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NEWSPAPER ARTICLES: No

P.L. 2004, CHAPTER 140, *approved September 9, 2004*
Assembly Committee Substitute (*First Reprint*) for
Assembly, Nos. 2476, 2122 and 2271

1 AN ACT establishing a State rental assistance program for low income
2 households, supplementing P.L.1984, c.180 (C.52:27D-280 et seq.)
3 and ¹[making an appropriation] amending P.L.1985, c.222¹.
4

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

7
8 1. The Commissioner of Community Affairs shall establish a rental
9 assistance program for low income individuals or households. This
10 program shall be in addition to and supplement any existing programs
11 established pursuant to the "Prevention of Homelessness Act (1984),"
12 P.L.1984, c.180 (C.52:27D-280 et seq.).

13 a. The program shall provide rental assistance grants comparable to
14 the federal section 8 program, but shall be available only to State residents
15 who are not currently holders of federal section 8 vouchers.

16 b. Assistance to an individual or household under the State program
17 shall be terminated upon the award of federal section 8 rental assistance
18 to the same individual or household.

19 c. The program shall reserve a portion of the grants for assistance to
20 senior citizens aged 65 or older who otherwise meet the criteria of
21 subsection a. of this section.
22

23 2. The commissioner shall promulgate regulations pursuant to the
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
25 necessary to implement this act.
26

27 3. ¹[There is appropriated from the unallocated reserves of the New
28 Jersey Housing and Mortgage Finance Agency to the Department of
29 Community Affairs \$10,000,000 for the purposes of P.L. , c. (C.
30) (now before the Legislature as this bill). Of the amount appropriated
31 herein, \$3,000,000 shall be allocated for the purposes of subsection c. of
32 section 2 and \$7,000,000 shall be allocated to rental assistance grants
33 made under subsection a. of section 2 of P.L. , c. (C.) (now
34 pending before the Legislature as this bill).]

35 The commissioner shall annually allocate from the receipts of the
36 portion of the realty transfer fee directed to be credited to the

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 ABU committee amendments adopted June 21, 2004.

1 Neighborhood Preservation Nonlapsing Revolving Fund pursuant to
2 section 4 of P.L.1968, c.49 (C.46:15-8) and pursuant to section 4 of
3 P.L.1975, c.176 (C.46:15-10.1) such amounts as may be necessary to
4 fund rental assistance grants authorized by P.L. , c. (C.)(now
5 pending before the Legislature as this bill), provided that not less than \$3
6 million be annually allocated for the purposes of subsection c. of section
7 1 of P.L. , c. (C.) and not less than \$7 million be annually allocated
8 for the purposes of subsection a. of section 1 of P.L. , c. (C.).¹

9
10 ¹4. Section 20 of P.L.1985, c.222 (C.52:27D-320) is amended to read
11 as follows:

12 20. The Neighborhood Preservation Program within the Department
13 of Community Affairs' Division of Housing and Development, established
14 pursuant to the Commissioner of Community Affairs' authority under
15 section 8 of P.L.1975, c.248 (C.52:27D-149), shall establish a separate
16 Neighborhood Preservation Nonlapsing Revolving Fund for monies
17 appropriated by section 33 of P.L.1985, c.222, or other monies as may be
18 appropriated by the Legislature for the purposes of the fund.

19 a. **[The]** Except as permitted pursuant to subsection g. of this
20 section, the commissioner shall award grants or loans from this fund for
21 housing projects and programs in municipalities whose housing elements
22 have received substantive certification from the council, in municipalities
23 receiving State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et seq.), in
24 municipalities subject to builder's remedy as defined in section 28 of
25 P.L.1985, c.222 (C.52:27D-328) or in receiving municipalities in cases
26 where the council has approved a regional contribution agreement and a
27 project plan developed by the receiving municipality. Programs and
28 projects in any municipality shall be funded only after receipt by the
29 commissioner of a written statement in support of the program or project
30 from the municipal governing body.

31 b. The commissioner shall establish rules and regulations governing
32 the qualifications of applicants, the application procedures, and the criteria
33 for awarding grants and loans and the standards for establishing the
34 amount, terms and conditions of each grant or loan.

35 c. During the first 12 months from the effective date of P.L.1985,
36 c.222 (C.52:27D-301 et al.) and for any additional period which the
37 council may approve, the commissioner may assist affordable housing
38 programs which are not located in municipalities whose housing elements
39 have been granted substantive certification or which are not in furtherance
40 of a regional contribution agreement; provided that the affordable housing
41 program will meet all or part of a municipal low and moderate income
42 housing obligation.

43 d. Amounts deposited in the Neighborhood Preservation Fund shall
44 be targeted to regions based on the region's percentage of the State's low
45 and moderate income housing need as determined by the council.
46 Amounts in the fund shall be applied for the following purposes in

- 1 designated neighborhoods;
- 2 (1) Rehabilitation of substandard housing units occupied or to be
3 occupied by low and moderate income households;
- 4 (2) Creation of accessory apartments to be occupied by low and
5 moderate income households;
- 6 (3) Conversion of nonresidential space to residential purposes;
7 provided a substantial percentage of the resulting housing units are to be
8 occupied by low and moderate income households;
- 9 (4) Acquisition of real property, demolition and removal of buildings,
10 or construction of new housing that will be occupied by low and moderate
11 income households, or any combination thereof;
- 12 (5) Grants of assistance to eligible municipalities for costs of
13 necessary studies, surveys, plans and permits; engineering, architectural
14 and other technical services; costs of land acquisition and any buildings
15 thereon; and costs of site preparation, demolition and infrastructure
16 development for projects undertaken pursuant to an approved regional
17 contribution agreement;
- 18 (6) Assistance to a local housing authority, nonprofit or limited
19 dividend housing corporation or association or a qualified entity acting as
20 a receiver under P.L.2003, c.295 (C.2A:42-114 et al.) for rehabilitation
21 or restoration of housing units which it administers which: (a) are
22 unusable or in a serious state of disrepair; (b) can be restored in an
23 economically feasible and sound manner; and (c) can be retained in a safe,
24 decent and sanitary manner, upon completion of rehabilitation or
25 restoration; and
- 26 (7) Other housing programs for low and moderate income housing,
27 including, without limitation, (a) infrastructure projects directly facilitating
28 the construction of low and moderate income housing not to exceed a
29 reasonable percentage of the construction costs of the low and moderate
30 income housing to be provided and (b) alteration of dwelling units
31 occupied or to be occupied by households of low or moderate income and
32 the common areas of the premises in which they are located in order to
33 make them accessible to handicapped persons.
- 34 e. Any grant or loan agreement entered into pursuant to this section
35 shall incorporate contractual guarantees and procedures by which the
36 division will ensure that any unit of housing provided for low and
37 moderate income households shall continue to be occupied by low and
38 moderate income households for at least 20 years following the award of
39 the loan or grant, except that the division may approve a guarantee for a
40 period of less than 20 years where necessary to ensure project feasibility.
- 41 f. Notwithstanding the provisions of any other law, rule or regulation
42 to the contrary, in making grants or loans under this section, the
43 department shall not require that tenants be certified as low or moderate
44 income or that contractual guarantees or deed restrictions be in place to
45 ensure continued low and moderate income occupancy as a condition of
46 providing housing assistance from any program administered by the

1 department, when that assistance is provided for a project of moderate
2 rehabilitation if the project (1) contains 30 or fewer rental units and (2) is
3 located in a census tract in which the median household income is 60
4 percent or less of the median income for the housing region in which the
5 census tract is located, as determined for a three person household by the
6 council in accordance with the latest federal decennial census. A list of
7 eligible census tracts shall be maintained by the department and shall be
8 adjusted upon publication of median income figures by census tract after
9 each federal decennial census.

10 g. In addition to other grants or loans awarded pursuant to this
11 section, and without regard to any limitations on such grants or loans for
12 any other purposes herein imposed, the commissioner shall annually
13 allocate such amounts as may be necessary in the commissioners'
14 discretion, and in accordance with section 3 of P.L. , c. (C.), to fund
15 rental assistance grants under the program created pursuant to P.L. , c.
16 (C.) (now pending before the Legislature as this bill). Such rental
17 assistance grants shall be deemed necessary and authorized pursuant to
18 P.L.1985, c.222 (C.52:27D-301 et al.), in order to meet the housing needs
19 of certain low income households who may not be eligible to occupy other
20 housing produced pursuant to P.L.1985, c.222 (C.52:27D-301 et al).¹
21 (cf: P.L.2003, c.295, s.30)

22
23 ^{15.} Section 21 of P.L.1985, c.222 (C.52:27D-321) is amended to read
24 as follows:

25 21. The agency shall establish affordable housing programs to assist
26 municipalities in meeting the obligation of developing communities to
27 provide low and moderate income housing.

28 a. Of the bond authority allocated to it under section 24 of P.L.1983,
29 c.530 (C.55:14K-24) the agency will allocate, for a reasonable period of
30 time established by its board, no less than 25% to be used in conjunction
31 with housing to be constructed or rehabilitated with assistance under this
32 act.

33 b. The agency shall to the extent of available funds, award assistance
34 to affordable housing programs located in municipalities whose housing
35 elements have received substantive certification from the council, or which
36 have been subject to a builder's remedy or which are in furtherance of a
37 regional contribution agreement approved by the council. During the first
38 12 months from the effective date of this act and for any additional period
39 which the council may approve, the agency may assist affordable housing
40 programs which are not located in municipalities whose housing elements
41 have been granted substantive certification or which are not in furtherance
42 of a regional contribution agreement; provided the affordable housing
43 program will meet all or in part a municipal low and moderate income
44 housing obligation.

45 c. Assistance provided pursuant to this section may take the form of
46 grants or awards to municipalities, prospective home purchasers, housing

1 sponsors as defined in P.L.1983, c.530 (C.55:14K-1 et seq.), or as
2 contributions to the issuance of mortgage revenue bonds or multi-family
3 housing development bonds which have the effect of achieving the goal
4 of producing affordable housing.

5 d. Affordable housing programs which may be financed or assisted
6 under this provision may include, but are not limited to:

7 (1) Assistance for home purchase and improvement including interest
8 rate assistance, down payment and closing cost assistance, and direct
9 grants for principal reduction;

10 (2) Rental programs including loans or grants for developments
11 containing low and moderate income housing, moderate rehabilitation of
12 existing rental housing, congregate care and retirement facilities;

13 (3) Financial assistance for the conversion of nonresidential space to
14 residences;

15 (4) Other housing programs for low and moderate income housing,
16 including infrastructure projects directly facilitating the construction of
17 low and moderate income housing; and

18 (5) Grants or loans to municipalities, housing sponsors and
19 community organizations to encourage development of innovative
20 approaches to affordable housing, including:

21 (a) Such advisory, consultative, training and educational services as
22 will assist in the planning, construction, rehabilitation and operation of
23 housing; and

24 (b) Encouraging research in and demonstration projects to develop
25 new and better techniques and methods for increasing the supply, types
26 and financing of housing and housing projects in the State.

27 e. The agency shall establish procedures and guidelines governing the
28 qualifications of applicants, the application procedures and the criteria for
29 awarding grants and loans for affordable housing programs and the
30 standards for establishing the amount, terms and conditions of each grant
31 or loan.

32 f. In consultation with the council, the agency shall establish
33 requirements and controls to insure the maintenance of housing assisted
34 under this act as affordable to low and moderate income households for
35 a period of not less than 20 years; provided that the agency may establish
36 a shorter period upon a determination that the economic feasibility of the
37 program is jeopardized by the requirement and the public purpose served
38 by the program outweighs the shorter period. The controls may include,
39 among others, requirements for recapture of assistance provided pursuant
40 to this act or restrictions on return on equity in the event of failure to meet
41 the requirements of the program. With respect to rental housing financed
42 by the agency pursuant to this act or otherwise which promotes the
43 provision or maintenance of low and moderate income housing, the
44 agency may waive restrictions on return on equity required pursuant to
45 P.L.1983, c.530 (C.55:14K-1 et seq.) which is gained through the sale of
46 the property or of any interest in the property or sale of any interest in the

1 housing sponsor.

2 g. The agency may establish affordable housing programs through the
3 use or establishment of subsidiary corporations or development
4 corporations as provided in P.L.1983, c.530 (C.55:14K-1 et seq.). The
5 subsidiary corporations or development corporations shall be eligible to
6 receive funds provided under this act for any permitted purpose.

7 h. The agency shall provide assistance, through its bonding powers
8 or in any other manner within its powers, to the grant and loan program
9 established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320).¹
10 (cf: P.L.1985, c.222, s.21)

11

12 ¹[4.] 6.¹ This act shall take effect on the 120th day following
13 enactment.

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17

18 Establishes State rental assistance program patterned after federal section
19 8 program; permits allocation of funds under the Fair Housing Act to
20 program as permitted purpose.

ASSEMBLY, No. 2476

STATE OF NEW JERSEY

211th LEGISLATURE

INTRODUCED MARCH 4, 2004

Sponsored by:

Assemblyman ALBIO SIRES

District 33 (Hudson)

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

SYNOPSIS

Establishes State rental assistance program patterned after federal section 8 program; appropriates \$10 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing a State rental assistance program for low income
2 households, supplementing P.L.1984, c.180 (C.52:27D-280 et seq.)
3 and making an appropriation.
4

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

7
8 1. The Commissioner of Community Affairs shall establish a rental
9 assistance program for low income individuals or households. This
10 program shall be in addition to and supplement any existing programs
11 established pursuant to the "Prevention of Homelessness Act (1984),"
12 P.L.1984, c.180 (C.52:27D-280 et seq.).

13 a. The program shall provide rental assistance grants comparable
14 to the federal section 8 program, but shall be available only to State
15 residents who are not currently holders of federal section 8 vouchers.

16 b. Assistance to an individual or household under the State
17 program shall be terminated upon the award of federal section 8 rental
18 assistance to the same individual or household.

19 c. The program shall reserve a portion of the grants for assistance
20 to senior citizens aged 65 or older who otherwise meet the criteria of
21 subsection a. of this section.
22

23 2. The commissioner shall promulgate regulations pursuant to the
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
25 necessary to implement this act.
26

27 3. There is appropriated from the unallocated reserves of the New
28 Jersey Housing and Mortgage Finance Agency to the Department of
29 Community Affairs \$10,000,000 for the purposes of P.L. , c.
30 (C.)(now before the Legislature as this bill). Of the amount
31 appropriated herein, \$3,000,000 shall be allocated for the purposes of
32 subsection c. of section 2 and \$7,000,000 shall be allocated to rental
33 assistance grants made under subsection a. of section 2 of P.L. ,
34 c. (C.) (now pending before the Legislature as this bill).
35

36 4. This act shall take effect on the 120th day following enactment.
37
38

39 STATEMENT

40
41 This bill establishes a State rental assistance program similar to the
42 federal section 8 rental assistance program, which is to be administered
43 by the Department of Community Affairs. The program established by
44 the bill is to supplement the programs currently administered by the
45 department pursuant to the the "Prevention of Homelessness Act
46 (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.).

1 Rental assistance payments under the program would only be
2 available to those low income families who meet the federal program
3 requirements, but for lack of funding or other reasons are not holders
4 of section 8 rental assistance vouchers.

5 Due to cutbacks in federal funding, the availability of section 8
6 vouchers has been severely impacted. Many low income residents do
7 not meet the income requirements to be eligible for affordable Mount
8 Laurel housing. Therefore, there is a pressing need for a State rental
9 assistance program for low income residents of our State who are on
10 the brink of homelessness. The Department of Community Affairs has
11 administered a temporary rental assistance program for many years, so
12 it is particularly well-suited to administer the permanent rental
13 assistance program. The bill appropriates \$10,000,000 to fund the
14 rental assistance program from the unallocated reserves of the New
15 Jersey Housing and Mortgage Finance Agency. Three million of the
16 amount appropriated is to be allocated for assistance to seniors aged
17 65 and over; the balance will be allocated to the other eligible program
18 participants.

ASSEMBLY, No. 2122

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 9, 2004

Sponsored by:

Assemblyman REED GUSCIORA

District 15 (Mercer)

SYNOPSIS

Establishes State rental assistance program patterned after federal section 8 program; appropriates \$50 million.

CURRENT VERSION OF TEXT

As introduced.



A2122 GUSCIORA

2

1 AN ACT establishing a State rental assistance program for low income
2 households, supplementing P.L.1984, c.180 (C.52:27D-280 et seq.)
3 and making an appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Commissioner of Community Affairs shall establish a rental
9 assistance program for low income individuals or households. This
10 program shall be in addition to and supplement any existing programs
11 established pursuant to the "Prevention of Homelessness Act (1984),"
12 P.L.1984, c.180 (C.52:27D-280 et seq.).

13 a. The program shall provide rental assistance grants comparable
14 to the federal section 8 program, but shall be available only to State
15 residents who are not currently holders of federal section 8 vouchers.

16 b. Assistance to an individual or household under the State
17 program shall be terminated upon the award of federal section 8 rental
18 assistance to the same individual or household.

19
20 2. The commissioner shall promulgate regulations pursuant to the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
22 necessary to implement this act.

23
24 3. There is appropriated from the General Fund to the Department
25 of Community Affairs \$50,000,000 for the purposes of P.L. , c.
26 (C.)(now before the Legislature as this bill).

27
28 4. This act shall take effect on the 120th day following enactment.

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STATEMENT

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This bill establishes a State rental assistance program similar to the federal section 8 rental assistance program, which is to be administered by the Department of Community Affairs. The program established by the bill is to supplement the programs currently administered by the department pursuant to the the "Prevention of Homelessness Act (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.).

Rental assistance payments under the program would only be available to those low income families who meet the federal program requirements, but for lack of funding or other reasons are not holders of section 8 rental assistance vouchers.

Due to cutbacks in federal funding, the availability of section 8 vouchers has been severely impacted. Many low income residents do not meet the income requirements to be eligible for affordable Mount Laurel housing. Therefore, there is a pressing need for a State rental

A2122 GUSCIORA

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1 assistance program for low income residents of our State who are on
2 the brink of homelessness. The Department of Community Affairs has
3 administered a temporary rental assistance program for many years, so
4 it is particularly well-suited to administer the permanent rental
5 assistance program. The bill appropriates \$50,000,000 to fund the
6 rental assistance program.

ASSEMBLY, No. 2271

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 9, 2004

Sponsored by:

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblyman ANTHONY CHIAPPONE

District 31 (Hudson)

SYNOPSIS

Establishes State rental assistance program patterned after federal section 8 program; appropriates \$50 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/4/2004)

A2271 JOHNSON, CHIAPPONE

2

1 AN ACT establishing a State rental assistance program for low income
2 households, supplementing P.L.1984, c.180 (C.52:27D-280 et seq.)
3 and making an appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. The Commissioner of Community Affairs shall establish a rental
9 assistance program for low income individuals or households. This
10 program shall be in addition to and supplement any existing programs
11 established pursuant to the "Prevention of Homelessness Act (1984),"
12 P.L.1984, c.180 (C.52:27D-280 et seq.).

13 a. The program shall provide rental assistance grants comparable
14 to the federal section 8 program, but shall be available only to State
15 residents who are not currently holders of federal section 8 vouchers.

16 b. Assistance to an individual or household under the State
17 program shall be terminated upon the award of federal section 8 rental
18 assistance to the same individual or household.

19
20 2. The commissioner shall promulgate regulations pursuant to the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
22 necessary to implement this act.

23
24 3. There is appropriated from the General Fund to the Department
25 of Community Affairs \$50,000,000 for the purposes of P.L. , c.
26 (C.)(now before the Legislature as this bill).

27
28 4. This act shall take effect on the 120th day following enactment.

29

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31

STATEMENT

32

33 This bill establishes a State rental assistance program similar to the
34 federal section 8 rental assistance program, which is to be administered
35 by the Department of Community Affairs. The program established by
36 the bill is to supplement the programs currently administered by the
37 department pursuant to the the "Prevention of Homelessness Act
38 (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.).

39 Rental assistance payments under the program would only be
40 available to those low income families who meet the federal program
41 requirements, but for lack of funding or other reasons are not holders
42 of section 8 rental assistance vouchers.

43 Due to cutbacks in federal funding, the availability of section 8
44 vouchers has been severely impacted. Many low income residents do
45 not meet the income requirements to be eligible for affordable Mount
46 Laurel housing. Therefore, there is a pressing need for a State rental

A2271 JOHNSON, CHIAPPONE

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1 assistance program for low income residents of our State who are on
2 the brink of homelessness. The Department of Community Affairs has
3 administered a temporary rental assistance program for many years, so
4 it is particularly well-suited to administer the permanent rental
5 assistance program. The bill appropriates \$50,000,000 to fund the
6 rental assistance program.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

**ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2476, 2122, and 2271**

STATE OF NEW JERSEY

DATED: MAY 27, 2004

The Assembly Housing and Local Government Committee reports favorably Assembly Committee Substitute for Assembly Bill Nos. 2476, 2122 and 2271.

This committee substitute establishes a State rental assistance program similar to the federal section 8 rental assistance program, which is to be administered by the Department of Community Affairs. The program established by the committee substitute is to supplement the programs currently administered by the department pursuant to the the "Prevention of Homelessness Act (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.).

Rental assistance payments under the program would only be available to those low income families who meet the federal program requirements, but for lack of funding or other reasons are not holders of section 8 rental assistance vouchers.

Due to cutbacks in federal funding, the availability of section 8 vouchers has been severely impacted. Many low income residents do not meet the income requirements to be eligible for affordable Mount Laurel housing. Therefore, there is a pressing need for a State rental assistance program for low income residents of our State who are on the brink of homelessness. The Department of Community Affairs has administered a temporary rental assistance program for many years, so it is particularly well-suited to administer the permanent rental assistance program. The committee substitute appropriates \$10,000,000 to fund the rental assistance program from the unallocated reserves of the New Jersey Housing and Mortgage Finance Agency. Three million of the amount appropriated is to be allocated for assistance to seniors aged 65 and over; the balance will be allocated to the other eligible program participants.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2476, 2122 and 2271**

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Assembly Budget Committee reports favorably Assembly Bill Nos. 2476, 2122 and 2271 (ACS), with committee amendments.

Assembly Bill Nos. 2476, 2122 and 2271 (ACS), as amended, establishes a rental assistance program for low income individuals or households, patterned after the federal section 8 rental housing choice voucher program. The new program is in addition to any other State rental assistance programs currently operating, such as the one created under the "Prevention of Homelessness Act."

The program established under the bill will provide rental assistance grants comparable to the federal section 8 program, but shall be available only to State residents who are not currently holders of federal section 8 vouchers. Any assistance given to an individual or household under the State program is to be terminated upon the award of federal section 8 rental assistance to the same individual or household. In addition, under the program, a portion of the grants are to be reserved for senior citizens who are otherwise income qualified, but are not receiving grants under the federal section 8 program.

The bill allocates not less than \$3 million annually to qualified senior citizens and not less than \$7 million annually to the other program participants from the Neighborhood Preservation Nonlapsing Revolving Fund. Additionally, the "Fair Housing Act" (FHA) is amended to provide that the rental assistance grants provided by the bill will be an authorized purpose of that act to address the housing needs of certain low income households who do not qualify to purchase or rent the housing produced pursuant to that act. The bill also amends the FHA to direct the New Jersey Housing and Mortgage Finance agency to provide assistance, utilizing its bonding powers or otherwise, to the balanced housing program created under the FHA.

FISCAL IMPACT:

The bill provides a statutory allocation of less than \$3 million annually to qualified senior citizens and not less than \$7 million annually to the other program participants from the Neighborhood

Preservation Nonlapsing Revolving Fund to fund the program of rental assistance for low income individuals and households. While the bill does not actually appropriate any of the allocated funds, the balance of the Neighborhood Preservation Nonlapsing Revolving Fund, which is derived from certain realty transfer fees, is annually appropriated for the statutory purposes of the fund

COMMITTEE AMENDMENTS:

The amendments expand the statutory purposes of the Neighborhood Preservation Nonlapsing Revolving Fund, so that those funds may be used for the continuing program of rental assistance for low income individuals and households established under the bill. The amendments delete a "one time" appropriation of \$10,000,000 and make technical changes to legal references.

SENATE, No. 357

STATE OF NEW JERSEY 211th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Mercer)

Senator SHARPE JAMES

District 29 (Essex and Union)

Co-Sponsored by:

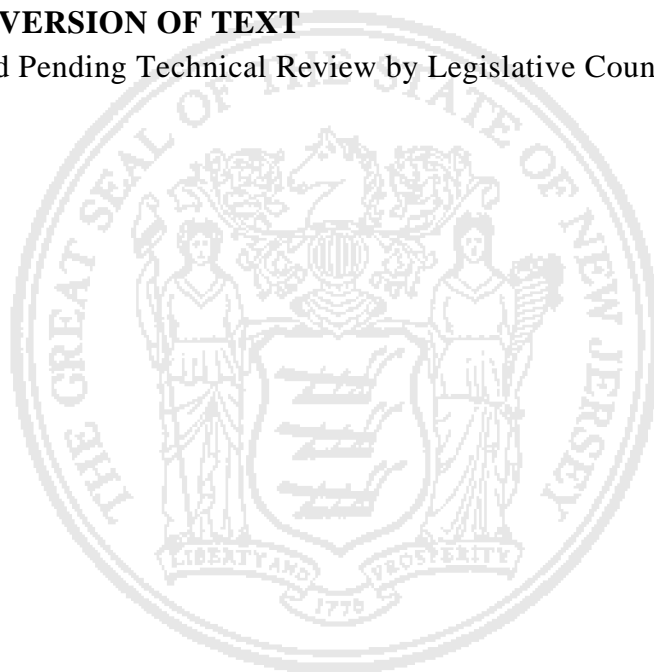
Senators Singer, B.Smith, Kenny and Rice

SYNOPSIS

Establishes State rental assistance program patterned after federal section 8 program; appropriates \$50 million.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/18/2004)

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3 and making an appropriation.
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12 P.L.1984, c.180 (C.52:27D-280 et seq.).

13 a. The program shall provide rental assistance grants comparable
14 to the federal section 8 program, but shall be available only to State
15 residents who are not currently holders of federal section 8 vouchers.

16 b. Assistance to an individual or household under the State
17 program shall be terminated upon the award of federal section 8 rental
18 assistance to the same individual or household.
19

20 2. The commissioner shall promulgate regulations pursuant to the
21 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
22 necessary to implement this act.
23

24 3. There is appropriated from the General Fund to the Department
25 of Community Affairs \$50,000,000 for the purposes of P.L. , c.
26 (C.)(now before the Legislature as this bill).
27

28 4. This act shall take effect on the 120th day following enactment.
29
30

31 STATEMENT
32

33 This bill establishes a State rental assistance program similar to the
34 federal section 8 rental assistance program, which is to be administered
35 by the Department of Community Affairs. The program established by
36 the bill is to supplement the programs currently administered by the
37 department pursuant to the the "Prevention of Homelessness Act
38 (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.).

39 Rental assistance payments under the program would only be
40 available to those low income families who meet the federal program
41 requirements, but for lack of funding or other reasons are not holders
42 of section 8 rental assistance vouchers.

43 Due to cutbacks in federal funding, the availability of section 8
44 vouchers has been severely impacted. Many low income residents do
45 not meet the income requirements to be eligible for affordable Mount
46 Laurel housing. Therefore, there is a pressing need for a State rental

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3

1 assistance program for low income residents of our State who are on
2 the brink of homelessness. The Department of Community Affairs has
3 administered a temporary rental assistance program for many years, so
4 it is particularly well-suited to administer the permanent rental
5 assistance program. The bill appropriates \$50,000,000 to fund the
6 rental assistance program.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 357

STATE OF NEW JERSEY

DATED: JUNE 7, 2004

The Senate Community and Urban Affairs Committee reports favorably Senate Bill No. 357.

This bill would establish a State rental assistance program similar to the federal section 8 rental assistance program, which would be administered by the Department of Community Affairs in addition to the programs currently administered by the department pursuant to the "Prevention of Homelessness Act (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.).

Rental assistance payments under the program would be available to low income families who meet the federal program requirements, but for lack of funding or other reasons are not holders of section 8 rental assistance vouchers.

Due to cutbacks in federal funding, the availability of section 8 vouchers has been severely impacted. Many low income residents do not meet the income requirements to be eligible for affordable Mount Laurel housing. Therefore, there is a pressing need for a State rental assistance program for low income residents of our State who are on the brink of homelessness. The Department of Community Affairs has administered a temporary rental assistance program for many years, so it is particularly well-suited to administer the permanent rental assistance program. The bill appropriates \$50,000,000 to fund the rental assistance program.

This bill was pre-filed for introduction in the 2004-2005 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 357

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2004

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 357.

This bill, as amended by the committee, establishes a rental assistance program for low income individuals or households, patterned after the federal section 8 rental housing choice voucher program. The new program is to be in addition to any other State rental assistance programs currently operating, such as the one created under the "Prevention of Homelessness Act," P.L.1984, c.180 (C.52:27D-280 et seq.).

The program is to provide rental assistance grants comparable to the federal section 8 program, but shall be available only to State residents who are not currently holders of federal section 8 vouchers. Any assistance given to an individual or household under the State program is to be terminated upon the award of federal section 8 rental assistance to the same individual or household. In addition, under the program, a portion of the grants are to be reserved for senior citizens who are otherwise income qualified, but are not receiving grants under the federal section 8 program.

As amended, the bill would allocate not less than \$3 million annually to qualified senior citizens and not less than \$7 million annually to the other program participants from the Neighborhood Preservation Nonlapsing Revolving Fund (NPNRF). Additionally, the "Fair Housing Act," (FHA) P.L.1985, c.222 (C.52:27D-301 et al, is amended to provide that the rental assistance grants provided by the bill will be an authorized purpose of that act to address the housing needs of certain low income households who do not qualify to purchase or rent the housing produced pursuant to that act. The bill also amends the FHA to direct the New Jersey Housing and Mortgage Finance agency (HMFA) to provide assistance, utilizing its bonding powers or otherwise, to the balanced housing program created under the FHA.

COMMITTEE AMENDMENTS

The committee amended the bill to expand the statutory purposes

of the Neighborhood Preservation Nonlapsing Revolving Fund (NPNRF), so that those funds may be used for the continuing program of rental assistance for low income individuals and households established under the bill. The amendments eliminate a "one time" appropriation of \$10,000,000 and provide that not less than \$10 million in the aggregate, \$3 million of which is to be reserved for qualified senior citizens, be allocated from the NPNRF annually. The amendments also provide authorization for the New Jersey Housing and Mortgage Finance Agency (HMFA) to provide assistance, through its bonding powers or otherwise, to the Balanced Housing Program in the Department of Community Affairs, which also receives funding from the NPNRF.

FISCAL IMPACT

The bill provides a statutory allocation of not less than \$3 million annually to qualified senior citizens and not less than \$7 million to other program participants from the Neighborhood Preservation Nonlapsing Revolving Fund (NPNRF) to fund the program of rental assistance to low income individuals and households. While the bill does not actually appropriate any of the allocated funds, the balance of the Neighborhood Preservation Nonlapsing Revolving Fund is annually appropriated for the statutory purposes of the fund.

Office of the Governor

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McGreevey Helps Families Suffering from President's Cuts to Federal Housing Program

New Law Allocates \$10 Million Annually to Help New Jersey's Poorest Residents

(TRENTON) – Governor James E. McGreevey today signed into law A2476, which creates a permanent program to provide rental assistance to low income residents affected by President Bush's cuts to the federal Section 8 housing program.

“President Bush's cuts to the Section 8 program will leave thousands of New Jersey's neediest families behind,” said McGreevey. “We can't stand by and let this happen. Families struggle enough just to feed and clothe their children. Losing rental assistance would be devastating.”

The new law allocates \$10 million a year to fund the state rental assistance program, \$3 million of which is to be allocated for assisting senior citizens 65 or older. The Department of Community Affairs will administer the program.

“As a result of the federal cuts to the Section 8 Program, thousands of New Jersey's low-income residents would suffer – and some would lose their housing funding entirely,” DCA Commissioner Susan Bass Levin said. “Here in New Jersey, we refuse to leave our hardworking families out in the cold. We understand that it is our responsibility to create quality, affordable housing options for low-income individuals and families, and this rental assistance law helps us do just that.”

Rental assistance payments will only be available to low income residents who are eligible for Section 8 vouchers, but are unable to obtain them because of lack of funding for the federal program. Under the law, state assistance would end once a resident receives Section 8 money.

The bill's sponsors include Assembly Speaker Albio Sires, Senate President Pro Temp Shirley K. Turner, Senators Ronald L. Rice, Sharpe James, and Assembly members Bonnie Watson Coleman, Reed Gusciora, Gordon M. Johnson and Louis Chiappone.

“Cuts to Section 8 housing in the President's proposed budget have left thousands of New Jersey's neediest families living in fear that they may no longer be able to afford a place to live,” said Speaker Sires (D-Hudson). “This program will help replace what these families are having taken away.”

“With the waiting lists for federal housing assistance growing rapidly, and the high cost of living in New Jersey rising even higher, the State is taking the only responsible action by stepping up to help those in need,” said Senator Turner (D-Mercer.) “We've looked at our priorities, and come to the conclusion that we must meet the obligation that the federal government is failing to meet in terms of helping low- and moderate-income residents find and maintain their housing.”

“I am glad that this bill was passed and hope that even more will be done for the poor in New Jersey over the next year,” said Senator Rice (D-Essex). “There are 18,000 people in Newark who are waiting to be enrolled in Section 8 and we need to step up our support for them as well as the middle-class and senior citizens, who are having trouble making ends meet in New Jersey's expensive housing market.”

“The State housing subsidy program is a step in the right direction for New Jersey because it helps those that need our help the most,” said Senator James (D-Essex and Union). “Parents are working multiple jobs just to cover the cost of living in New Jersey. They should be spending their money on more than just putting food on the table, clothing their children, and paying so much in rent. They should do what they can to ensure a better life for themselves and for generations to come.”

“For many families, rental assistance doesn't just go to pay the landlord, it buys peace of mind and security,” said Assemblywoman Watson-Coleman (D-Mercer).

“The sheer number of applicants vying for the few available housing units and vouchers across the state speaks directly to the need for this program,” said Assemblyman Gusciora (D-Mercer). “We must do the right thing by ensuring that thousands of low-income residents are not priced out of their homes.”

“The proposed cuts in federal housing assistance show a true lack of compassion from the Bush Administration,” said Assemblyman Johnson (D-Bergen).

“This law shows we are working to ensure that no one in New Jersey is left behind or left out in the cold,” said Assemblyman Chiappone (D-Hudson).

An estimated 100,000 New Jersey residents are currently on the Section 8 waiting list. The Bush Administration cuts would mean that more than 7,700 families would lose their vouchers in 2005 and more than 18,500 would lose their vouchers by 2009.

David Legow, President of the New Jersey Apartment Association, praised the Governor for signing the bill into law.

“The NJAA looks forward to working with the Administration in efforts to create a rental assistance program that works for residents and property owners alike; one that is streamlined, unified, consistent between jurisdictions, and truly consumer-friendly,” Legow said.

#

Copies of legislation signed by Governor McGreevey may be viewed by entering the bill numbers at <http://www.njleg.state.nj.us/>.

State of New Jersey Governor's Office

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