

CHAPTER 77

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

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

C.55:14K-103 “Urban Preservation Program,” “Urban Preservation Fund” established, definitions.

1. a. (1) There is established in the New Jersey Housing and Mortgage Finance Agency a program to be known as the “Urban Preservation Program” for the purpose of allocating available moneys exclusively in urban preservation municipalities, from the Urban Preservation Fund, to be provided for:

(a) the rehabilitation of at least 50 percent of total dwelling units within a multiple dwelling to be used as affordable housing;

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

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

(2) The agency shall make preservation program funding available in the form of a loan to eligible projects based in an urban preservation municipality. The executive director, in consultation with the commissioner, shall establish an application and review process through which an eligible project may receive an allocation of funding through the preservation program.

b. There is established in the New Jersey Housing and Mortgage Finance Agency a fund to be known as the “Urban Preservation Fund” for the purpose of providing the necessary funding for the preservation program established pursuant to subsection a. of this section. The preservation fund shall be administered by the agency and shall be credited with funds that are made available pursuant to section 2 of P.L.2023, c.77, or otherwise made available or appropriated by the Legislature, and any return on investment on moneys deposited in the fund.

c. (1) Within 180 days following enactment of P.L.2023, c.77 (C.55:14K-103), the executive director shall issue program guidelines necessary to implement the provisions of subsections a. and b. of this section.

(2) The guidelines adopted pursuant to paragraph (1) of this subsection shall be in effect until the all of the funds authorized pursuant to section 2 of P.L.2023, c.77 are expended or otherwise amended by the agency’s board. These guidelines shall thereafter be adopted, amended, or readopted by the executive director, as rules and regulations, in consultation with the commissioner in accordance with the requirements of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

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

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

(2) (a) Within 180 days after the date of enactment of P.L.2023, c.77 (C.55:14K-103), and notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410

(C.52:14B-1 et seq.) to the contrary, the commissioner, shall immediately upon filing proper notice with the Office of Administrative Law, adopt any rules and regulations necessary to implement the provisions of paragraph (1) of this subsection.

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

e. As used in this section:

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

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

“Commissioner” means the Commissioner of Community Affairs.

“Eligible project” means a multiple dwelling, for which preservation program funding is committed for purposes consistent with subsection a. of this section.

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

“Multiple dwelling” means a building or structure and land appurtenant thereto containing 25 or more units of dwelling space that are occupied, or intended to be occupied, by 25 or more households.

“Preservation fund” means the “Urban Preservation Fund,” established pursuant to subsection b. of this section.

“Preservation program” means the “Urban Preservation Program,” established pursuant to subsection a. of this section.

“Urban preservation municipality” means a municipality designated by the agency as eligible for the preservation program. The minimum population, housing density, and any other criteria used to designate urban preservation municipalities shall be identified in the program guidelines adopted pursuant to subsection c. of section 1 of P.L.2023, c.77 (C.55:14K-103).

2. a. Federal funds shall be made available for the Division of Disaster Recovery and Mitigation in the Department of Community Affairs from the federal “American Rescue Plan Act of 2021,” Pub.L.117-2. Amounts made available for the Division of Disaster Recovery and Mitigation pursuant to this subsection shall be deposited into the Urban Preservation Fund, established pursuant to subsection b. of section 1 of P.L.2023, c.77 (C.55:14K-103), for the purposes of the fund, and of such amounts not more than 2.5 percent, subject to the division’s review and approval, shall be utilized by the New Jersey Housing and Mortgage Finance Agency for organizational, administrative, and other work and services, including salaries, equipment, services, and materials necessary to administer the activities authorized by this subsection. The New Jersey Housing and Mortgage Finance Agency shall enter into a memorandum of understanding or grant agreement, as applicable, with the division to effectuate the purposes of this subsection, to define what constitutes appropriate administrative costs, and to ensure compliance with federal rules and guidance, including with respect to the federal “American Rescue Plan Act of 2021,” Pub.L.117-2.

b. As the State’s grant manager for funds received by the State pursuant to the federal “American Rescue Plan Act of 2021,” Pub.L.117-2, the division is authorized to utilize not more than one percent of the funds made available pursuant to this section to provide for the division’s organizational, administrative, and other work and services, including salaries,

services, equipment, and materials necessary to administer the applicable provisions of P.L.2023, c.77 (C.55:14K-103).

c. Notwithstanding the provisions of subsection a. of this section to the contrary, the division may transfer the uncommitted balance of any funds made available pursuant to this section for any use authorized pursuant to P.L.2023, c.77 (C.55:14K-103). The division shall submit notice to the Joint Budget Oversight Committee, or its successor, no less than five calendar days before the date of a transfer made pursuant to this subsection. The notice shall indicate the amount of the transferred funds and the purpose for which the funds are transferred.

3. This act shall take effect immediately.

Approved June 30, 2023.