

[Second Reprint]

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)

Senator BRIAN P. STACK

District 33 (Hudson)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Assemblywomen Jasey, McKnight, Lampitt, Pintor Marin and Senator Turner

SYNOPSIS

Establishes Urban Preservation Program in HMFA; requires federal funds be made available to HMFA to support affordable housing rehabilitation and reconstruction.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 22, 2023, with amendments.

(Sponsorship Updated As Of: 6/30/2023)

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 ²["Affordable Housing Rehabilitation and Renovation"] "Urban
 11 Preservation² Program" for the purpose of allocating available
 12 moneys ²exclusively in urban preservation municipalities², from the
 13 ²[rehabilitation fund and other sources authorized pursuant to
 14 subsection c. of this section] Urban Preservation Fund², to be
 15 provided for:

16 (a) the rehabilitation of ²at least 50 percent of total dwelling
 17 units within a² multiple ²[dwellings] dwelling² to be used as
 18 affordable housing; ²[and]²

19 (b) the renovation and preservation of existing affordable
 20 housing units that have reached or are approaching the end of the
 21 periods of affordability controls established pursuant to the "Fair
 22 Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.) ²; and

23 (c) the construction of a multiple dwelling within an urban
 24 preservation municipality to replace an existing multiple dwelling
 25 utilized for affordable housing, provided that the number of
 26 affordable housing units in the new development is equal to or
 27 exceeds the affordable units in the existing multiple dwelling².

28 (2) ²[In allocating funding for the rehabilitation program, the
 29 agency shall prioritize an eligible developer who commits to use the
 30 funding for a project based in a targeted urban municipality] The
 31 agency shall make preservation program funding available in the
 32 form of a loan to eligible projects based in an urban preservation
 33 municipality². The executive director in consultation with the
 34 commissioner, shall establish an application and review process
 35 through which an eligible ²[developer] project² may receive an
 36 allocation of ²[moneys] funding² through the ²[rehabilitation]
 37 preservation² program.

38 b. There is established in the New Jersey Housing and Mortgage
 39 Finance Agency a fund to be known as the ²["Affordable Housing
 40 Rehabilitation and Renovation"] "Urban Preservation² Fund" for the
 41 purpose of providing the ²[moneys]² necessary ²funding² for the
 42 ²[rehabilitation] preservation² program established pursuant to

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted June 15, 2023.

²Assembly AAP committee amendments adopted June 22, 2023.

1 subsection a. of this section. The ²preservation² fund shall be
2 administered by the agency and shall be credited with ²[moneys]
3 funds² that are made available pursuant to section ¹[3] ² of
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 or otherwise made available or appropriated by the Legislature, and
6 any return on investment on moneys deposited in the fund.

7 c. ²[Allocations of moneys for eligible developers through the
8 rehabilitation program shall be provided initially from the
9 rehabilitation fund. If moneys in the rehabilitation fund are not
10 sufficient to adequately support an eligible developer who commits
11 to using the funding for purposes consistent with subsection a. of
12 this section, then the eligible developer shall be eligible to obtain]
13 (1) Within 180 days following enactment of P.L. , c. (C.)
14 (pending before the Legislature as this bill), the executive director
15 shall issue program guidelines necessary to implement the
16 provisions of subsections a. and b. of this section.

17 (2) The guidelines adopted pursuant to paragraph (1) of this
18 subsection shall be in effect until the all of the funds authorized
19 pursuant to section 2 of P.L. , c. (C.) (pending before the
20 Legislature as this bill) are expended or otherwise amended by the
21 agency's board. These guidelines shall thereafter be adopted,
22 amended, or readopted by the executive director, as rules and
23 regulations, in consultation with the commissioner in accordance
24 with the requirements of the "Administrative Procedure Act,"
25 P.L.1968, c.410 (C.52:14B-1 et seq.).

26 d. (1) (a) If funding from the preservation program is not
27 sufficient to adequately support an eligible project consistent with
28 subsections a. and b. of this section, then the eligible project may be
29 eligible to seek supplemental² funding from the "New Jersey
30 Affordable Housing Trust Fund," established pursuant to section 20
31 of P.L.1985, c.222 (C.52:27D-320).

32 ²[d. (1)] (b) Supplemental funding to a project from the New
33 Jersey Affordable Housing Trust Fund shall be provided at the
34 discretion of the commissioner in accordance with underwriting and
35 preferences established pursuant to paragraph (2) of this subsection.

36 (2) (a)² Within 180 days after the date of enactment of P.L. , c.
37 (C.) (pending before the Legislature as this bill), and
38 notwithstanding the provisions of the "Administrative Procedure
39 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, ²[the
40 executive director, in consultation with]² the commissioner, shall
41 immediately upon filing proper notice with the Office of
42 Administrative Law, adopt any rules and regulations necessary to
43 implement the provisions of ²[P.L. , c. (C.) (pending
44 before the Legislature as this bill)] paragraph (1) of this
45 subsection².

46 ²[(2)] (b)² The rules and regulations adopted pursuant to
47 paragraph 1 of this subsection shall be in effect for a period not to

1 exceed one year after the date of filing. These rules and regulations
 2 shall thereafter be adopted, amended, or readopted by the executive
 3 director in consultation with the commissioner in accordance with
 4 the requirements of the “Administrative Procedure Act” P.L.1968,
 5 c.410 (C.52:14B-1 et seq.).

6 e. As used in this section:

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

10 “Agency” means the New Jersey Housing and Mortgage Finance
 11 Agency.

12 “Commissioner” means the Commissioner of Community
 13 Affairs.

14 “Eligible ²[developer] project”² means a ²[qualified developer
 15 that commits to using rehabilitation] multiple dwelling, for which
 16 preservation² program funding ²is committed² for purposes
 17 consistent with subsection a. of this section.

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

20 “Multiple dwelling” means a building or structure and land
 21 appurtenant thereto containing ²[three] 25² or more units of
 22 dwelling space that are occupied, or intended to be occupied, by
 23 ²[three] 25² or more households.

24 ²[“Rehabilitation] “Preservation² fund” means the
 25 ²[“Affordable Housing Rehabilitation and Renovation] “Urban
 26 Preservation² Fund,” established pursuant to subsection b. of this
 27 section.

28 ²[“Rehabilitation] “Preservation² program” means the
 29 ²[“Affordable Housing Rehabilitation and Renovation] “Urban
 30 Preservation² Program, established pursuant to subsection a. of this
 31 section.

32 ²[“Targeted urban] “Urban preservation² municipality” means a
 33 municipality designated by the agency as ²[a targeted urban
 34 municipality based on factors determined by the agency, including
 35 the Department of Community Affairs Municipal Revitalization
 36 Index, housing density, population, and employment to housing
 37 ratio] eligible for the preservation program. The minimum
 38 population, housing density, and any other criteria used to designate
 39 urban preservation municipalities shall be identified in the program
 40 guidelines adopted pursuant to subsection c. of section 1 of P.L. ,
 41 c. (C.) (pending before the Legislature as this bill)².

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

1 Recovery and Mitigation pursuant to this subsection shall be
2 deposited into the ² [Affordable Housing Rehabilitation and
3 Renovation] Urban Preservation² Fund, established pursuant to
4 subsection b. of section 1 of P.L. , c. (C.) (pending before
5 the Legislature as this bill), for the purposes of the fund, and of
6 such amounts not more than 2.5 percent, subject to the division's
7 review and approval, shall be utilized by the New Jersey Housing
8 and Mortgage Finance Agency for organizational, administrative
9 and other work and services, including salaries, equipment,
10 services, and materials necessary to administer the activities
11 authorized by this subsection. The New Jersey Housing and
12 Mortgage Finance Agency shall enter into a memorandum of
13 understanding or grant agreement, as applicable, with the division
14 to effectuate the purposes of this subsection, to define what
15 constitutes appropriate administrative costs, and to ensure
16 compliance with federal rules and guidance, including with respect
17 to the federal "American Rescue Plan Act of 2021," Pub.L.117-2.

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

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

35

36 3. This act shall take effect immediately.