligible project that conforms to the standards and
9 requirements of P.L. , c. (C.) (pending before the
10 Legislature as this bill) and the regulations promulgated pursuant
11 thereto is hereby declared to be a public work in furtherance of the
12 housing policy of this State, and any contribution of property, money
13 or services in furtherance of such a program by a unit of local
14 government shall be deemed an expense or cost incurred in furtherance
15 of a public purpose.

16
17 10. The agency is authorized to promulgate the rules and
18 regulations necessary to effectuate the provisions and purposes of
19 P.L. , c. (C.) (pending before the Legislature as this bill) in
20 accordance with the "Administrative Procedure Act," P.L.1968, c.410
21 (C.52:14B-1 et seq.). In developing these regulations the agency shall
22 examine and analyze any existing programs of similar type that have
23 been successfully effectuated in other jurisdictions, and shall endeavor
24 to formulate criteria and procedures, both for the design and operation
25 of viable projects and for the selection of and obligations assigned to
26 individual participants who shall be assisted by the program.

27
28 11. This act shall take effect immediately.

29
30
31 STATEMENT

32
33 This bill creates a "New Jersey Senior and Disabled Cooperative
34 Housing Finance Incentive Program" for the purpose of assisting the
35 financing of eligible projects and for making loans to any eligible
36 purchaser of a dwelling unit in an eligible project and to qualified
37 housing sponsors. The bill defines an eligible purchaser as a senior (55
38 years of age or older) or person with disability of low or moderate
39 income. "Low income" means a gross annual household income equal
40 to 50% or less of the median gross annual household income for
41 households of the same size within the relevant housing region.
42 "Moderate income" means a gross annual household income of more
43 than 50%, but less than 80% of the median gross household income
44 for households of the same size within the relevant housing region.
45 The term "housing region" refers to that designation adopted by the
46 Council on Affordable Housing pursuant to the "Fair Housing Act,"

1 P.L.1985, c.222 (C.52:27D-301 et al.). The bill defines "person with
2 disability" as any person who is 50 years of age or older and who is a
3 recipient of disability benefits under the federal "Railroad Retirement
4 Act of 1974" (45 U.S.C. § 231 et seq.), the federal civil service
5 retirement program (5 U.S.C. § 8331 et seq.) or any federal law
6 administered by the United States Department of Veterans Affairs
7 where the disability is rated as 60%, or higher.

8 The bill defines "eligible project" as one undertaken by a qualified
9 housing sponsor for occupancy by eligible purchasers.

10 The bill authorizes the New Jersey Housing and Mortgage Finance
11 Agency to set aside some portion of its bonding capacity to provide
12 mortgage loans to eligible purchasers and to assist qualified nonprofit
13 corporations in creating eligible projects. The bill establishes the
14 parameters for loans made by the agency.

15 In addition, the bill provides some guidance for the agency in
16 selecting eligible projects which shall receive loans from the fund. An
17 eligible project is flexibly defined to include any type of cooperative
18 living arrangement, regardless of the actual physical form of the
19 particular housing project. It may involve the retrofitting of a single
20 family house, conversion of a non-residential structure to a residential
21 structure, a traditional new-construction "project" type arrangement,
22 or any other type of communal living arrangement. In selecting
23 eligible projects to receive loans, the agency is to accord priority to
24 those projects which find private donors to contribute land, money, or
25 other in-kind resources, any project which has received financial or
26 other contributions from public or private sources, or a host of other
27 types of assistance or amenities which are set forth in section 8 of the
28 bill.

29 The bill establishes the "Senior and Disabled Cooperative Housing
30 Incentive Fund," into which bond proceeds are to be paid and from
31 which loans are to be made pursuant to this bill.

ASSEMBLY LOCAL GOVERNMENT AND HOUSING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1632

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 4, 1998

The Assembly Local Government and Housing Committee reports favorably and with committee amendments Assembly Bill No. 1632.

Assembly Bill No. 1632, as amended by the committee, creates a "New Jersey Senior and Disabled Cooperative Housing Finance Incentive Program" for the purpose of assisting the financing of eligible projects and for making loans to any eligible purchaser of a dwelling unit in an eligible project and to qualified housing sponsors. The bill defines an eligible purchaser as a senior (55 years of age or older) or a person with a disability (18 years of age or older and fulfills the definition of having a "disability" under the the "Americans with Disabilities Act of 1990," and of low or moderate income. "Low income" means a gross annual household income equal to 50% or less of the median gross annual household income for households of the same size within the relevant housing region. "Moderate income" means a gross annual household income of more than 50%, but less than 80% of the median gross household income for households of the same size within the relevant housing region. The term "housing region" refers to that designation adopted by the Council on Affordable Housing pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.).

The bill defines "eligible project" as one undertaken by a qualified housing sponsor for occupancy by eligible purchasers or renters.

The bill authorizes the New Jersey Housing and Mortgage Finance Agency to set aside some portion of its bonding capacity to provide mortgage loans to eligible purchasers or renters and to assist qualified nonprofit corporations in creating eligible projects. The bill establishes the parameters for loans made by the agency.

In addition, the bill provides some guidance for the agency in selecting eligible projects which shall receive loans from the fund. An eligible project is flexibly defined to include any type of shared living arrangement, regardless of the actual physical form of the particular housing project, regardless of whether the housing is produced for homeownership or rental. The living arrangements may also allow for

the provision of housekeeping services and meals by professional workers with the sharing of the associated costs by residents. It may involve the retrofitting of a single family house, conversion of a non-residential structure to a residential structure, a traditional new-construction "project" type arrangement, or any other type of communal living arrangement. In selecting eligible projects to receive loans, the agency is to accord priority to those projects which find private donors to contribute land, money, or other in-kind resources, any project which has received financial or other contributions from public or private sources, or a host of other types of assistance or amenities which are set forth in section 8 of the bill.

The bill establishes the "Senior and Disabled Cooperative Housing Incentive Fund," into which bond proceeds are to be paid and from which loans are to be made pursuant to this bill.

The committee amended the bill to broaden the definition of "person with disability" to include any person who is 18 years of age or older and fulfills the definition of a having a "disability" pursuant to section 3 of the "Americans with Disabilities Act of 1990," 42 USC §12102. As introduced, the bill defined "person with disability" far more narrowly, specifically, as any person who is 50 years of age or older and who is a recipient of disability benefits under the federal "Railroad Retirement Act of 1974" (45 U.S.C. §231 et seq.), the Federal Civil Service Retirement Program (5 U.S.C. §8331 et seq.) or any federal law administered by the United States Department of Veterans Affairs where the disability is rated as 60%, or higher.

In addition, the committee made those language changes necessary to clarify and strengthen its focus on people with disability of all ages and commitment to the concept of independent living. In addition, the amendments clarify that projects available for rental will be eligible for funding under the bill.

SENATE, No. 254

STATE OF NEW JERSEY
208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:

Senator DIANE ALLEN

District 7 (Burlington and Camden)

SYNOPSIS

Establishes "Senior and Disabled Cooperative Housing Finance Incentive Program;" authorizes set aside of bonds by HMFA for funding thereof.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT to assist nonprofit corporations in providing cooperative
2 living opportunities to low and moderate income senior or disabled
3 purchasers and supplementing chapter 14K of Title 55 of the
4 Revised Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. This act shall be known and may be cited as the "Senior and
10 Disabled Cooperative Housing Finance Incentive Act."

11

12 2. The Legislature finds and declares that:

13 a. New Jersey has the second largest population of senior residents
14 in the country and many persons with disability and each decennial
15 census reveals a significant increase in this population;

16 b. Given the relatively onerous property tax burden within this
17 State, the high cost of living, and increasing medical costs, many
18 seniors and persons with disability on fixed incomes find it increasingly
19 difficult to maintain a decent standard of living in older age;

20 c. Cooperative housing arrangements, in which seniors or disabled
21 persons share accommodations with others, providing the opportunity
22 for proper social interaction, housekeeping assistance, and other
23 prerequisites of daily living, allow for the pooling of the cost of
24 owning and maintaining a residence while at the same time affording
25 residents the privacy they desire and deserve;

26 d. In addition, given the astronomical costs of health care and
27 nursing home care, this arrangement may prove to be a viable option
28 for many seniors and persons with disability who do not have the
29 financial or other resources necessary to remain economically
30 independent and enjoy a high quality of life; and

31 e. Accordingly, it is the purpose of this act to foster the creation
32 of affordable housing arrangements for low and moderate income
33 seniors and persons with disability by establishing a program to aid
34 qualified housing sponsors in developing affordable cooperative
35 housing for purchase by seniors and persons with disability of limited
36 economic means.

37

38 3. As used in this act:

39 "Agency" means the New Jersey Housing and Mortgage Finance
40 Agency.

41 "Annual income" means total income, from all sources, during the
42 last full calendar year preceding the filing of an application for a loan
43 pursuant to this act.

44 "Bonds" means bonds, notes or any other form of evidence of
45 indebtedness of the agency, bearing either a fixed rate or a variable
46 rate of interest, issued by the agency.

1 "Eligible project" means a project undertaken by a qualified housing
2 sponsor to create housing for shared occupancy by seniors or persons
3 with disability of low or moderate income, which meets the standards
4 of eligibility for loans under the program created by section 4 of P.L.
5 , c. (C.) (pending before the Legislature as this bill).

6 "Eligible purchaser" means a purchaser of a dwelling unit in an
7 eligible project who fulfills the definition of a senior or person with
8 disability pursuant to this section, is of low or moderate income and
9 to whom a loan may be made under the program pursuant to section
10 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

11 "Fund" means the Senior and Disabled Cooperative Housing
12 Incentive Fund established by section 6 of P.L. , c. (C.)
13 (pending before the Legislature as this bill).

14 "Housing region" means a housing region as defined in subsection
15 b. of section 4 of P.L.1985, c.222 (C.52:27D-304) and determined by
16 the Council on Affordable Housing pursuant to section 7 of P.L.1985,
17 c.222 (C.52:27D-307).

18 "Low income" means a gross annual household income equal to
19 50% or less of the median gross annual household income for
20 households of the same size within the relevant housing region.

21 "Moderate income" means a gross annual household income equal
22 to not more than 80%, but more than 50% of the median gross annual
23 household income for households of the same size within the relevant
24 housing region.

25 "Person with disability" means any person who is 50 years of age
26 or older and who is a recipient of disability benefits under the federal
27 "Railroad Retirement Act of 1974" (45 U.S.C.§ 231 et seq.), the
28 Federal Civil Service Retirement Program (5 U.S.C.§ 8331 et seq.) or
29 any federal law administered by the United States Department of
30 Veterans Affairs where the disability is rated as 60%, or higher.

31 "Program" means the New Jersey Senior and Disabled Cooperative
32 Housing Finance Incentive Program created by P.L. , c. (C.)
33 (pending before the Legislature as this bill).

34 "Qualified housing sponsor" means any corporation or association
35 of persons organized under Title 15A of the New Jersey Statutes, or
36 any other corporation having for one of its purposes the improvement
37 of realistic opportunities for low income and moderate income
38 housing, as defined pursuant to the "Fair Housing Act," P.L.1985,
39 c.222 (C.52:27D-301 et al.), and appearing capable, by virtue of past
40 activities, qualifications of staff or board, or other features, of
41 furthering the purposes of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 "Retrofitting" means renovating or remodeling an existing
44 residential or non-residential structure to allow for cooperative living.

45 "Senior" means an individual who is 55 years of age or older.

46 "Substantial rehabilitation" means repair, reconstruction or

1 renovation which (1) costs in excess of 60% of the fair market value
2 of a rehabilitated dwelling after such repair, reconstruction or
3 renovation, or (2) renders a previously vacant and uninhabitable
4 dwelling safe, sanitary and decent for residential purposes or (3)
5 converts to safe, sanitary and decent residential use a structure
6 previously in non-residential use.

7

8 4. a. There is hereby established in the agency the "New Jersey
9 Senior and Disabled Cooperative Housing Finance Incentive Program"
10 for the purpose of assisting the financing of eligible projects and for
11 making loans to any eligible purchaser of a dwelling unit in an eligible
12 project pursuant to P.L. , c. (C.) (pending before the
13 Legislature as this bill) out of the Senior and Disabled Cooperative
14 Incentive Fund created pursuant to section 6 of P.L. , c. (C.)
15 (pending before the Legislature as this bill).

16 For the purposes of this act, any project undertaken by a qualified
17 housing sponsor may include, but shall not be limited to, projects in
18 which seniors or persons with disability reside in: an apartment unit
19 in a small complex with a community room for informal gatherings; or
20 a home within which the individual has a private bedroom or bedroom
21 sitting area and shares common areas, housekeeping chores, and some
22 meals. These living arrangement may also allow for the provision of
23 housekeeping services and meals by professional workers with the
24 sharing of the associated costs by residents.

25 b. Loans made to an eligible purchaser pursuant to subsection a.
26 of this section shall be subject to the following conditions: (1) the
27 unit is to be occupied as the principal place of residence of the eligible
28 purchaser; and (2) that purchaser has entered into an agreement with
29 a qualified housing sponsor to participate in the program. Loans shall
30 also be made to qualified housing sponsors that will sponsor and
31 manage cooperative housing for older adults.

32 Loans made pursuant to this subsection shall be made only to pre-
33 qualified home purchasers whose eligibility for such loans under the
34 terms of P.L. , c. (C.) (pending before the Legislature as this
35 bill) has been determined by the agency.

36 c. A loan made to an eligible purchaser out of funds made available
37 pursuant to P.L. , c. (C.) (pending before the Legislature as
38 this bill) shall be secured by a mortgage held by the agency. The
39 mortgage shall be secured by the property purchased by the eligible
40 purchaser and shall be amortized monthly.

41 The loan shall be repayable in full upon sale, lease or other transfer
42 of the property resulting in that property's ceasing to be the principal
43 residence of that purchaser; except that such eligible purchaser shall
44 be entitled at any prior time, and without ceasing to maintain the
45 property as his principal residence, to make repayment in whole or
46 part. The agency may forbear the payment of interest to the extent it

1 deems prudent and as may be permitted by the conditions of the bonds
2 in any case in which it finds good cause and that the exaction of such
3 payment would work an exceptional hardship upon the borrower.

4
5 5. a. In furtherance of the public policy of P.L. , c. (C.)
6 (pending before the Legislature as this bill), the agency shall set aside,
7 from the bonds of the agency, an amount to be determined by the
8 agency of the total aggregate original principal amount of such bonds
9 to provide mortgage loans to purchasers under the "Senior and
10 Disabled Cooperative Housing Finance Incentive Program" created
11 pursuant to P.L. , c. (C.) (pending before the Legislature as
12 this bill).

13 b. In addition to being used to provide mortgage loans pursuant to
14 subsection a. of this section, these bonds also shall be utilized to assist
15 qualified housing sponsors in the development of eligible projects in
16 the manner and to the extent provided in the program established by
17 P.L. , c. (C.) (pending before the Legislature as this bill).

18 c. The bonds shall bear the rate or rates of interest as may be
19 determined by the agency, which interest shall be payable as may be
20 determined by the agency.

21
22 6. a. There is hereby established in the agency the "Senior and
23 Disabled Cooperative Housing Incentive Fund," which fund shall be
24 continuing and nonlapsing, for the purpose of assisting the financing
25 of eligible projects pursuant to this act. Moneys in the fund not
26 immediately required for payment or liquid reserves may be invested
27 and reinvested by the agency in the same manner in which other
28 agency funds may be invested.

29 b. There shall be paid into the fund (1) otherwise uncommitted
30 reserves of the agency available for this purpose, in amounts to be
31 determined by the agency to be prudent and appropriate; (2) any
32 income earned upon investment of moneys in the fund by the agency
33 pursuant to subsection a. of this section; and (3) any other funds that
34 may be available to the fund through appropriation by the Legislature
35 or otherwise.

36 c. Moneys in the fund shall be used exclusively for (1) funding
37 loans pursuant to section 4 of P.L. , c. (C.) (pending before
38 the Legislature as this bill) and (2) defraying the administrative costs
39 of the agency in carrying out the purposes and provisions of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), but not
41 more than two per cent of the proceeds of the bonds authorized and
42 actually expended pursuant to section 5 of P.L. , c. (C.)
43 (pending before the Legislature as this bill) shall be used for such
44 administrative costs.

45 d. Interest upon loans to eligible purchasers and to qualified
46 housing sponsors shall be established by the agency at the lowest rate

1 compatible with the integrity of the fund and its proper administration,
2 maintenance of adequate reserves and the ability of the agency to pay
3 the interest upon and repay the principal of bonds under the program.
4

5 7. A project of new construction, substantial rehabilitation, or
6 retrofitting by a qualified housing sponsor shall be eligible for a loan
7 under P.L. , c. (C.) (pending before the Legislature as this
8 bill) if:

9 a. the housing units to be constructed or substantially rehabilitated
10 are sufficient in number and located on the same or contiguous parcels
11 of land or within such proximity to each other as to render the cost per
12 unit of housing practicable for acquisition by low or moderate income
13 purchasers; and

14 b. each housing unit which is constructed, substantially
15 rehabilitated, or retrofitted will conform to all requirements of the
16 "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-
17 119 et seq.).
18

19 8. In selecting those eligible projects which shall receive loans from
20 the fund, the agency shall accord priority to those projects for which:

21 a. Private donors or local units of government will contribute land,
22 money or other in-kind resources to make the program feasible;

23 b. Financial or other contributions will be made from public or
24 private sources, including tax abatements, waivers of fees relating to
25 development or waivers of construction, development or zoning
26 requirements, to the extent allowable by existing law, in order to
27 reduce the cost of homes to be constructed, substantially rehabilitated,
28 or retrofitted;

29 c. Use of the loans will be efficient, as measured by the number of
30 dwelling units produced in proportion to the amount of all loans,
31 having due regard to the difference of construction costs in different
32 housing regions and to the relative costs of different family size units;

33 d. Construction costs per square foot compare favorably with
34 average construction costs in the same housing region;

35 e. The project will contribute significantly to the rehabilitation of
36 or removal or prevention of blight in the area in which it is located, in
37 the judgment of the agency, regardless of whether the area has been
38 formally designated, in accordance with statutory procedures, as
39 blighted or in need of rehabilitation;

40 f. The design of the project provides for the involvement of local
41 residents in its planning and execution;

42 g. The design of the project encourages the development of
43 housing units which are suitable for and attractive and accessible to
44 senior households and households of persons with disability; and

45 h. The qualified housing sponsor will both seek out and coordinate
46 health care and social work services in order to make them available

1 to the resident population.

2

3 9. Any eligible project that conforms to the standards and
4 requirements of P.L. , c. (C.) (pending before the
5 Legislature as this bill) and the regulations promulgated pursuant
6 thereto is hereby declared to be a public work in furtherance of the
7 housing policy of this State, and any contribution of property, money
8 or services in furtherance of such a program by a unit of local
9 government shall be deemed an expense or cost incurred in furtherance
10 of a public purpose.

11

12 10. The agency is authorized to promulgate the rules and
13 regulations necessary to effectuate the provisions and purposes of
14 P.L. , c. (C.) (pending before the Legislature as this bill) in
15 accordance with the "Administrative Procedure Act," P.L.1968, c.410
16 (C.52:14B-1 et seq.). In developing these regulations the agency shall
17 examine and analyze any existing programs of similar type that have
18 been successfully effectuated in other jurisdictions, and shall endeavor
19 to formulate criteria and procedures, both for the design and operation
20 of viable projects and for the selection of and obligations assigned to
21 individual participants who shall be assisted by the program.

22

23 11. This act shall take effect immediately.

24

25

26

STATEMENT

27

28 This bill creates a "New Jersey Senior and Disabled Cooperative
29 Housing Finance Incentive Program" for the purpose of assisting the
30 financing of eligible projects and for making loans to any eligible
31 purchaser of a dwelling unit in an eligible project and to qualified
32 housing sponsors. The bill defines an eligible purchaser as a senior (55
33 years of age or older) or person with disability of low or moderate
34 income. "Low income" means a gross annual household income equal
35 to 50% or less of the median gross annual household income for
36 households of the same size within the relevant housing region.
37 "Moderate income" means a gross annual household income of more
38 than 50%, but less than 80% of the median gross household income
39 for households of the same size within the relevant housing region.
40 The term "housing region" refers to that designation adopted by the
41 Council on Affordable Housing pursuant to the "Fair Housing Act,"
42 P.L.1985, c.222 (C.52:27D-301 et al.). The bill defines "person with
43 disability" as any person who is 50 years of age or older and who is a
44 recipient of disability benefits under the federal "Railroad Retirement
45 Act of 1974" (45 U.S.C. § 231 et seq.), the federal civil service
46 retirement program (5 U.S.C. § 8331 et seq.) or any federal law

1 administered by the United States Department of Veterans Affairs
2 where the disability is rated as 60%, or higher.

3 The bill defines "eligible project" as one undertaken by a qualified
4 housing sponsor for occupancy by eligible purchasers.

5 The bill authorizes the New Jersey Housing and Mortgage Finance
6 Agency to set aside some portion of its bonding capacity to provide
7 mortgage loans to eligible purchasers and to assist qualified nonprofit
8 corporations in creating eligible projects. The bill establishes the
9 parameters for loans made by the agency.

10 In addition, the bill provides some guidance for the agency in
11 selecting eligible projects which shall receive loans from the fund. An
12 eligible project is flexibly defined to include any type of cooperative
13 living arrangement, regardless of the actual physical form of the
14 particular housing project. It may involve the retrofitting of a single
15 family house, conversion of a non-residential structure to a residential
16 structure, a traditional new-construction "project" type arrangement,
17 or any other type of communal living arrangement. In selecting
18 eligible projects to receive loans, the agency is to accord priority to
19 those projects which find private donors to contribute land, money, or
20 other in-kind resources, any project which has received financial or
21 other contributions from public or private sources, or a host of other
22 types of assistance or amenities which are set forth in section 8 of the
23 bill.

24 The bill establishes the "Senior and Disabled Cooperative Housing
25 Incentive Fund," into which bond proceeds are to be paid and from
26 which loans are to be made pursuant to this bill.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 254

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1998

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 254 with committee amendments.

Senate Bill 254, as amended by the committee, creates a "New Jersey Senior and Disabled Cooperative Housing Finance Incentive Program" for the purpose of assisting the financing of eligible projects and for making loans to any eligible purchaser of a dwelling unit in an eligible project and to qualified housing sponsors. The bill defines an eligible purchaser as a senior (55 years of age or older) or person with disability of low or moderate income. "Low income" means a gross annual household income equal to 50% or less of the median gross annual household income for households of the same size within the relevant housing region. "Moderate income" means a gross annual household income of more than 50%, but less than 80% of the median gross household income for households of the same size within the relevant housing region. The term "housing region" refers to that designation adopted by the Council on Affordable Housing pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.). The bill defines "person with disability" as any person who is 18 years of age or older and fulfills the definition of a "qualified individual with a disability" pursuant to the "Americans with Disabilities Act of 1990," 42 USC §12101 et seq.).

The bill defines "eligible project" as one undertaken by a qualified housing sponsor for occupancy by eligible purchasers.

The bill authorizes the New Jersey Housing and Mortgage Finance Agency to set aside some portion of its bonding capacity to provide mortgage loans to eligible purchasers and to assist qualified nonprofit corporations in creating eligible projects. The bill establishes the parameters for loans made by the agency.

In addition, the bill provides some guidance for the agency in selecting eligible projects which shall receive loans from the fund. An eligible project is flexibly defined to include any type of cooperative living arrangement, regardless of the actual physical form of the particular housing project. It may involve the retrofitting of a single family house, conversion of a non-residential structure to a residential

structure, a traditional new-construction "project" type arrangement, or any other type of communal living arrangement. In selecting eligible projects to receive loans, the agency is to accord priority to those projects which find private donors to contribute land, money, or other in-kind resources, any project which has received financial or other contributions from public or private sources, or a host of other types of assistance or amenities which are set forth in section 8 of the bill.

The bill establishes the "Senior and Disabled Cooperative Housing Incentive Fund," into which bond proceeds are to be paid and from which loans are to be made pursuant to this bill.

The committee amended the bill to broaden the definition of "person with disability" to include any person who is 18 years of age or older and fulfills the definition of a "qualified individual with a disability" pursuant to the "Americans with Disabilities Act of 1990," 42 USC §12101 et seq.). As introduced, the bill defined "person with disability" far more narrowly, specifically, as any person who is 50 years of age or older and who is a recipient of disability benefits under the federal "Railroad Retirement Act of 1974" (45 U.S.C. § 231 et seq.), the Federal Civil Service Retirement Program (5 U.S.C. § 8331 et seq.) or any federal law administered by the United States Department of Veterans Affairs where the disability is rated as 60%, or higher.

In addition, the committee made those language changes necessary to clarify and strengthen its focus on people with disability of all ages and commitment to the concept of independent living.

This bill was prefiled for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Jayne O'Connor
Gene Herman
609-777-2600

RELEASE: November 10, 1998

Gov. Christie Whitman today signed the following legislation:

A-63 allows beneficiaries of the Pharmaceutical Assistance for the Aged and Disabled (PAAD) program to receive the longer of 100 pills or a 34-day supply of medication for both the initial prescription and refills. Changes in the Fiscal Year 1999 Appropriations bill had limited to a 34-day maximum supply.

The bill was sponsored by Assembly Members Francis J. Blee (R-Atlantic), John C. Gibson (R-Cape May/Atlantic/Cumberland) and Kenneth C. LeFevre (R-Atlantic) and Guy F. Talarico (R-Bergen) and Senators Norman M. Robertson (R-Essex/Passaic) and Robert W. Singer (R-Burlington/Monmouth/Ocean).

A-809, sponsored by Assembly Member Charlotte Vandervalk (R-Bergen) and Senator Jack Sinagra (R-Middlesex), permits physician assistant to order or prescribe drugs, excluding controlled dangerous substances, both outpatient and inpatient settings. The bill requires that a supervising physician countersign and order or prescription for drugs within 48 hours of its entry by a physician assistant in an outpatient setting. The bill changes current law, which permits physician assistants to order or prescribe drugs only in an inpatient setting.

A-1332, sponsored by Assembly Members Rose Marie Heck (R-Bergen) and Guy F. Talarico (R-Bergen) and Senators Anthony R. Bucco (R-Morris) and Joseph M. Kyrillos, Jr. (R-Middlesex/Morris), clarifies that the depiction and dissemination of child pornography on the Internet is a crime under the endangering the welfare of a child statute. Endangering the welfare of a child is a second-degree crime when, among other things, a person causes or permits a child under 16 to engage in a sexual act knowing the act will be photographed or otherwise reproduced; photographs or reproduces a child engaged in a sexual act; or receives for the purpose of selling, sells or transfers a photograph of a child engaged in a sexual act.

The bill also upgrades to a crime of the first degree the offense of causing or permitting a child to engage in a sexual act knowing the act will be photographed, filmed or otherwise reproduced when the defendant is the child's parent or guardian. A first-degree crime is punishable by a prison term of between 10 and 20 years, a fine of \$200,000 or both, while a second-degree crime is punishable by a prison term of between five and 10 years and a fine of up to \$150,000 or both.

A-1511 amends current law to require that certain parents undergo substance abuse assessment when a court makes a finding of abuse or neglect and orders out-of-home

placement for a child. If the law reveals positive evidence of substance abuse, the parent must demonstrate that he or she is receiving treatment and complying with the treatment program before the child is returned to the parental home. Under previous law, a parent was required to demonstrate progress in reaching the goals that Division of Youth and Family Services established as part of a treatment program in order for a child to be returned to the home. The bill also appropriates \$50,000 for substance abuse treatment.

The bill was sponsored by Assembly Members Joseph R. Malone, 3d (R-Burlington/Monmouth/Ocean and Melvin Cottrell (R-Burlington/Monmouth/Ocean) and Senator Robert W. Singer (R-Burlington/Monmouth/Ocean).

A-1632, sponsored by Assembly Members Gerald J. Luongo (R-Camden/Gloucester) and Peter J. Biondi (R-Morris/Somerset) and Senators Diane B. Allen (R-Burlington/Camden) and Norman M. Robertson (R-Essex/Passaic), establishes the Senior and Disabled Cooperative Housing Finance Incentive Program. The bill assists non-profit corporations in providing cooperative living opportunities for low and moderate-income senior citizens and citizens with disabilities.

The bill authorizes the New Jersey Housing and Mortgage Finance Agency to set aside some portion of its bonding capacity in order to provide mortgage loans to eligible purchasers and to assist qualified non-profit corporations in creating eligible projects.

A-1976, sponsored by Assembly Members Joseph V. Doria, Jr. (D-Hudson) and Alex DeCroce (R-Essex/Morris/Passaic), provides that surcharges levied by the Division of Motor Vehicles (DMV) are extinguished upon an individual's death once the DMV obtains a copy of the driver's death certificate. The bill also requires that the DMV obtain a death certificate when the decedent's family or estate representative does not provide the DMV with a copy of the document. Under previous practice, the DMV extinguished a decedent's surcharges when a death certificate was provided by the family of the deceased. If the certificate was not received from the family, the DMV continued to mail surcharge notices to the decedent's family

A-2077 rectifies a problem created by a previous law, A-2323, which inadvertently changed the definitions regarding modifications of open-ended and close-ended loans.

The bill clarifies that an advance of principal made with respect to any mortgage (open-ended or close-ended) other than a line of credit does not have the lien priority of the original mortgage and is not a mortgage modification.

The bill was sponsored by Assembly Members Christopher "Kip" Bateman (R-Morris/Somerset) and Peter J. Biondi (R-Morris/Somerset) and Senators Walter J. Kavanaugh (R-Morris/Somerset) and Peter A. Inverso (R-Mercer/Middlesex).

A-2223, expands the number of persons eligible to receive the New Jersey Distinguished Service Medal (DSM) from the Governor to include any state resident who was a resident of the state at the time of entry into active military service and saw active military service in a combat theater and received an honorable discharge. The expansion would also apply to deceased persons. The bill also gives the Governor the

authority to issue the DSM to residents who saw active combat service and were officially listed as a POW/MIA by the United States Department of Defense. The Department of Military and Veterans' Affairs will establish regulatory standards requiring a finding of distinguished service prior to its recommendation to the Governor to award the medal.

Under previous law, the Governor, on behalf of the state, could issue a DSM to persons who distinguished themselves by especially meritorious service and who had been cited or were expected to be cited in orders for distinguished service by the Governor or appropriate federal authority.

The legislation was sponsored by Assembly Members Louis D. Greenwald (D-Camden) and Joseph Azzolina (R-Middlesex/Morris) and Senators Diane B. Allen (R-Burlington/Camden) and John J. Mattheussen (R-Camden/Gloucester).

S-158, sponsored by Senators Joseph M. Kyrillos, Jr. (R-Middlesex/Monmouth) and Andrew R. Ciesla (R-Monmouth/Ocean) and Assembly Members Joseph Azzolina (R-Middlesex/Monmouth) and Michael J. Arnone (R-Monmouth), exempts certain shops operated to raise money for charity from state sales and use tax. The bill applies to shops run in support of organizations that are already exempt from paying the sales tax. The exemption includes any organization operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes. It also exempts any organizations operated for the prevention of cruelty to children or animals; any voluntary fire, rescue, ambulance, first aid or emergency company or squad, and any parent-teachers association.

S-700, sponsored by Senator Diane B. Allen (R-Burlington/Camden), allows Burlington Island to enter into a long-term lease to promote development designed only for recreational, conservational, educational and cultural purposes. The island's charter, established in 1852, limited to five the number of years island property could be leased for any purpose.

S-877, sponsored by Senator Shirley K. Turner (D-Mercer), requires the State Board of Education, in consultation with the Commissioner of the Department of Health and Senior Services (DHSS) to promulgate rules and regulations for the certification of persons employed by boards of education to teach swimming in public schools. The bill requires that the regulations include appropriate swimming and first aid skills necessary to protect the health and safety of students. Currently, safety standards specified in DHSS regulations require the presence of at least one person currently certified in standard first aid and cardiopulmonary resuscitation (CPR). That person must be available and readily accessible when the pool is in use. Additionally, the regulations require that at least one lifeguard be on duty for 60 or less swimmers or 2,000 square feet of surface space at all times when the pool is in use. Additional lifeguards are required based on a variety of specified factors.

S-888, sponsored by Senator Norman M. Robertson (R-Essex/Passaic) and Assembly Members Kenneth C. LeFevre (R-Atlantic) and Francis J. Blee (R-Atlantic), permits the release of certain account information by a financial institution under certain

circumstances. The bill allows the release of account information to a law enforcement agency or a county protective adult services provider if the customer account is held by a senior citizen or "vulnerable" person -- defined in the bill as a person over 18 that appears to have a physical or mental illness, disability or deficiency, etc. The bill parallels federal law allowing financial institutions to release account information to certain federal law enforcement officials.

S-955, revises the Garage Keepers Lien Act by eliminating the requirement that a motor vehicle owner post the full amount of a disputed bill or a double bond before a pre-sale hearing. The bill provides that if possession of a vehicle is refused because of a dispute over the amount owned or nonpayment, the owner may immediately bring an action in court for possession of the vehicle. The bill was sponsored by Senator John Q. Bennett (R-Monmouth) and Assembly Members Richard A. Merkt (R-Morris) and Michael Patrick Carroll (R-Morris).

S-1055, sponsored by Senator Leonard T. Connors, Jr. (R-Atlantic/Burlington/Ocean) and Gerald Cardinale (R-Bergen), prohibits charitable organizations from misleading contributors to believe their donations are to be used for charitable purposes when, in fact, the donations are used to fund legal costs and other administrative costs of the charitable organization. The bill also prohibits organizations from presenting truthful information, statements and communications in such a way that the contributor is misled into making a contribution.

AJR-21, sponsored by Assembly Member Alex DeCroce (R-Essex/Morris/Passaic), establishes an 18-member Regional Intergovernmental Transportation Coordinating Study Commission to increase regional transportation decision-making among various levels of government and to identify incentives to promote cooperation. The commission will consist of 12 public members to be appointed by the Governor; two members of both the Senate and the General Assembly; Commissioner of the Department of Transportation and the Director of the Office of State Planning.

AJR-30, sponsored by Assembly Members Marion Crecco (R-Essex/Passaic) and Gerald J. Luongo (R-Camden/Gloucester), designates November 20 of each year as "Bill of Rights Day" in New Jersey. The first ten amendments of the U. S. Constitution, known as the Bill of Rights, were ratified by the State of New Jersey on November 20, 1789.