

ASSEMBLY, No. 262

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOHN ARMATO

District 2 (Atlantic)

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District 2 (Atlantic)

SYNOPSIS

“Steven Schmincke’s Law”; facilitates sober living home construction financing.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning sober living home construction financing,
2 designated as Steven Schmincke’s Law, and supplementing
3 P.L.1983, c.530 (C.55:14K-1 et seq.).
4

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

8 1. The Legislature finds and declares that:

9 a. The State of New Jersey has experienced approximately
10 1,300 drug-related deaths each year since 2012;

11 b. This unfortunate statistic has more than doubled the annual
12 number of deaths resulting from motor vehicle accidents in recent
13 years;

14 c. Many New Jersey residents who have lost a loved one to a
15 drug-related death, such as the family of Steven Schmincke of Egg
16 Harbor Township, believe that residency in a responsibly-managed
17 sober living home could have prevented the tragedy; and

18 d. It is necessary and in the public interest for the Legislature
19 to enact legislation enabling the New Jersey Housing and Mortgage
20 Finance Agency to establish a program to finance the creation of
21 quality sober-living facilities through the issuance of low- or zero-
22 interest loans.
23

24 2. a. As used in this section:

25 “Agency” means the New Jersey Housing and Mortgage Finance
26 Agency established pursuant to section 4 of P.L.1983, c.530
27 (C.55:14K-4).

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

30 “Project cost” means the sum total of all costs incurred in the
31 development of a sober living home, which are approved by the
32 agency as reasonable and necessary. Costs shall include, but are
33 not necessarily limited to: (1) cost of land acquisition and any
34 buildings thereon, (2) cost of site preparation, demolition, and
35 development, (3) architect, engineer, legal, authority and other fees
36 paid or payable in connection with the planning, execution, and
37 financing of the project, (4) cost of necessary studies, surveys,
38 plans, and permits, (5) insurance, interest, financing, tax and
39 assessment costs and other operating and carrying costs during
40 construction, (6) cost of construction, reconstruction, fixtures, and
41 equipment related to the real property, (7) cost of land
42 improvements, (8) necessary expenses in connection with initial
43 occupancy of the project, (9) a reasonable profit or fee to the
44 builder and developer, (10) an allowance established by the agency
45 for working capital and contingency reserves, and reserves for any
46 anticipated operating deficits during the first two years of
47 occupancy, and (11) the cost of such other items, including tenant

1 relocation, as the agency shall determine to be reasonable and
2 necessary for the development of the project.

3 “Sober living home” means a halfway house, or other residential
4 aftercare facility focused on recovery from opiate addiction, alcohol
5 addiction, or other addictive substance.

6 b. The executive director shall establish a program to finance
7 the project costs of sober-living facilities through the issuance of
8 loans with interest rates as low as zero-percent. Loans shall be
9 issued to program applicants who demonstrate that (1) project costs
10 are responsible, (2) once established, the sober living home will be
11 responsibly managed, and (3) other requirements established by the
12 executive director are satisfied. Funding sources may include, but
13 shall not be limited to the agency’s “Transitional Housing
14 Revolving Loan Program,” and private donations.

15
16 3. The Executive Director of the New Jersey Housing and
17 Mortgage Finance Agency, in consultation with the Commissioner
18 of Human Services, shall promulgate rules and regulations pursuant
19 to the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
20 1 et seq.), necessary to carry out the purposes of P.L. , c. (C.)
21 (pending before the Legislature as this bill).

22
23 4. This act shall take effect immediately.
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26 STATEMENT

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28 This bill, designated “Steven Schmincke’s Law,” facilitates
29 sober living home construction financing.

30 The State of New Jersey has experienced approximately 1,300
31 drug-related deaths each year since 2012. This unfortunate statistic
32 has more than doubled the annual number of deaths resulting from
33 motor vehicle accidents in recent years. Many residents of the State
34 who have recently lost a loved one to a drug-related death, such as
35 the family of Steven Schmincke of Egg Harbor Township, believe
36 that residency in a responsibly-managed sober living home could
37 have prevented the tragedy. This legislation would enable the New
38 Jersey Housing and Mortgage Finance Agency to establish a
39 program to finance the creation of quality sober-living facilities
40 through the issuance of low- or zero-interest loans.

41 Specifically, a sober living home is a halfway house, or other
42 residential aftercare facility focused on recovery from an addiction
43 to opiates, alcohol, or other addictive substances. Under the
44 program, loans would be issued to program applicants who
45 demonstrate that (1) project costs are responsible, (2) once

A262 ARMATO, MAZZEO

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1 established, the sober living home will be responsibly managed, and
2 (3) other requirements established by the executive director are
3 satisfied. Funding sources would include, but not be limited to the
4 agency's "Transitional Housing Revolving Loan Program."