

ASSEMBLY, No. 5596

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 5, 2023

Sponsored by:

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Assemblyman REGINALD W. ATKINS

District 20 (Union)

Co-Sponsored by:

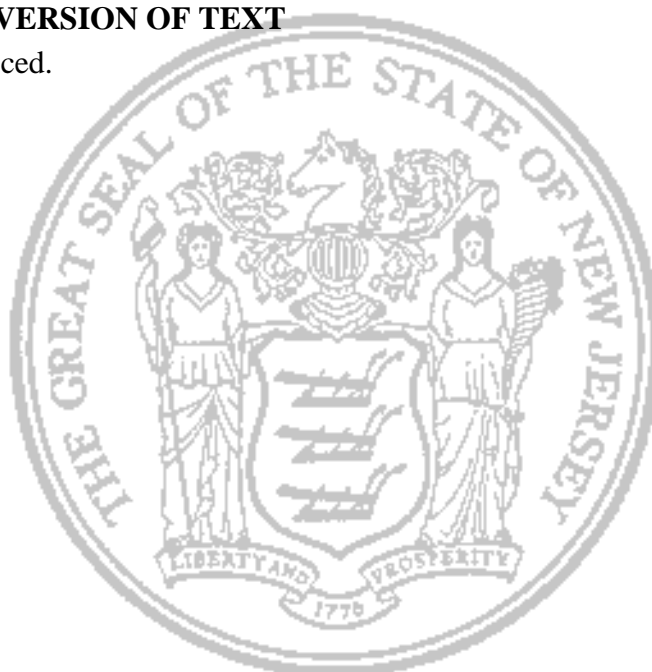
Assemblywoman Jasey

SYNOPSIS

Establishes Affordable Housing Rehabilitation and Renovation Program in HMFA; requires federal funds be made available to HMFA to support affordable housing rehabilitation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/15/2023)

1 AN ACT concerning affordable housing rehabilitation, making
2 associated funding available, and supplementing Title 55 of the
3 Revised Statutes.

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

7
8 1. a. (1) There is established in the New Jersey Housing and
9 Mortgage Finance Agency a program to be known as the
10 “Affordable Housing Rehabilitation and Renovation Program” for
11 the purpose of allocating available moneys, from the rehabilitation
12 fund and other sources authorized pursuant to subsection c. of this
13 section, to be provided for:

14 (a) the rehabilitation of multiple dwellings to be used as
15 affordable housing; and

16 (b) the renovation and preservation of existing affordable
17 housing units that have reached or are approaching the end of the
18 periods of affordability controls established pursuant to the “Fair
19 Housing Act,” P.L.1985, c.222 (C.52:27D-301 et al.).

20 (2) In allocating funding for the rehabilitation program, the
21 agency shall prioritize an eligible developer who commits to use the
22 funding for a project based in a targeted urban municipality. The
23 executive director in consultation with the commissioner, shall
24 establish an application and review process through which an
25 eligible developer may receive an allocation of moneys through the
26 rehabilitation program.

27 b. There is established in the New Jersey Housing and Mortgage
28 Finance Agency a fund to be known as the “Affordable Housing
29 Rehabilitation and Renovation Fund” for the purpose of providing
30 the moneys necessary for the rehabilitation program established
31 pursuant to subsection a. of this section. The fund shall be
32 administered by the agency and shall be credited with moneys that
33 are made available pursuant to section 3 of P.L. , c. (C.)
34 (pending before the Legislature as this bill), or otherwise made
35 available or appropriated by the Legislature, and any return on
36 investment on moneys deposited in the fund.

37 c. Allocations of moneys for eligible developers through the
38 rehabilitation program shall be provided initially from the
39 rehabilitation fund. If moneys in the rehabilitation fund are not
40 sufficient to adequately support an eligible developer who commits
41 to using the funding for purposes consistent with subsection a. of
42 this section, then the eligible developer shall be eligible to obtain
43 funding from the “New Jersey Affordable Housing Trust Fund,”
44 established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-
45 320).

46 d. (1) Within 180 days after the date of enactment of
47 P.L. , c. (C.) (pending before the Legislature as this bill),
48 and notwithstanding the provisions of the “Administrative

1 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the
2 contrary, the executive director, in consultation with the
3 commissioner, shall immediately upon filing proper notice with the
4 Office of Administrative Law, adopt any rules and regulations
5 necessary to implement the provisions of P.L. , c. (C.)
6 (pending before the Legislature as this bill).

7 (2) The rules and regulations adopted pursuant to paragraph 1 of
8 this subsection shall be in effect for a period not to exceed one year
9 after the date of filing. These rules and regulations shall thereafter
10 be adopted, amended, or readopted by the executive director in
11 consultation with the commissioner in accordance with the
12 requirements of the “Administrative Procedure Act” P.L.1968,
13 c.410 (C.52:14B-1 et seq.).

14 e. As used in this section:

15 “Affordable housing” means “low income housing,” or
16 “moderate income housing,” as those terms are defined in section 4
17 of P.L.1985, c.222 (C.52:27D-304).

18 “Agency” means the New Jersey Housing and Mortgage Finance
19 Agency.

20 “Commissioner” means the Commissioner of Community
21 Affairs.

22 “Eligible developer” means a qualified developer that commits to
23 using rehabilitation program funding for purposes consistent with
24 subsection a. of this section.

25 “Executive director” means the Executive Director of the New
26 Jersey Housing and Mortgage and Finance Agency.

27 “Multiple dwelling” means a building or structure and land
28 appurtenant thereto containing three or more units of dwelling space
29 that are occupied, or intended to be occupied, by three or more
30 households.

31 “Rehabilitation fund” means the “Affordable Housing
32 Rehabilitation and Renovation Fund,” established pursuant to
33 subsection b. of this section.

34 “Rehabilitation program” means the Affordable Housing
35 Rehabilitation and Renovation Program, established pursuant to
36 subsection a. of this section.

37 “Targeted urban municipality” means a municipality designated
38 by the agency as a targeted urban municipality based on factors
39 determined by the agency, including the Department of Community
40 Affairs Municipal Revitalization Index, housing density,
41 population, and employment to housing ratio.
42

43 2. a. Federal funds shall be made available for the Division of
44 Disaster Recovery and Mitigation in the Department of Community
45 Affairs from the federal “American Rescue Plan Act of 2021,”
46 Pub.L.117-2. Amounts made available for the Division of Disaster
47 Recovery and Mitigation pursuant to this subsection shall be
48 deposited into the Affordable Housing Rehabilitation and

1 Renovation Fund, established pursuant to subsection b. of section 1
2 of P.L. , c. (C.) (pending before the Legislature as this
3 bill), for the purposes of the fund, and of such amounts not more
4 than 2.5 percent, subject to the division’s review and approval, shall
5 be utilized by the New Jersey Housing and Mortgage Finance
6 Agency for organizational, administrative and other work and
7 services, including salaries, equipment, services, and materials
8 necessary to administer the activities authorized by this subsection.
9 The New Jersey Housing and Mortgage Finance Agency shall enter
10 into a memorandum of understanding or grant agreement, as
11 applicable, with the division to effectuate the purposes of this
12 subsection, to define what constitutes appropriate administrative
13 costs, and to ensure compliance with federal rules and guidance,
14 including with respect to the federal “American Rescue Plan Act of
15 2021,” Pub.L.117-2.

16 b. As the State’s grant manager for funds received by the State
17 pursuant to the federal “American Rescue Plan Act of 2021,”
18 Pub.L.117-2, the division is authorized to utilize not more than one
19 percent of the funds made available pursuant to this section to
20 provide for the division’s organizational, administrative, and other
21 work and services, including salaries, services, equipment, and
22 materials necessary to administer the applicable provisions of
23 P.L. , c. (C.) (pending before the Legislature as this bill).

24 c. Notwithstanding the provisions of subsection a. of this section
25 to the contrary, the division may transfer the uncommitted balance
26 of any funds made available pursuant to this section for any use
27 authorized pursuant to P.L. , c. (C.) (pending before the
28 Legislature as this bill). The division shall submit notice to the
29 Joint Budget Oversight Committee, or its successor, no less than
30 five calendar days before the date of a transfer made pursuant to
31 this subsection. The notice shall indicate the amount of the
32 transferred funds and the purpose for which the funds are transferred.

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34 3. This act shall take effect immediately.

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STATEMENT

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39 This bill would establish the “Affordable Housing Rehabilitation
40 and Renovation Program” (“rehabilitation program”) in the New
41 Jersey Housing and Mortgage Finance Agency (“HMFA”) in order
42 to allocate available funding for the purposes of rehabilitating
43 multiple dwellings to be used as affordable housing, and renovating
44 and preserving existing affordable housing units nearing the end
45 their affordability control periods established in accordance with the
46 “Fair Housing Act,” P.L.1985, c.222 (C.52:27D-301 et al.). In
47 allocating funding for the rehabilitation program, the bill directs
48 HMFA to prioritize eligible developers who commit to use the

1 funding for projects based in “targeted urban municipalities,” as
2 designated in accordance with criteria established in HMFA
3 regulations. The prioritization is established for targeted urban
4 municipalities in order to establish balance in the funding of
5 affordable housing between urban and suburban areas following
6 recent commitments to disproportionately fund these developments
7 in suburban areas.

8 The bill further establishes the Affordable Housing
9 Rehabilitation and Renovation Fund (“rehabilitation fund”) to
10 support the purposes of the rehabilitation program. The
11 rehabilitation fund would be supported by federal funds allocated to
12 New Jersey from the federal “American Rescue Plan Act of 2021,”
13 Pub.L.117-2. The rehabilitation fund would be administered by
14 HMFA.

15 Allocations of moneys for eligible developers through the
16 rehabilitation program would be provided initially from the
17 rehabilitation fund. If moneys in the rehabilitation fund are not
18 sufficient to adequately support a developer eligible for the
19 rehabilitation program, then the developer would be eligible to
20 obtain funding from New Jersey Affordable Housing Trust Fund.

21 The bill directs HMFA to enter into a memorandum of
22 understanding or grant agreement, as applicable, with the Division
23 of Disaster Recovery and Mitigation in the Department of
24 Community Affairs (“division”) to effectuate the purposes of the
25 fund, to establish appropriate administrative costs, and to ensure
26 compliance with federal rules and guidance, including with respect
27 to the “American Rescue Plan Act of 2021,” Pub.L.117-2. The bill
28 permits the transfer the uncommitted balance of any moneys made
29 available. However, the bill requires the division to submit notice
30 to the Joint Budget Oversight Committee, or its successor, no less
31 than five calendar days before the date of the transfer. The notice
32 would indicate the amount of the transferred funds and the purpose
33 for which the funds are transferred.