

CHAPTER 348

AN ACT concerning homelessness, by authorizing the establishment of Municipal Homelessness Trust Funds and the adoption of homeless housing plans by municipalities, and supplementing chapter 27D of Title 52 of the Revised Statutes.

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

C.52:27D-287h Short title.

1. This act shall be known and may be cited as the “Municipal Homelessness Trust Fund Act.”

C.52:27D-287i Findings, declarations.

2. The Legislature finds and declares that:

a. Homelessness is a critical issue affecting communities throughout New Jersey;

b. Homelessness impacts many facets of community life in municipalities, including, but not limited to:

(1) the state of a municipality’s housing stock and broader building stock;

(2) general public safety and public health;

(3) animal welfare related to persons who are experiencing homelessness with their pets, and broader impacts on animal population health in the municipality;

(4) the state of the commercial and business climate in a municipality; and

(5) the broader general welfare of community life in the municipality;

c. Municipalities require additional resources and strategic planning to effectively address homelessness and provide necessary services and supports; and

d. Establishing a dedicated funding source through municipal homelessness trust funds will enable municipalities to implement sustainable and comprehensive strategies to combat homelessness.

C.52:27D-287j Definitions.

3. As used in P.L.2025, c.348 (C.52:27D-287h et seq.):

“Community-based organization” means the same as that term is defined in section 3 of P.L.2009, c.123 (C.52:27D-287c).

“Municipal homeless housing grant program” means the vehicle by which competitive grants are awarded by the governing body of the municipality, utilizing monies from the municipal homelessness trust fund authorized pursuant to section 5 of P.L.2025, c.348 (C.52:27D-287l), for activities directly related to housing homeless individuals and families, preventing homelessness, and other efforts directly related to permanently housing homeless persons, as administered by the municipality or its designated subcontractor.

“Homeless housing plan” means a strategic plan adopted by a municipality, prepared in consultation with the Department of Community Affairs and a community-based organization that operates in or serves the municipality, to address the housing needs of persons experiencing homelessness within its jurisdiction that includes measurable and achievable objectives to end homelessness in the municipality.

“Outcome measurement” means the same as that term is defined in section 3 of P.L.2009, c.123 (C.52:27D-287c).

“Person experiencing homelessness” means an individual living outside, or in a building not meant for human habitation or which the person has no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and

supportive housing program if habitation time limits exist, or temporarily in the home of another household, or in a hotel or motel.

“Trust fund” means a municipal homelessness trust fund established pursuant to section 5 of P.L.2025, c.348 (C.52:27D-287l).

C.52:27D-287k Homeless housing plan, resolution adopted by municipalities.

4. A municipality, in consultation with the Office of Homelessness Prevention in the Department of Community Affairs and one or more community-based organizations that operate in or serve the municipality, may by resolution adopt a homeless housing plan to address the housing needs of persons experiencing homelessness within its jurisdiction, which shall be in accordance with the provisions of P.L.2025, c.348 (C.52:27D-287h et seq.). The plan shall include provisions for administration of a trust fund for the purpose of receiving funds, as established pursuant to section 5 of P.L.2025, c.348 (C.52:27D-287l), and a strategic local plan to identify and address the needs of persons experiencing homelessness within the jurisdiction, including strategies to reduce the need for emergency room care, hospital care, law enforcement, foster care, and other social services associated with persons experiencing homelessness. The homeless housing plan shall establish guidelines for the award of grants or loans from the trust fund.

C.52:27D-287l Municipal homelessness trust fund.

5. a. In the event that a municipality adopts a homeless housing plan pursuant to section 4 of P.L.2025, c.348 (C.52:27D-287k), the municipality shall, by ordinance, establish a municipal homelessness trust fund for the purpose of receiving funds to effectuate the homeless housing plan. Amounts collected by a municipality pursuant to subsection f. of this section shall be deposited into a “Municipal Homelessness Trust Fund” to be used exclusively for the purposes authorized by P.L.2025, c.348 (C.52:27D-287h et seq.). Any interest or other income earned on monies deposited into the trust fund shall be credited to the fund to be used for the same purposes as the principal. A municipality may deposit other funds into the trust fund, as it deems appropriate.

b. No monies in the trust fund shall be utilized to pay or discharge the principal or interest on any indebtedness incurred for any purpose by the municipality or any other governmental entity.

c. Amounts raised by the additional fees collected pursuant to subsection f. of this section are required to be expended for the purposes detailed pursuant to section 6 of P.L.2025, c.348 (C.52:27D-287m) within four years of being collected.

d. Any monies in the trust fund that are not expended after four years shall be transferred to the Department of Community Affairs, which shall contract with a community-based organization which operates in or serves the same municipality where the trust fund exists for the purposes of P.L.2025, c.348 (C.52:27D-287h et seq.).

e. Administrative costs for operating the trust fund shall not exceed five percent annually of the total amount deposited into the trust fund in a given fiscal year.

f. Notwithstanding any law, rule, or regulation to the contrary, a municipality that adopts a homeless housing plan pursuant to section 4 of P.L.2025, c.348 (C.52:27D-287k) and establishes a trust fund pursuant to this section may establish, by ordinance, an additional fee of not more than five dollars, as the municipality deems appropriate, to any existing fines and penalties collected by the municipality, including, but not limited to, parking tickets and court fines.

C.52:27D-287m Homeless housing grant program.

6. a. Each municipality shall utilize its municipal homelessness trust fund for the operation of a homeless housing grant program. The program shall award grants to provide:

(1) for the acquisition, construction, or rehabilitation of housing projects or units within housing projects that supply permanent affordable housing for persons, including families, experiencing homelessness or at risk of experiencing homelessness;

(2) rental assistance vouchers, including tenant- and project-based subsidies, for affordable housing projects or units within housing projects that provide permanent affordable housing for persons, including families, experiencing homelessness or at risk of experiencing homelessness;

(3) supportive services, including payment for temporary accommodation at a hotel, as defined in section 3 of P.L.1967, c.76 (C.55:13A-3), as may be required by persons experiencing homelessness in order to obtain or maintain, or both, permanent affordable housing; and

(4) prevention services for at risk individuals or families so that they can obtain and maintain permanent affordable housing.

b. Grants awarded by the governing body of the municipality shall be used to support projects that:

(1) measurably reduce homelessness;

(2) demonstrate government cost savings over time;

(3) employ evidence-based models;

(4) can be replicated in other municipalities;

(5) include an outcome measurement component;

(6) are consistent with the homeless housing plan; or

(7) fund the acquisition, construction, or rehabilitation projects that will serve individuals or families experiencing homelessness for a period of at least 30 years or the equal to the longest term of affordability required by other funding sources.

c. Each municipality that has established a municipal homelessness trust fund shall annually transmit information concerning the uses of the funds to the Office of Homelessness Prevention in the Department of Community Affairs in accordance with requirements established by that office, which shall include, but not be limited to, details concerning the collection and expenditure of funds, projects funded, and outcomes achieved.

7. This act shall take effect on the first day of the third month next following the date of enactment.

Approved January 20, 2026.