ASSEMBLY COMMUNITY DEVELOPMENT AND AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2290

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 14, 2020

The Assembly Community Development and Affairs Committee reports favorably and with committee amendments Assembly Bill No. 2290.

As amended, this bill entitled the "Neighborhood Scholar Revitalization Pilot Program," is intended to aid in the revitalization of declining neighborhoods in the older cities by "seeding" them with a new middle class. The bill establishes a pilot program in four older cities, one in each region of the State, to try to attract recent college graduates to enter into a two-year commitment to settle within certain targeted residential neighborhoods. The four initial cities that will participate in the pilot program are Camden, Trenton, Jersey City, and Paterson. The cities would be responsible for identifying the targeted residential neighborhoods, although those neighborhoods would have to be primarily residential in character and located in a census tract in which the median household income is 60 percent or less of the median income for the housing region in which the census tract is located, as determined for a three-person household by the Council on Affordable Housing in accordance with the latest federal decennial census.

Each of the four cities participating in the pilot program would be eligible to offer up to 200 qualified graduates a financial incentive to agree to maintain their primary residence within a targeted residential neighborhood for a period of at least 24 months. To qualify for participation in the program, a graduate would need a degree from a two- or four-year accredited institution of higher education, and proof of outstanding student loan indebtedness of at least $7,000. At the end of the required residency period, the program participant would be reimbursed a total $7,000 towards their student loan obligations.

This pilot program would be administered by the Urban Enterprise Zone Authority because businesses that already receive tax credits under the urban enterprise zone program would be entitled to receive additional tax credits for contributions made to the "Neighborhood Scholar Revitalization Student Loan Reimbursement Fund" established by the bill. This would assist UEZ businesses in recruiting

highly educated workers by offering the student loan reimbursement program as an additional perk. Monies from each pilot municipality's urban enterprise zone assistance fund account could be transferred into the "Neighborhood Scholar Revitalization Student Loan Reimbursement Fund" for the purpose of funding student loan reimbursements.

At the end of three years, the Urban Enterprise Zone Authority, in consultation with the Commissioner of Community Affairs, would be required to report to the Governor and Legislature on the success of the pilot program, and make recommendations regarding either the expansion or termination of the pilot program.

COMMITTEE AMENDMENTS:

The committee amendments add Paterson City to the pilot program.