ASSEMBLY, No. 1384

STATE OF NEW JERSEY
220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:
Assemblyman BENJIE E. WIMBERLY
District 35 (Bergen and Passaic)
Assemblywoman ANNETTE CHAPARRO
District 33 (Hudson)
Assemblywoman YVONNE LOPEZ
District 19 (Middlesex)

Co-Sponsored by:
Assemblywoman Reynolds-Jackson

SYNOPSIS
Revises “Homelessness Prevention Program”; appropriates $300 million.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 5/2/2022)
AN ACT revising the “Homelessness Prevention Program,” supplementing Title 52 of the Revised Statutes, and making an appropriation.

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

1. The Legislature finds and declares that:
   a. The mortal threat posed by the COVID-19 pandemic compelled the Governor and Legislature to take drastic but necessary action. Executive Order No. 103 of 2020 effectively shut down the New Jersey economy on March 9, 2020, in order to hinder the rapid spread of the virus and to limit as much as possible the number of infections, severe illnesses, and deaths. At the same time, the Governor and Legislature enacted P.L.2020, c.1 (C.2A:18-59.3) and implemented a moratorium on evictions, so as to ensure that households would be able to shelter in place and eliminate the threat posed by displacement, overcrowding, and the resultant spread of the virus.
   b. The foregoing measures caused severe but unavoidable economic difficulties, which have deeply affected the overall well-being of millions of New Jersey residents. Tenants, who in general have substantially lower-incomes and far less wealth than homeowners, have been disproportionately affected: a large and growing number of them immediately became and remain unemployed or underemployed. This is especially so for lower-income people of color, who are predominantly tenants and who continue to be victimized by the systemic and structural racism, which has left them severely disadvantaged and extremely vulnerable to health emergencies and economic downturns.
   c. Millions of jobs in our State and elsewhere have been permanently lost, and only around half of the total number of jobs abruptly interrupted by the virus-driven shutdown have returned. The general consensus is that it will take many months or even years for the devastatingly high unemployment to recede, and for the economy to recover to anywhere near its pre-pandemic level.
   d. As a result, not only will hundreds of thousands of tenants in our State be unable to pay all or even part of the rental arrearages caused by the pandemic when the moratorium ends, but these tenants will also find it extremely difficult, or even impossible, to make their current, ongoing monthly rental payments once they resume.
   e. An overwhelming number of struggling tenant households, disproportionately black and brown, will therefore be at risk of eviction for non-payment of all or part of their regular rent shortly after the moratorium is lifted. Combining the number of struggling tenants with the number of people at risk of displacement if the
arrearage issue is not addressed, it becomes clear that the resulting
number of evictions and the resulting overcrowding, will create
conditions likely to fuel the resurgence and spread of COVID-19,
and threaten the health, safety, and lives of their families,
communities, and the society at large.

f. In Executive Order No. 106 of 2020, the Governor expressly
stated that protection and preservation of personal and public health
was the primary reason driving the imposition of the economic
shutdown and eviction moratorium, a health-centered concern
echoed and reinforced by the national eviction moratorium
subsequently mandated by the federal Centers for Disease Control
and Prevention. The need to strictly limit eviction, now and for the
foreseeable future, is undeniable.

g. Efforts need to be made to provide financial compensation
directly to landlords who have suffered deep economic losses
through no fault of their tenants or themselves. At the same time,
however, it is evident that, until the economy rebounds, hundreds of
thousands of tenants will need help paying their regular rent going
forward once the moratorium ends, in order to ensure some measure
of security and stability for their families and communities; provide
landlords with the restored rental income stream required to safely
and efficiently operate their buildings; and, most importantly,
prevent a resurgence of COVID-19 that will threaten the health and
safety of tenants, landlords, and the public at large.

2. a. As used in P.L. , c. (C. ) (pending before the
Legislature as this bill):

“Commissioner” means the Commissioner of Community
Affairs.

“Deep subsidy” means a rental housing subsidy which limits the
tenant’s share of the monthly rent to a percentage of the tenant’s
income, and which can be adjusted to maintain that percentage
should the tenant’s income change.

“Department” means the Department of Community Affairs.

“Low income household” means a household with a total current
annual household income equal to 50 percent or less of the area
median income for a household of the same size and composition.

“Moderate income household” means a household with a total
current gross annual household income in excess of 50 percent but
less than 80 percent of the area median income for a household of
the same size and composition.

“Shallow subsidy” means a rental housing subsidy which limits
the tenant’s share of the monthly rent to a percentage of the tenant’s
income, and which can be adjusted to maintain that percentage
should the tenant’s income change.

“Very low income household” means a household with a total
current annual household income less than or equal to 30 percent of
the area median income for a household of the same size and composition.


c. The commissioner shall revise and amend the “Homelessness Prevention Program Regulations” established pursuant to chapter 41 of Title 5 of the New Jersey Administrative Code to meet or provide for the following:

   (1) the regulations shall be renamed the “Eviction and Homelessness Prevention Program Regulations”;
   (2) a household shall be eligible to participate in the program if, due to reasons beyond the household’s control, the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement;
   (3) a household shall be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction;
   (4) a household shall be eligible for assistance if their annualized current income is no more than 80 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low income and low income households;
   (5) a household shall be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended;
   (6) eligible households shall be awarded grants for periods of up to two years, depending upon the person’s or household’s particular circumstances. The department shall provide assistance along a continuum based upon the income level of the tenant household, and shall include deep subsidies, shallow subsidies, and flat amounts. Such grants may be renewed to prevent eviction or homelessness. The commissioner shall prepare a detailed guidance covering the amount and duration of such grants, in accordance with the following guidelines and principles:

   (a) for a very low income household, a deep subsidy shall be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 40 percent of the household’s income;
   (b) for a low income household, a shallow subsidy shall be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 40 percent of the household’s income, provided, however, that the amount of any such subsidy shall not exceed $800 per month; and
   (c) for a moderate-income household, assistance in the form of a flat monthly grant of $250 shall be provided to the household if the
household pays more than 50 percent of the household’s income as ongoing rent.

(7) during the course of the payment period, if the department is notified by either the landlord or the program participant that a person or household has begun to experience difficulty paying rent as a result of reasons beyond the household’s control, the household’s income and family situation shall be reevaluated in light of the changed conditions, and the person or household shall be placed in a different assistance tier, if necessary, to prevent eviction; and

(8) during the course of the payment period, a participant household shall certify the household’s current income once every two months, using a one-page form to be developed by the department, including any necessary attachments. Beginning the month following receipt of a certification, the department shall increase or decrease the amount of subsidy provided to the household in accordance with the subsidy category applicable to the most recent reported income, provided that limited non-recurring short term increases in income shall not require a subsidy adjustment.

3. Notwithstanding any other law to the contrary, evictions based upon nonpayment or habitual late payment of rent which has accrued as of the end date of the eviction moratorium established by the Governor pursuant to Executive Order 106 of 2020, as extended, shall be prohibited. A landlord shall remain entitled to pursue recovery of the unpaid rent by filing an action in Superior Court for entry of a monetary judgment with applicable interest.

4. There is appropriated from the funds provided to the State by the United States government under the “Coronavirus Aid, Relief, and Economic Security Act,” Pub. Law 116-136, the sum of $300,000,000 for assistance under the “Eviction and Homelessness Prevention Program,” as described in section 2 of P.L. , c. (C. ) (pending before the Legislature as this bill), of which no more than $1,500,000 may be used by the department to defray the costs of administering the program. If $300,000,000 is not available through the “Coronavirus Aid, Relief, and Economic Security Act,” Pub. Law 116-136, then the remainder of this amount shall be appropriated from other federal funding for coronavirus relief, as it becomes available, or from other funding sources as determined by the Legislature. Households otherwise ineligible for assistance using federal funds shall be assisted with State funds.

5. This act shall take effect immediately.
This bill revises the name of the “Homelessness Prevention Program,” requires changes to administrative regulations for the Homelessness Prevention Program, and makes an appropriation.

Under the bill, the Commissioner of the Department of Community Affairs (DCA) would rename the current “Homelessness Prevention Program” to the “Eviction and Homelessness Prevention Program.”

Additionally, the commissioner would revise and amend the “Homeless Prevention Program Regulations” to require the following:

1. The regulations would be renamed the “Eviction and Homelessness Prevention Program Regulations”;
2. A household would be eligible to participate in the program if, due to reasons beyond the household’s control, the household is unable to make residential rental payments which are due and owing pursuant to a valid and enforceable oral or written lease, stipulation of settlement, judgment, order or other type of legally binding agreement;
3. A household would be eligible for assistance under this program regardless of whether the household has been served with a summons and complaint for eviction;
4. A household would be eligible for assistance if their annualized current income is no more than 80 percent of the area median income; however, the commissioner may establish funding priorities to benefit very low income and low income persons and households;
5. A household would be eligible for assistance under this program although it may be unlikely for the household to have the ability to pay shelter costs after the period of assistance has ended;
6. Eligible households would be awarded grants for periods of up to two years, depending upon the household’s particular circumstances. Assistance would be provided along a continuum based upon the income level of the tenant household, and would include deep subsidies, shallow subsidies, and flat dollar amounts. Such grants could be renewed to prevent eviction or homelessness. The commissioner would prepare a detailed guidance covering the amount and duration of such grants, in accordance with the following guidelines and principles:
   a. For a very-low-income household, a deep subsidy would be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 40 percent of the household’s income;
   b. For a low-income household, a shallow subsidy would be provided in the amount necessary to limit the household’s share of ongoing rent to not more than 40 percent of the household’s
income, provided, however, that the amount of any such subsidy
would not exceed $800 per month; and

(c) for a moderate-income household, assistance in the form of a
flat monthly grant of $250 would be provided to the household if
the household pays more than 50 percent of the household’s income
as ongoing rent.

(7) during the course of the payment period, if the department is
notified by either the landlord or the program participant that a
person or household has begun to experience difficulty paying rent
as a result of reasons beyond the household’s control, the
household’s income and family situation would be reevaluated in
light of the changed conditions, and the person or household would
be placed in a different assistance tier, if necessary, to prevent
eviction; and

(8) during the course of the payment period, a participant
household would certify the household’s current income once every
two months, using a one-page form to be developed by the
department, including any necessary attachments. Beginning the
month following receipt of a certification, the department would
increase or decrease the amount of subsidy provided to the
household in accordance with the subsidy category applicable to the
most recent reported income, provided that limited non-recurring
short term increases in income would not require a subsidy
adjustment. Under the bill, evictions based upon nonpayment or
habitual late payment of rent which has accrued as of the end date
of the eviction moratorium established by the Governor pursuant to
Executive Order 106 of 2020, as extended, would be prohibited. A
landlord would remain entitled to pursue recovery of the unpaid
rent by filing an action in Superior Court for entry of a monetary
judgment with applicable interest.

The bill would appropriate $300 million from the funds provided
to the State by the United States government under the
“Coronavirus Aid, Relief, and Economic Security (CARES) Act”
for assistance under this program, of which no more than
$1,500,000 would be used by the DCA to defray the costs of
administering the program. However, if $300 million is not
available through the CARES Act, then the remainder of this
amount would be appropriated from other federal funding for
coronavirus relief as it becomes available, or from other funding
sources as determined by the Legislature. Households otherwise
ineligible for assistance using federal funds would be assisted with
State funds.