

ASSEMBLY, No. 2594

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

SYNOPSIS

Permits municipalities to use up to 15 percent of affordable housing trust fund monies to provide financial assistance grants to owners of real property that sustained certain weather-related damage.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning municipal natural disaster relief grant programs
2 and amending P.L.1999, c.366 and P.L.2008, c.46.

3

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

6

7 1. Section 2 of P.L.1999, c.366 (C.40:48-9.15) is amended to
8 read as follows:

9 2. a. The Legislature finds and declares that there may be
10 circumstances when it is desirable for municipalities to supplement
11 federal and State disaster relief programs for its residents whose
12 real property was damaged by flood, hurricane or other natural
13 disaster. It is therefore in the public interest to permit municipalities
14 to provide limited grants to certain persons who require relief in
15 addition to insurance or from federal or State loan programs in
16 order to assure that those people are able to remain in the
17 community and rebuild in order to rapidly return their real property
18 to the tax rolls at its full and fair value prior to the disaster.

19 b. (1) Following a flood, hurricane or other natural disaster for
20 which the Governor has declared a state of emergency, a
21 municipality in the affected area may establish, by resolution, a
22 Municipal Natural Disaster Relief Grant Program pursuant to rules
23 and regulations adopted by the Department of Community Affairs.
24 Under such program the municipality may give grants of up to
25 ~~[\$5,000]~~ \$10,000 to persons owning residential real property and
26 up to \$15,000 to persons owning non-residential real property in the
27 municipality who are without insurance that adequately covers the
28 real property damage inflicted by the natural disaster and for whom
29 the repayment of a low-interest loan under any federal or State
30 program would constitute an extreme hardship based on their
31 income and such other financial circumstances as are deemed
32 relevant pursuant to rules and regulations promulgated by the
33 Department of Community Affairs. Grant money received pursuant
34 to a municipal program under this section shall be used solely for
35 **[the repair and reconstruction of the owner's damaged real property**
36 **situated within the municipality]** code compliance repairs and the
37 purchase, repair, and installation of systems equipment by property
38 owners residing in disaster areas.

39 (2) As used in this section:

40 “Code compliance repairs” means specific repairs required by a
41 municipal official for the issuance of a certificate of occupancy; and

42 “Systems equipment” means plumbing, heating, electrical,
43 ventilating, air conditioning, refrigerating, and fire prevention
44 equipment, and elevators, dumbwaiters, escalators, boilers, pressure

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 thus is new matter.

1 vessels, kitchen appliances, and other mechanical facilities or
2 installations.

3 (3) Persons owning residential real property and non-residential
4 real property in a municipality in the disaster area shall have until
5 the last business day of the sixth full month next following State
6 approval of a municipality's plan to implement a Municipal Natural
7 Disaster Relief Grant Program to submit an application for a natural
8 disaster relief grant to the municipal engineer. The municipal
9 engineer shall conduct an inspection of the real property within
10 three business days, or as soon as practicable, and certify that the
11 code compliance repairs must be made to the property or that
12 systems equipment on the real property require repair or
13 replacement. The municipal engineer's certification shall be
14 transmitted to the chief financial officer and shall include an
15 estimate of the cost of the code compliance repairs and the repair
16 and replacement of the systems equipment on the real property.
17 The certification shall include the municipal engineer's
18 determination of the amount of natural disaster relief grant funding
19 that shall be awarded to the property owner. The chief financial
20 officer shall authorize the payment of natural disaster relief grants
21 in the order in which certifications are received from the municipal
22 engineer, if there are sufficient funds for that purpose, within 14
23 days of receipt of the certification from the municipal engineer.

24 (4) Any municipality which establishes a Municipal Natural
25 Disaster Relief Grant Program may by ordinance provide a property
26 tax abatement to affected property owners pursuant to section 4 of
27 P.L.1991, c.441, (C.40A:21-4), and for the purposes of Article VIII,
28 Section I, paragraph 6 of the New Jersey Constitution, the property
29 owned by these affected property owners shall be deemed to be
30 located in an area in need of rehabilitation.

31 c. A municipality may not implement a Municipal Natural
32 Disaster Relief Grant Program without submitting its resolution and
33 a plan to implement the program to the Department of Community
34 Affairs. A municipality shall not implement its plan, and shall not
35 distribute grants pursuant to that plan without receiving written
36 approval from the Department of Community Affairs. The
37 Department of Community Affairs shall develop criteria for
38 approval of a municipality's plan. Any criteria developed by the
39 department shall include, but not be limited to, provisions which (1)
40 limit the financial burden of the program on taxpayers of the
41 municipality and State; and (2) ensure that the program does not
42 result in the duplication of benefits of applicable State or Federal
43 programs.

44 d. Monies granted by a municipality pursuant to a Municipal
45 Disaster Relief Grant Program may not be used for any damage or
46 loss which is met by any other source.

47 e. **【**The Department of Community Affairs shall adopt and
48 promulgate rules and regulations within 120 days of enactment of

1 P.L.1999, c.366 (C.40:48-9.15 et al.) pursuant to the
2 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
3 seq.), to effectuate the purposes of this section. Such rules shall
4 include, but not be limited to, criteria for approval of a
5 municipality's plan, eligibility requirements for determining
6 financial hardship, and procedures for approval and administration
7 of grants.】 Notwithstanding any provisions of the "Administrative
8 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
9 contrary, the Department of Community Affairs, may adopt,
10 immediately upon filing with the Office of Administrative Law,
11 such regulations, including but not limited to, criteria for approval
12 of a municipality's plan, eligibility requirements for determining
13 financial hardship, and procedures for the approval and
14 administration of grants, as the department deems necessary to
15 implement the provisions of this section, which regulations shall be
16 effective for a period not to exceed 120 days from the date of filing,
17 except that the governing body of the municipality may prescribe
18 rules and regulations to implement the requirements of this section
19 until such time as the temporary guidelines are issued. The
20 department's temporary regulations may thereafter be amended,
21 adopted, or readopted as the department deems necessary in
22 accordance with the requirements of the "Administrative Procedure
23 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
24 (cf: P.L.1999, c.366, s.2)

25
26 2. Section 8 of P.L.2008, c.46 (C.52:27D-329.2) is amended to
27 read as follows:

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

36 A municipality may not spend or commit to spend any affordable
37 housing development fees, including Statewide non-residential fees
38 collected and deposited into the municipal affordable housing trust
39 fund, without first obtaining the council's approval of the
40 expenditure. The council shall promulgate regulations regarding the
41 establishment, administration and enforcement of the expenditure of
42 affordable housing development fees by municipalities. The council
43 shall have exclusive jurisdiction regarding the enforcement of these
44 regulations, provided that any municipality which is not in
45 compliance with the regulations adopted by the council may be
46 subject to forfeiture of any or all funds remaining within its
47 municipal trust fund. Any funds so forfeited shall be deposited into

1 the "New Jersey Affordable Housing Trust Fund" established
2 pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320).

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

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

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

14 (3) A municipality shall set aside a portion of its development
15 fee trust fund for the purpose of providing affordability assistance
16 to low and moderate income households in affordable units
17 included in a municipal fair share plan, in accordance with rules of
18 the council.

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

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

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

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

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

1 329.1 et al.), to be used in the housing region of the transferring
2 municipality for the authorized purposes of that fund.

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

8 f. Notwithstanding any provision of this section, or regulations
9 of the council, a municipality may spend up to 15 percent of the
10 revenues collected from affordable housing development fees to
11 cover the cost of code compliance repairs or the repair and
12 replacement of systems equipment on private property damaged by
13 flood or hurricane in accordance with rules and regulations
14 promulgated by the Department of Community Affairs for a
15 Municipal Natural Disaster Relief Grant Program authorized
16 pursuant to section 2 of P.L.1999, c.366 (C.40:48-9.15).

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

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

23
24 3. This act shall take effect immediately.

25 26 27 STATEMENT

28
29 This bill would permit municipalities provide financial assistance
30 grants to the owners of real property which has sustained certain
31 weather-related damaged caused by a flood, hurricane, or other
32 natural disaster, for which the Governor has declared a state of
33 emergency, through the adoption of a resolution establishing a
34 Municipal Natural Disaster Relief Grant Program. Municipalities
35 that establish a grant program would be permitted to use up to 15%
36 of those revenues generated by affordable housing development
37 fees and deposited in municipal affordable housing trust funds to
38 provide grants of up to \$10,000 to owners of residential property
39 and \$15,000 to owners of non-residential real property. Grant funds
40 could be used to support the purchase, repair, and installation of
41 systems equipment by property owners residing in disaster areas.
42 As used in the bill, “systems equipment” means plumbing, heating,
43 electrical, ventilating, air conditioning, refrigerating, and fire
44 prevention equipment, and elevators, dumbwaiters, escalators,
45 boilers, pressure vessels, kitchen appliances and other mechanical
46 facilities or installations. Financial assistance can also be used to
47 pay for repairs necessary for the issuance of a certificate of
48 occupancy for the property.

1 Property owners in the affected area would have six full months
2 after State approval of a municipality's plan to implement a
3 Municipal Natural Disaster Grant Program to file an application for
4 grant funding with the municipal engineer. The municipal engineer
5 must conduct an inspection of real property within three business
6 days, or as soon as practicable, and certify that the systems
7 equipment on the real property may require repair or replacement.
8 The municipal engineer would also provide an estimate of the cost
9 of repairing and replacing the equipment and determine the amount
10 of grant funding to be awarded to each property owner. The chief
11 financial officer of the municipality would authorize payment of the
12 natural disaster relief grant to the property owner within 14 days of
13 the receipt of the municipal engineer's certification, to the extent
14 that funds are available.

15 Any municipality that establishes a Municipal Natural Disaster
16 Relief Grant Program would also be deemed to be an "area in need
17 of rehabilitation" for the purposes of the "Five-Year Exemption and
18 Abatement Law," N.J.S.A.40A:21-1 et seq. Article VIII, Section I,
19 paragraph 6 of the New Jersey Constitution permits the enactment
20 of laws establishing short-term property tax abatements and
21 exemptions for buildings and structures in these areas.

22 Finally, the Department of Community Affairs would be
23 authorized to adopted temporary rules and regulations necessary to
24 implement the provisions of this legislation. Municipalities would
25 be permitted to adopt their own rules and regulations governing
26 their grant programs until the State guidelines and regulations are
27 issued.