

**ASSEMBLY, No. 5415**

---

**STATE OF NEW JERSEY**

**220th LEGISLATURE**

---

INTRODUCED MAY 8, 2023

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Burlington and Camden)**

**Assemblyman ROY FREIMAN**

**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblywoman SADAF F. JAFFER**

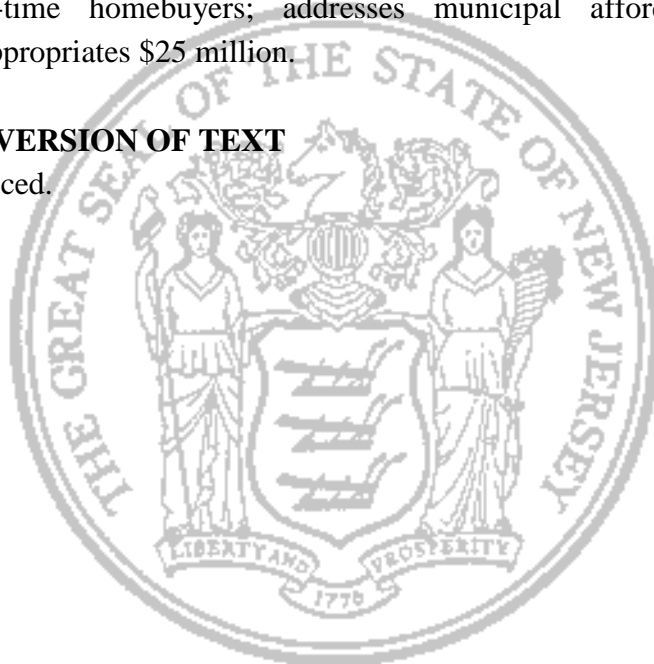
**District 16 (Hunterdon, Mercer, Middlesex and Somerset)**

**SYNOPSIS**

Provides developer tax credits, and down payment assistance, for benefit of certain first-time homebuyers; addresses municipal affordable housing obligation; appropriates \$25 million.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning housing assistance for certain homebuyers and  
2 developers, supplementing Title 55 of the Revised Statutes,  
3 P.L.1974, c.80 (C.34:1B-1 et seq.), and P.L.1985, c.222  
4 (C.52:27D-301 et seq.), and making an appropriation.

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

8  
9 1. As used in sections 1 through 2 of P.L. , c. (C.  
10 through C. ) (pending before the Legislature as this bill):

11 "Agency" means the New Jersey Housing and Mortgage Finance  
12 Agency established pursuant to section 4 of P.L.1983, c.530  
13 (C.55:14K-4).

14 "Down payment assistance" or "assistance" means financial  
15 assistance for first-time homebuyers to acquire single-family  
16 housing for principal residence through the loan program.

17 "Executive director" means the Executive Director of the New  
18 Jersey Housing and Mortgage Finance Agency.

19 "First-generation homebuyer" means a first-time homebuyer,  
20 who is:

21 a. an individual:

22 (1) whose parents or legal guardians do not have any present  
23 ownership interest in any residential real property in any state or  
24 territory of the United States, or outside of the United States; and

25 (2) whose spouse, or domestic partner, and each member of  
26 whose household has not, during the 3-year period ending upon  
27 acquisition of the eligible home to be acquired using such  
28 assistance, had any present ownership interest in any residential real  
29 property used as their principal residence in any state or territory of  
30 the United States, or outside of the United States; or

31 b. an individual who has at any time been placed in foster care  
32 in the State.

33 "First-time homebuyer" means a homebuyer who, in accordance  
34 with rules and regulations adopted by the agency, has not owned  
35 any residential real property as their principal residence within the  
36 preceding three years, and is utilizing a mortgage product offered  
37 by the agency through an agency homebuyer program to purchase  
38 single-family housing.

39 "Loan program" means the zero-interest, forgivable loan  
40 program established pursuant to section 2 of P.L. , c. (C. )  
41 (pending before the Legislature as this bill).

42 "Principal residence" means a homestead that is actually and  
43 continually occupied as the permanent residence of a household, as  
44 distinguished from a vacation home, real property owned and rented  
45 or offered for rent by the household, or other secondary real  
46 property holdings.

1 "Single-family housing" means a one- to four-family residence, a  
2 condominium unit, a cooperative unit, a combination of a  
3 manufactured housing and lot, or a manufactured housing lot.

4  
5 2. a. There is established in the agency a zero-interest,  
6 forgivable loan program to provide down payment assistance for  
7 first-time homebuyers to achieve homeownership. The loan  
8 program shall provide down payment assistance to defray the costs  
9 associated with acquiring single-family housing for principal  
10 residence, as provided for in subsection b. of this section. A first-  
11 time homebuyer shall commit to use the home as their principal  
12 residence for five years following the purchase of the home. The  
13 agency shall forgive the loan, provided that the five-year  
14 commitment is satisfied and the first-time homebuyer meets the  
15 other requirements established pursuant to P.L. , c. (C. )  
16 (pending before the Legislature as this bill).

17 b. (1) The down payment assistance provided pursuant to this  
18 section shall be in the form of a zero-interest, forgivable loan  
19 award. The loan award shall be in the amount of \$15,000.

20 (2) In addition to a loan award that may be provided pursuant to  
21 paragraph (1) of this subsection, a first-generation homebuyer shall  
22 be eligible for a zero-interest, forgivable loan award of an  
23 additional \$10,000 to be used for down payment assistance.

24 (3) Each first-time homebuyer who receives down payment  
25 assistance through the loan program shall, prior to the award of  
26 down payment assistance, complete not less than eight hours of a  
27 homebuyer counseling course, as directed by the agency pursuant to  
28 subsection c. of this section. The homebuyer counseling course  
29 shall include, but not be limited to, coursework concerning:

30 (a) the maintenance of housing costs, including methods for  
31 budgeting mortgage payments, utility charges, property taxes, and  
32 any other applicable housing cost;

33 (b) the basics of home finance, property taxes, home warranties,  
34 and home inspection;

35 (c) the legal components of finalizing a home purchase; and

36 (d) the process of finding an appropriate house, including how  
37 to search real estate listings through a real estate agent or other  
38 sources.

39 c. The executive director shall promulgate rules and regulations  
40 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
41 (C.52:14B-1 et seq.), on or before the first day of the third month  
42 next following the enactment of P.L. , c. (C. ) (pending  
43 before the Legislature as this bill), to effectuate, administer, and  
44 accomplish the purposes of the loan program. The rules and  
45 regulations shall, at a minimum, set forth the requirements for  
46 application submissions, the criteria for application selections, the  
47 eligible uses of down payment assistance, eligibility as a first-time

1 or first-generation homebuyer, and the curriculum and provision of  
2 the homebuyer counseling course.

3 d. The agency shall permit an individual to establish eligibility  
4 for the loan program as a first-generation homebuyer via self-  
5 attestation, under penalty of perjury. However, nothing in this  
6 subsection shall preclude the agency from establishing measures to  
7 identify and deter fraudulent attestations. If it is established that an  
8 individual has received assistance as a result of a fraudulent  
9 attestation, the individual shall reimburse the agency for the  
10 assistance.

11 e. A down payment assistance loan shall be recoverable as a lien  
12 on the real property that the loan is used to purchase, and shall have  
13 the priority of a mortgage lien.

14 f. The annual appropriations act shall appropriate not less than  
15 \$25 million from the General Fund to the agency, during each year  
16 in which the loan program remains in operation, to defray the costs  
17 associated with administering the loan program, except that the  
18 agency shall retain not more than five percent of the annual  
19 appropriation for administrative costs.

20 g. No later than the 730th day next following the effective date  
21 of P.L. , c. (C. ) (pending before the Legislature as this  
22 bill), the agency shall prepare and submit a report to the Governor  
23 and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the  
24 Legislature. The report shall analyze the efficacy of the loan  
25 program. The report shall provide an overview of the total amount  
26 of down payment assistance provided by the agency, with  
27 information by census tract on the race and ethnicity of the  
28 recipients of assistance. The report also shall analyze:

29 (1) the impact of the down payment assistance on the total  
30 housing costs of the recipients of such assistance;

31 (2) the impact of the additional loan award for first-generation  
32 homebuyers provided pursuant to paragraph (2) of subsection b. of  
33 this section, and the other components of the loan program, on first-  
34 generation homeownership; and

35 (3) any other information determined by the agency to be  
36 relevant to the costs and benefits of the loan program.

37  
38 3. As used in sections 3 through 4 of P.L. , c. (C.  
39 through C. ) (pending before the Legislature as this bill):

40 "Agency" means the New Jersey Housing and Mortgage Finance  
41 Agency established pursuant to section 4 of P.L.1983, c.530  
42 (C.55:14K-4).

43 "Authority" means the New Jersey Economic Development  
44 Authority established pursuant to section 4 of P.L.1974, c.80  
45 (C.34:1B-4).

46 "Construction or reconstruction" means the development of real  
47 property through means of new construction, or through  
48 rehabilitation or renovation of an existing structure, provided that

1 the rehabilitation or renovation has received at least \$50,000 in  
2 construction investment.

3 "Construction or reconstruction commitment" means a  
4 commitment, including any assurances the authority determines  
5 necessary, made by a taxpayer-developer, to the construction or  
6 reconstruction of one or more qualified residential properties in a  
7 distressed municipality for purchase by one or more first-time  
8 homebuyers in compliance with section 4 of P.L. , c. (C. )  
9 (pending before the Legislature as this bill).

10 "Distressed municipality" means a municipality with a distress  
11 score of 50 or higher according to the 2020 Municipal  
12 Revitalization Index distress score for the municipality, determined  
13 by the Department of Community Affairs.

14 "First-time homebuyer" means a household with a gross  
15 household income of less than 140 percent of the median gross  
16 household income for households of the same size within the  
17 housing region in which the qualified residential property is located,  
18 and for whom no member of the household has owned a home  
19 during the three-year period prior to the purchase of the home.

20 "Principal residence" means a qualified residential property that  
21 is actually and continually occupied by a first-time homebuyer as  
22 the homebuyer's permanent residence, as distinguished from a  
23 vacation home, real property owned and rented or offered for rent  
24 by the homebuyer, and other secondary real property holdings.

25 "Qualified home purchase" means the acquisition of a qualified  
26 residential property that is occupied as a first-time homebuyer's  
27 principal residence following construction or reconstruction by a  
28 taxpayer-developer; provided, however, that the value of the  
29 qualified residential property does not exceed 75 percent of the  
30 median home sale price for homes in the county in which the  
31 qualified home purchase occurs, in accordance with data approved  
32 by the agency.

33 "Qualified residential property" means a dwelling house, a  
34 condominium unit under the form of real property ownership  
35 provided for under the "Condominium Act," P.L.1969, c.257  
36 (C.46:8B-1 et seq.), a unit in a cooperative or mutual housing  
37 corporation, a unit in a horizontal property regime under the form of  
38 real property ownership provided under the "Horizontal Property  
39 Act," P.L.1963, c.168 (C.46:8A-1 et seq.), a unit in a continuing  
40 care retirement community, or a manufactured home that is taxable  
41 as real property or that is installed in a mobile home park.

42 "Tax credit program" means the New Jersey Homebuyer Tax  
43 Credit Program, established pursuant to subsection a. of section 4 of  
44 P.L. , c. (C. ) (pending before the Legislature as this bill).

45 "Taxpayer-developer" means a developer that commits to the  
46 construction or reconstruction of one or more qualified residential  
47 properties that are to be sold through qualified home purchases to  
48 first time homebuyers for use as principal residences.

1 "Value gap" means the amount of a loss, if any, incurred by a  
2 taxpayer-developer, determined by subtracting the income of the  
3 developer, as derived from the purchase price paid in a qualified  
4 home purchase, from the cost of developing the qualified residential  
5 property sold in the qualified home purchase.

6  
7 4. a. There is established a New Jersey Homebuyer Tax Credit  
8 Program to be administered by the authority in coordination with  
9 the agency. A taxpayer-developer shall be allowed a credit against  
10 the tax otherwise due pursuant to section 5 of P.L.1945, c.162  
11 (C.54:10A-5) or the "New Jersey Gross Income Tax Act,"  
12 N.J.S.54A:1-1 et seq., as applicable, for each individual qualified  
13 home purchase completed with a first-time homebuyer in an amount  
14 not greater than the lesser of:

15 (1) 20 percent of the sale price of the qualified home purchase;  
16 or

17 (2) the amount of the value gap incurred by the developer  
18 following a qualified home purchase.

19 b. The authority shall award the tax credit established by this  
20 section to a taxpayer-developer for securing a qualified home  
21 purchase by a first-time homebuyer following construction or  
22 reconstruction of a qualified residential property in a distressed  
23 municipality; provided, however, that the first-time homebuyer  
24 commits to use the home as their principal residence for 10 years  
25 following the date of the qualified home purchase.

26 c. (1) The amount of all credits allowed pursuant to this section  
27 shall not exceed \$100,000,000, to be conditionally approved for  
28 allocation over four terms as follows:

29 (a) up to \$25,000,000 for construction or reconstruction  
30 commitments made on or before the 365th day next following the  
31 effective date of P.L. , c. (C. ) (pending before the  
32 Legislature as this bill); and

33 (b) up to \$25,000,000 for construction or reconstruction  
34 commitments made after the 365th, but before the 730th, day next  
35 following the effective date of P.L. , c. (C. ) (pending  
36 before the Legislature as this bill).

37 (2) Upon a joint resolution adopted by the Senate and General  
38 Assembly and signed by the Governor that extends the tax credit  
39 program, as described in paragraph (2) of subsection g. of this  
40 section, the balance of credits allowed pursuant to an extension of  
41 the tax credit program shall be conditionally approved for allocation  
42 as follows:

43 (a) up to \$25,000,000 for construction or reconstruction  
44 commitments made on or before the 365th day next following the  
45 date the Governor signs the joint resolution; and

46 (b) up to \$25,000,000 for construction or reconstruction  
47 commitments made after the 365th, but before the 730th, day next  
48 following the date the Governor signs the joint resolution.

1 d. Tax credits shall be conditionally approved for allocation  
2 pursuant to the timelines established in subsection c. of this section.  
3 The authority shall conditionally approve a tax credit for a  
4 taxpayer-developer if the taxpayer-developer enters into a  
5 construction or reconstruction commitment. A tax credit shall be  
6 allocated upon the execution of a contract for sale of a qualified  
7 home purchase. The total amount of the credit allowed shall be  
8 applied against the tax otherwise due from the taxpayer-developer  
9 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) or the "New  
10 Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., as applicable.  
11 A tax credit issued pursuant to this section shall be applied against  
12 taxes otherwise due during the taxable year in which the credit is  
13 allocated, or may be carried forward and applied against taxes  
14 otherwise due in any of the four subsequent taxable years.

15 e. The agency shall ensure that convenient means are established  
16 for first-time homebuyers to apply to purchase homes constructed  
17 pursuant to this section. A first-time homebuyer who purchases a  
18 qualified residential property pursuant to this section shall commit  
19 to using the home as the homebuyer's principal residence for 10  
20 consecutive years after the home purchase.

21 f. A first-time homebuyer shall be required to pay a penalty to  
22 the authority in an amount equaling the lesser of \$5,000 or one  
23 percent of the value of the home, upon a determination by the  
24 authority the first-time homebuyer has violated the requirements of  
25 this section, including but not limited to:

26 (1) the failure of a first-time homebuyer to use the home as the  
27 homebuyer's principal residence for 10 consecutive years after the  
28 home purchase; or

29 (2) the use of an agent to conceal the identity of the true  
30 purchaser of the home for purposes of completing more than one  
31 qualified home purchase pursuant to this section.

32 g. (1) No later than the 730th day next following the effective  
33 date of P.L. , c. (C. ) (pending before the Legislature as this  
34 bill), the Office of Revenue and Economic Analysis in the  
35 Department of the Treasury shall prepare and submit a report to the  
36 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
37 19.1), to the Legislature. The report shall analyze the costs and  
38 benefits of the tax credit program provided by this section,  
39 including but not limited to:

40 (a) the impact of the tax credit program on State revenues;

41 (b) the extent to which home purchases by first-time  
42 homebuyers, including but not limited to purchases of new qualified  
43 residential property, increased during the terms the tax credit was  
44 available to taxpayer-developers, as compared with historical trends  
45 and comparable housing markets outside of New Jersey;

46 (c) whether the data suggests that a two-year extension of the  
47 tax credit program may have a material, positive impact on the

1 State's construction, real estate, and any other sectors of the State  
2 economy;

3 (d) whether the fiscal condition and outlook of the State has  
4 materially changed such as to materially affect the purpose  
5 underlying the tax credit program to promote home ownership and  
6 strengthen key sectors of the State's economy; and

7 (e) any other information determined by the Office of Revenue  
8 and Economic Analysis to be relevant to the costs and benefits of  
9 the tax credit program to the State.

10 (2) Upon receipt of the report pursuant to this subsection, the  
11 Legislature may adopt and the Governor may sign a joint resolution  
12 that extends the tax credit, as described in paragraph (2) of  
13 subsection c. of this section, for an additional two years, except as  
14 otherwise provided in this section.

15 h. On or before the first day of the third month next following  
16 the enactment of P.L. , c. (C. ) (pending before the  
17 Legislature as this bill), the authority, in coordination with the  
18 agency, shall promulgate rules and regulations pursuant to the  
19 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
20 seq.) to effectuate the purposes of the tax credit program. The rules  
21 and regulations of the authority shall include, but shall not be  
22 limited to:

23 (1) The establishment of a limitation on tax credit conditional  
24 approvals and allocations to projects that do not obtain nine-percent  
25 tax credits provided for by the federal Low Income Housing Tax  
26 Credit program pursuant to section 42 of the Internal Revenue Code  
27 (26 U.S.C. s.42), and shall make other appropriate limitations on  
28 eligibility; and

29 (2) Detailed guidance on the calculation of development costs,  
30 and income derived from a qualified home purchase, for the  
31 purposes of calculating the value gap.

32 i. If any amount of tax credits made available pursuant to this  
33 section are not conditionally approved in accordance with the  
34 timeline established pursuant to subsections a. through d. of this  
35 section, then the Legislature shall in the next subsequent fiscal year  
36 appropriate an amount equivalent to the value of the non-  
37 conditionally approved tax credits to the New Jersey Housing and  
38 Mortgage Finance Agency for the purposes of providing further  
39 down payment assistance through the loan program established  
40 pursuant to section 2 of P.L. , c. (C. ) (pending before the  
41 Legislature as this bill).

42

43 5. a. A municipality shall be provided with an opportunity to  
44 contribute funding towards the construction or reconstruction of a  
45 home purchased by a low- or moderate-income homebuyer through  
46 the tax credit program established pursuant to section 4 of P.L. , c.  
47 (C. ) (pending before the Legislature as this bill). If a low- or  
48 moderate-income homebuyer completes a home purchase as



1 provided in this section, and the municipality contributes no less  
2 than \$10,000 towards the construction or reconstruction of the unit,  
3 then the agency shall notify the administrative agent or other  
4 appropriate official of the municipality that the municipality shall  
5 count the property towards the municipality's present or prospective  
6 fair share obligation.

7 b. For the purposes of this section "low- or moderate-income  
8 homebuyer" means a household that has a gross household income  
9 that is less than 80 percent of the median gross household income  
10 for households of the same size within the housing region in which  
11 the housing is located.

12  
13 6. There is appropriated \$25 million from the General Fund to  
14 the New Jersey Housing and Mortgage Finance Agency to  
15 effectuate and defray the costs associated with administering the  
16 loan program established pursuant to section 2 of  
17 P.L. , c. (C. ) (pending before the Legislature as this bill).

18  
19 7. This act shall take effect immediately, except that sections 3  
20 through 5 of this act shall take effect on the first day of the sixth  
21 month next following enactment to provide time for the authority to  
22 prepare to administer the tax credit program.

#### 23 24 25 STATEMENT

26  
27 This bill would establish a zero-interest, forgivable loan program  
28 to provide down payment assistance, as well as a tax credit program  
29 to provide tax credits for developers that commit to construct or  
30 reconstruct housing for certain first-time homebuyers. The bill  
31 would also establish a means to allow certain housing units,  
32 constructed through the tax credit program, to count toward  
33 municipal affordable housing obligations, and would appropriate  
34 \$25 million to provide for the zero-interest, forgivable loans.

35 The loan program would provide down payment assistance for  
36 households of modest income to achieve homeownership.  
37 Specifically, the loan program would provide down payment  
38 assistance to certain households, who are first-time homebuyers, to  
39 defray the costs associated with acquiring a home to be used as a  
40 principal residence. The bill defines a "first-time homebuyer" as a  
41 homebuyer who has not owned a home as a principal residence  
42 during the preceding three years, and is using a mortgage product  
43 offered by the New Jersey Housing and Mortgage Finance Agency  
44 (NJHMFA) to purchase a single-family property. A first-time  
45 homebuyer would be required to commit to use the home as their  
46 principal residence for five years following a loan program-  
47 supported purchase. The bill requires NJHMFA to forgive the loan  
48 if this five-year commitment is satisfied.

1       The loan award would consist of \$15,000 to be used for down  
2       payment assistance. In addition to the standard loan award offered  
3       by the loan program, if the first-time homebuyer is also a first-  
4       generation homebuyer, as defined in the bill, the homebuyer would  
5       be eligible for a loan award of an additional \$10,000.

6       The down payment assistance provided by the loan program  
7       would not be available in addition to other loan or grant assistance  
8       made available through other programs administered by NJHMFA,  
9       and would be subject to restrictions established by NJHMFA that  
10      may be necessary for compliance with federal law.

11      Each first-time homebuyer who receives down payment  
12      assistance through the loan program would be required, prior to the  
13      award of down payment assistance, to complete a homebuyer  
14      counseling course, as directed by NJHMFA. An applicant would be  
15      permitted to establish eligibility for the loan program as a first-  
16      generation homebuyer via self-attestation, under penalty of perjury.

17      NJHMFA would adopt rules and regulations to effectuate,  
18      administer, and accomplish the purposes of the loan program. The  
19      bill appropriates \$25 million from the General Fund to the  
20      department to support the loan program.

21      This bill would also establish a tax credit program, through  
22      which a developer of real property would be provided with a credit  
23      against the tax otherwise due under the Corporation Business Tax  
24      Act (1945) or the "New Jersey Gross Income Tax Act," as  
25      applicable. Each tax credit would be awarded in an amount equal to  
26      20 percent of the sale price of the qualified home purchase, or the  
27      amount of the value gap incurred by the developer following a that  
28      purchase, whichever is less, for securing a qualified home purchase  
29      of a qualified residential property in a distressed municipality from  
30      a first-time homebuyer following the developer's construction or  
31      reconstruction of the property. The bill defines "construction or  
32      reconstruction" to consist of new construction, or the rehabilitation  
33      or renovation of an existing structure, as long as the rehabilitation  
34      or renovation has received at least \$50,000 in construction  
35      investment. A tax credit would be awarded for each individual  
36      qualified home purchase that the developer completes with a first-  
37      time homebuyer.

38      For the purposes of the tax credit program, "qualified home  
39      purchases" would be limited to purchases that do not exceed 75  
40      percent of the county median home sale price. The bill defines a  
41      "distressed municipality" as a municipality with a distress score of  
42      50 or higher according to the 2020 Department of Community  
43      Affairs Municipal Revitalization Index. The first-time homebuyer  
44      would be required to commit to use the home as their principal  
45      residence for 10 years following the date of the qualified home  
46      purchase. The tax credit program would be administered by the  
47      New Jersey Economic Development Authority (EDA) in  
48      coordination with NJHMFA.

1       The amount of all credits allowed through the tax credit program  
2       would not exceed \$100,000,000, to be conditionally approved over  
3       up to four terms. Up to \$25,000,000 would be conditionally  
4       approved for construction commitments made in the first year  
5       following the effective date of the bill. Up to \$25,000,000 would  
6       be conditionally approved for construction commitments made in  
7       the second year following the effective date of the bill. Upon a  
8       joint resolution adopted by the Senate and General Assembly and  
9       signed by the Governor that extends the tax credit program, the  
10      balance of credits allowed through the extension of the tax credit  
11      program would be conditionally approved in the form of  
12      \$25,000,000 for construction commitments made in the first year  
13      following the date the Governor signs the joint resolution.  
14      Additionally, up to \$25,000,000 would be conditionally approved  
15      for construction commitments made in the second year following  
16      the date the Governor signs the joint resolution.

17      Although tax credits would be conditionally approved along the  
18      above timeline, tax credits would be allocated upon the subsequent  
19      execution of a contract for sale of a qualified home purchase. The  
20      total amount of each credit allowed would be applied against the tax  
21      otherwise due from the taxpayer-developer pursuant to the  
22      Corporation Business Tax Act (1945) or the "New Jersey Gross  
23      Income Tax Act," as applicable. The tax credit would be applied  
24      against taxes otherwise due during the taxable year in which the  
25      credit is allocated, or may be carried forward and applied against  
26      taxes otherwise due in any of the four subsequent taxable years.

27      A first-time homebuyer who purchases a property that has been  
28      constructed or reconstructed through the tax credit program would  
29      be required to pay a penalty in an amount equaling the lesser of  
30      \$5,000 or one percent of the value of the home, upon a  
31      determination by EDA that the first-time homebuyer has violated  
32      the requirements the program, including but not limited to:

33      (1) the failure of a first-time homebuyer to use the home as the  
34      homebuyer's principal residence for 10 years; or

35      (2) the use of an agent to conceal the identity of the true  
36      purchaser of the home for purposes of claiming more than one  
37      benefit.

38      A municipality would be provided with an opportunity to  
39      contribute funding towards the construction or reconstruction of a  
40      housing unit purchased by a low- or moderate-income homebuyer  
41      through the tax credit program. If a low- or moderate-income  
42      homebuyer completes a home purchase and the municipality  
43      contributes no less than \$10,000 towards the construction or  
44      reconstruction of the unit, then the agency is required to notify the  
45      administrative agent or other appropriate official of the municipality  
46      that the municipality is to count the property towards the  
47      municipality's present or prospective fair share obligation. The bill  
48      defines a "low- or moderate-income homebuyer" as a household

1 with a gross household income of less than 80 percent of the median  
2 gross household income for households of the same size within the  
3 same housing region.

4 The bill requires the tax credit program to remain in operation  
5 for not less than two years. The bill requires the submission of  
6 reports to the Governor and Legislature, concerning the efficacy of  
7 each program two years after the effective date of the bill. Upon  
8 receipt of the reports, the Legislature may adopt, and the Governor  
9 may sign, a joint resolution that extends the tax credit program for  
10 two additional years. The loan program would be extended through  
11 the appropriations processes.

12 The bill would take effect immediately, except that the  
13 provisions of the bill concerning the tax credit program would take  
14 effect on the first day of the sixth month following enactment.