ASSEMBLY, No. 914

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS

Permits certain portion of municipal development trust funds to be spent on housing affordability assistance to veterans.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 2/24/2020)

AN ACT concerning affordable housing for veterans and amending P.L.2008, c.46.

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

1. Section 8 of P.L.2008, c.46 (C.52:27D-329.2) is amended to read as follows:

8. a. The council may authorize a municipality that has petitioned for substantive certification, or that has been so authorized by a court of competent jurisdiction, and which has adopted a municipal development fee ordinance to impose and collect development fees from developers of residential property, in accordance with rules promulgated by the council. Each amount collected shall be deposited and shall be accounted for separately, by payer and date of deposit.

A municipality may not spend or commit to spend any affordable housing development fees, including Statewide non-residential fees collected and deposited into the municipal affordable housing trust fund, without first obtaining the council's approval of the expenditure. The council shall promulgate regulations regarding the establishment, administration and enforcement of the expenditure of affordable housing development fees by municipalities. The council shall have exclusive jurisdiction regarding the enforcement of these regulations, provided that any municipality which is not in compliance with the regulations adopted by the council may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320).

b. A municipality shall deposit all fees collected, whether or not such collections were derived from fees imposed upon non-residential or residential construction into a trust fund dedicated to those purposes as required under this section, and such additional purposes as may be approved by the council.

c. (1) A municipality may only spend development fees for an activity approved by the council to address the municipal fair share obligation.

(2) Municipal development trust funds shall not be expended to reimburse municipalities for activities which occurred prior to the authorization of a municipality to collect development fees.

(3) A municipality shall set aside a portion of its development fee trust fund for the purpose of providing affordability assistance to low and moderate income households in affordable units

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 <u>thus</u> is new matter.

included in a municipal fair share plan, in accordance with rules of the council.

(a) Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, common maintenance expenses for units located in condominiums, rental assistance, and any other program authorized by the council.

(b) Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low income units in a municipal fair share plan to make them affordable to households earning 30 percent or less of median income. The use of development fees in this manner shall not entitle a municipality to bonus credits except as may be provided by the rules of the council.

(c) Up to 30 percent of the funds dedicated to affordability assistance may be utilized for a program to assist first-time homebuying veterans with grants for downpayment assistance, provided that no individual participant shall be granted more than $15,000. For the purpose of this subparagraph, veterans shall mean all persons having veteran status as enumerated in section 1 of P.L.1983, c.391 (C.43:16A-11.7). No payment or grant received by a veteran under this subsection shall be considered as income or resources for the purpose of determining the eligibility or extent of eligibility of any person for assistance under any State law or for the purposes of the State's corporation tax law, State income tax or other tax laws. Such payment shall not be considered as income or resources of any recipient of public assistance and such payment shall not be deducted from the amount of aid to which the recipient would otherwise be entitled.

(4) A municipality may contract with a private or public entity to administer any part of its housing element and fair share plan, including the requirement for affordability assistance, or any program or activity for which the municipality expends development fee proceeds, in accordance with rules of the council.

(5) Not more than 20 percent of the revenues collected from development fees shall be expended on administration, in accordance with rules of the council.

d. The council shall establish a time by which all development fees collected within a calendar year shall be expended; provided, however, that all fees shall be committed for expenditure within four years from the date of collection. A municipality that fails to commit to expend the balance required in the development fee trust fund by the time set forth in this section shall be required by the council to transfer the remaining unspent balance at the end of the four-year period to the "New Jersey Affordable Housing Trust Fund," established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320), as amended by P.L.2008, c.46 (C.52:27D-329.1 et al.), to be used in the housing region of the transferring municipality for the authorized purposes of that fund.

e. Notwithstanding any provision of this section, or regulations of the council, a municipality shall not collect a development fee from a developer whenever that developer is providing for the construction of affordable units, either on-site or elsewhere within the municipality.

This section shall not apply to the collection of a Statewide development fee imposed upon non-residential development pursuant to sections 32 through 38 of P.L.2008, c.46 (C.40:55D-8.1 et seq.) by the State Treasurer, when such collection is not authorized to be retained by a municipality.

(cf: P.L.2008, c.46, s.8)

2. This act shall take effect immediately.

STATEMENT

Current law permits a municipality that is authorized to collect affordable housing fees under the rules of the Council on Affordable Housing (COAH) to set aside amounts from the fees collected to provide affordability assistance programs, which may include down payment assistance, security deposit assistance, low interest loans, common maintenance expenses for units located in condominiums, rental assistance, and any other program authorized by the COAH.

This bill would provide that up to 30 percent of the development fee amounts permitted to be spent on affordability assistance programs may be directed to a municipal program for first-time homebuying veterans, to provide grants for downpayment assistance. Grants under the program would be limited to $15,000 per recipient, and would not be considered as income concerning eligibility requirements for other State programs, or for purposes of taxation. The bill will help veterans by supplementing other State programs available for first-time homebuyers, such as the low-interest loans program offered by the New Jersey Housing and Mortgage Finance Agency.