

ASSEMBLY, No. 3032

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:
Assemblywoman PAMELA R. LAMPITT
District 6 (Burlington and Camden)

SYNOPSIS

Requires HMFA to establish "Sustainable Tiny Home Pilot Program" in three regions of State; appropriates \$5 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing a pilot program to incentivize the construction
2 of sustainable tiny homes, supplementing P.L.1983,
3 c.530 (C.55:14K-1 et seq.), and making an appropriation.
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 construction of sustainable tiny homes could provide a
10 mechanism for reducing the State's carbon footprint and combating
11 climate change.

12 b. It is estimated that anywhere from 25 to 40 percent of the
13 national solid waste stream is construction-related waste and only
14 20 percent of construction waste or demolition debris is actually
15 recycled.

16 c. During the construction of the average size house, nearly
17 seven logging trucks of wood products are used whereas in a tiny
18 home, only about half of one logging truck is needed.

19 d. The pollution associated with an average house is
20 significant, totaling on average 28,000 pounds of carbon dioxide
21 emissions annually. By contrast, a tiny home only generates
22 approximately 2,000 pounds of carbon dioxide emissions annually.

23 e. The climate change caused by rising global temperatures
24 will likely continue to decrease the size of polar ice sheets and land-
25 based glaciers, causing sea levels to rise and contributing to
26 enhanced coastal erosion, coastal flooding, and the loss of habitats
27 and species.

28 f. Combating climate change should be a joint goal for the
29 State and local governments, and this pilot program is a significant
30 step toward achieving that goal.
31

32 2. As used in P.L. , c. (C.) (pending before the
33 Legislature as this bill):

34 "Agency" means the New Jersey Housing and Mortgage Finance
35 Agency established pursuant to section 4 of P.L.1983, c.530
36 (C.55:14K-4).

37 "Builder" means any nonprofit organization, or any individual
38 corporation, partnership, or other business organization, engaged in
39 the construction of new homes.

40 "Commissioner" means the Commissioner of Community
41 Affairs.

42 "Construction waste" or "debris" means unwanted materials
43 produced directly or incidentally by the construction of tiny home
44 dwelling units, including, but not limited to, lumber, insulation,
45 nails, electrical wiring, rebar, dredging materials, tree stumps, and
46 rubble.

47 "Eligible project" means a housing development consisting of
48 tiny home dwelling units that conform to the standards and

1 requirements of P.L. , c. (C.) (pending before the
2 Legislature as this bill) and the regulations promulgated pursuant
3 thereto.

4 "Executive director" means the Executive Director of the New
5 Jersey Housing and Mortgage Finance Agency.

6 "Housing development" means development undertaken for the
7 purpose of creating one or more residential units for occupancy
8 under lease or ownership by persons who shall occupy such units as
9 their usual and permanent residence, together with any structures or
10 facilities appurtenant or ancillary thereto.

11 "Pilot municipality" means a municipality selected by the
12 executive director to participate in the pilot program, pursuant to
13 subsection b. of section 3 of P.L. , c. (C.) (pending before
14 the Legislature as this bill), that agrees to participate in the pilot
15 program.

16 "Pilot program" means the "Sustainable Tiny Home Pilot
17 Program" established in the New Jersey Housing and Mortgage
18 Finance Agency pursuant to subsection a. of section 3 of
19 P.L. , c. (C.) (pending before the Legislature as this bill).

20 "Tiny home dwelling unit" means a permanent dwelling place or
21 domicile for occupants having an interior floor space not in excess
22 of 300 square feet.

23

24 3. a. The executive director, in consultation with the
25 commissioner, shall establish in the agency the "Sustainable Tiny
26 Home Pilot Program," to encourage the development of tiny home
27 dwelling units.

28 b. (1) The executive director shall select for participation in
29 the pilot program not less than one, but not more than two
30 municipalities in each of the northern, central, and southern regions
31 of the State. In selecting the pilot municipalities, the executive
32 director may consider:

33 (a) the municipality's expressed interest in participating in the
34 pilot program;

35 (b) the level of anticipated financial and other participation of
36 municipal economic development agencies;

37 (c) the existence of preexisting agreements between the
38 municipality and builders willing to construct tiny home dwelling
39 units in accordance with this pilot program;

40 (d) the municipality's willingness to temporarily suspend
41 applicable zoning restrictions to permit development in accordance
42 with this pilot program; and

43 (e) whether the municipality operates any form of public utility
44 service and maintains records and accounts for its public utility
45 service in accordance with R.S.40:62-1 and R.S.40:62-2.

46 (2) Upon receipt of a resolution by the governing body of a pilot
47 municipality agreeing to participate in the pilot program, the
48 executive director shall collaborate with each pilot municipality on

1 the procedures to be implemented to effectuate the purposes of the
2 pilot program.

3 (3) A pilot municipality shall annually submit to the agency
4 public utility service records and accounts for tiny home dwelling
5 units constructed under the pilot program during each year the pilot
6 program is in operation.

7 c. (1) (a) Under the pilot program, the executive director shall
8 award grants to builders for the construction of housing
9 developments within pilot municipalities to consist of tiny home
10 dwelling units.

11 (b) A grant recipient shall agree to build housing developments
12 consisting of tiny home dwelling units constructed in accordance
13 with the green building standards adopted by the executive director
14 pursuant to section 6 of P.L. , c. (C.) (pending before the
15 Legislature as this bill).

16 (c) A grant recipient shall agree to submit to the agency the total
17 quantity, in cubic yards, of construction waste and debris that were
18 recycled or delivered to a recycling or waste management facility
19 during construction of each tiny home dwelling unit built under the
20 pilot program.

21 (2) The executive director shall manage the pilot program, in
22 consultation with the commissioner, to increase sustainable housing
23 options most effectively and to otherwise reduce carbon emissions
24 and waste in the State. The executive director shall administer the
25 pilot program for three years following the effective date of
26 P.L. , c. (C.) (pending before the Legislature as this bill).

27 (3) Grant awards totaling \$1.65 million shall be awarded by the
28 executive director to builders during each year the pilot program is
29 in operation.

30 d. A builder seeking a grant under the pilot program shall
31 submit an application to the agency that shall include the following
32 information:

33 (1) the approximate number of tiny home dwelling units the
34 builder has the capacity to construct through funding from grants;

35 (2) a detailed description of the construction to be completed,
36 including, but not limited to, the builder's ability to outfit the tiny
37 home dwelling units with energy efficient features or equipment
38 capable of minimizing the environmental impact of the structure
39 throughout the life of the structure;

40 (3) the anticipated sales price of each tiny home dwelling unit to
41 be constructed;

42 (4) any relevant experience in successfully carrying out
43 accountability and reporting requirements involved in the proper
44 administration of grant funds; and

45 (5) any additional information deemed necessary by the
46 executive director.

1 4. Any eligible project that conforms to the standards and
2 requirements of P.L. , c. (C.) (pending before the
3 Legislature as this bill), and the regulations promulgated pursuant
4 thereto is declared to be a permitted use in all residential districts of
5 a pilot municipality and shall not require a bulk variance pursuant
6 to subsection c. of section 57 of P.L.1975, c.291 (C.40:55D-70).

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8 5. Any eligible project that conforms to the standards and
9 requirements of P.L. , c. (C.) (pending before the
10 Legislature as this bill), and the regulations promulgated pursuant
11 thereto, is hereby declared to be a public work in furtherance of the
12 environmental policy of this State, and any contribution of property,
13 money, or services in furtherance of such pilot program by the
14 agency or by a unit of local government shall be deemed an expense
15 or cost incurred in furtherance of a public purpose.

16
17 6. The executive director, in consultation with the
18 Commissioner of Community Affairs and the Commissioner of
19 Environmental Protection, shall promulgate rules and regulations
20 pursuant to the “Administrative Procedure Act,” P.L.1968, c.410
21 (C.52:14B-1 et seq.), necessary to carry out the purposes of this act.
22 The rules and regulations shall include green building standards for
23 tiny home dwelling units for the purposes of determining eligibility
24 for a grant pursuant to P.L. , c. (C.) (pending before the
25 Legislature as this bill). The green building standards shall include
26 standards and ratings equivalent to the standards and ratings set
27 forth in to the most recent version of the Leadership in Energy and
28 Environmental Design Green Building Rating System for New
29 Construction and Major Renovations, as adopted by the United
30 States Green Building Council, with necessary modifications and
31 exceptions based on the unique characteristics of tiny home
32 dwelling units.

33
34 7. Within 90 days following the conclusion of each
35 administrative year for the pilot program, the executive director
36 shall report to the Governor and the Legislature, pursuant to section
37 2 of P.L.1991, c.164 (C.52:14-19.1), regarding the allocation of the
38 moneys appropriated pursuant to section 8 of P.L. , c. (C.)
39 (pending before the Legislature as this bill). The report shall
40 include, but not be limited to, the municipalities selected to
41 participate in the pilot program, the importance of the financial
42 incentive in the decision by builders to construct developments
43 consisting of tiny home dwelling units, the construction waste or
44 debris generated during the construction of an eligible project, and
45 the utility service costs of each tiny home dwelling unit constructed
46 under the pilot program. The final report shall include the opinion
47 of the executive director on the on the advisability of continuing,
48 expanding, or modifying the program.

8. There is appropriated from the General Fund the sum of \$5 million to the New Jersey Housing and Mortgage Finance Agency in the Department of Community Affairs for the purposes of effectuating the provisions of this act. The moneys may also be expended for appropriate and reasonable administrative expenses incurred in the administration of the pilot program by the agency.

9. This act shall take effect immediately and shall expire upon submission of the final report required to be prepared under section 7 of this act, except the regulations adopted pursuant to section 6 of this act shall remain in effect.

STATEMENT

This bill creates the "Sustainable Tiny Home Pilot Program" as a three-year pilot program to combat climate change and reduce the State's carbon footprint through the construction of small, environmentally friendly homes.

This bill requires the Executive Director of the New Jersey Housing and Mortgage Finance Agency in the Department of Community Affairs to select municipalities in three regions of the State to participate in the pilot program. The executive director must also manage the pilot program to award grants to builders for the construction of housing developments consisting of homes having no greater than 300 square feet of interior floor space. The executive director, in consultation with the Commissioner of Community Affairs and the Commissioner of Environmental Protection, must adopt green building standards for tiny home dwelling units for the purposes of determining eligibility for a grant under the pilot program. Under the bill, any tiny home dwelling unit constructed in accordance with this pilot program would be considered a permitted use in all residential districts of a pilot municipality.

This bill appropriates \$5 million from the general fund, of which the executive director would distribute \$1.65 million during each of the three years the pilot program is in operation to qualified builders for the construction of housing developments consisting of tiny homes. The executive director would be required to submit an annual report to the Governor and Legislature detailing the pilot program's progress in decreasing the State's carbon footprint and combating global warming.

The climate change caused by rising global temperatures will likely continue to decrease the size of polar ice sheets and land-based glaciers, causing sea levels to rise and contributing to enhanced coastal erosion, coastal flooding, and the loss of coastal habitats and species. It is estimated that anywhere from 25 to 40 percent of the national solid waste stream is construction-related

1 waste and only 20 percent of construction waste or demolition
2 debris is actually recycled. The pollution associated with an
3 average house is significant, totaling on average 28,000 pounds of
4 carbon dioxide emissions annually. By contrast, a tiny home only
5 generates approximately 2,000 pounds of carbon dioxide emissions
6 annually. This pilot program would help address climate change by
7 providing environmentally friendly housing options for the State's
8 residents.