

ASSEMBLY, No. 3956

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 13, 2020

Sponsored by:

Assemblywoman ANNETTE CHAPARRO

District 33 (Hudson)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Mejia, Assemblywoman Jimenez and Assemblyman Giblin

SYNOPSIS

Establishes “2020 New Jersey Emergency Rental Assistance Program”; appropriates \$100 million.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/7/2020)

1 AN ACT establishing the “2020 New Jersey Emergency Rental
2 Assistance Program,” and making an appropriation.

3

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

6

7 1. a. There is established the “2020 New Jersey Emergency
8 Rental Assistance Program” for the purpose of helping residential
9 tenants who experienced financial setbacks attributable to the
10 COVID-19 crisis to satisfy their rental obligations. To the extent
11 the Commissioner of Community Affairs deems feasible and
12 appropriate, the commissioner shall administer this program in
13 accordance with the "Homeless Prevention Program Regulations,"
14 N.J.A.C. 5:41-1 et seq., however, the commissioner shall, for the
15 purpose of the “2020 New Jersey Emergency Rental Assistance
16 Program,” modify the "Homeless Prevention Program Regulations"
17 in the following ways:

18 (1) A person or household shall be deemed to be in imminent
19 danger of homelessness if the household is unable to make rental
20 payments for reasons beyond the household's control which are
21 attributable to the COVID-19 crisis.

22 (2) A person or household need not have been served with a
23 summons and complaint for eviction to be eligible for assistance
24 under this program.

25 (3) A person or household shall be eligible for assistance if their
26 annualized current income (that is, 52 times current weekly income)
27 is no more than the upper limit of "medium income," as defined in
28 guidelines published annually by the United States Department of
29 Housing and Urban Development, however, the commissioner may
30 establish funding priorities to benefit low-income and moderate-
31 income persons and households.

32 (4) A person or household shall be eligible for assistance under
33 this program although it may be unlikely for the person or
34 household to be able to pay shelter costs after the period of
35 assistance has ended.

36 (5) The commissioner shall devise a formula for the distribution
37 of an amount of program funds to each county and applicant based,
38 in part, on the fair market rents in each county, according to the
39 most recent fair market rents published by the U.S. Department of
40 Housing and Urban Development. The commissioner shall
41 distribute program funds to the Homelessness Prevention Program
42 Agency in each county, however, for the purposes of this program,
43 the commissioner may designate an additional agency or agencies
44 to process applications and disburse emergency rental assistance
45 payments in more populated, and more densely populated counties.
46 Program funds shall be used exclusively for providing emergency
47 rental assistance payments in accordance with this program.

1 (6) A Homelessness Prevention Program Agency may award a
2 grant of rental assistance to an applicant in an amount that is based
3 upon the formula devised by the commissioner pursuant to
4 paragraph (5) of this subsection with respect to the county in which
5 the applicant resides, and that is based upon the amount of rent that
6 is due and owing and that is at least 30 days past due, after the
7 Homelessness Prevention Program Agency has determined that the
8 tenant is unable to pay the rent without program rental assistance,
9 and has determined that the tenant has suffered a demonstrable loss
10 in income due to the COVID-19 crisis.

11 (7) Prior to authorizing a disbursement of program funds, a
12 Homelessness Prevention Program Agency shall verify with the
13 landlord the amount of rent due and owing. A landlord shall
14 cooperate with and respond to inquiries from a Homelessness
15 Prevention Program Agency.

16 (8) Upon verification of the amount of rent due and owing, and a
17 determination that an application satisfies all program requirements,
18 a Homelessness Prevention Program Agency shall disburse a
19 payment of program funds, to the extent funds are available,
20 directly to the landlord on the tenant's behalf and provide a copy of
21 the disbursement directly to the tenant.

22 b. As used in this section:

23 "COVID-19 crisis" means the duration of the Public Health
24 Emergency and of a State of Emergency throughout the State due to
25 the public health hazard created by Coronavirus disease 2019.

26 c. The commissioner shall, in the most expedient manner
27 possible, seek federal government approval for a substantial action
28 plan amendment to reallocate uncommitted, unexpended
29 Community Development Block Grant Disaster Recovery (CDBG-
30 DR) funds to the "2020 New Jersey Emergency Rental Assistance
31 Program."

32 d. The commissioner shall identify amounts of federal
33 government assistance provided to this State with regard to the
34 Coronavirus disease 2019 which may be available for the purposes
35 of this program and allocate those amounts to this program.

36
37 2. There is appropriated to the Department of Community
38 Affairs the sum of \$100,000,000 to be credited to the "2020 New
39 Jersey Emergency Rental Assistance Program" to effectuate the
40 provisions of the act. The amounts appropriated herein shall be
41 funded first from assistance provided from the federal government
42 to the extent not prohibited by federal law. The remaining amounts
43 necessary to fund this program are appropriated from the General
44 Fund.

45
46 3. This act shall take effect immediately and the program
47 established pursuant to section 1 of this act shall expire upon the
48 completion of processing of all applications for assistance

1 submitted on or prior to the 90th day next following the end of the
2 eviction moratorium ordered by the Governor pursuant to Executive
3 Order No. 106 (2020) or modified by the Governor in a subsequent
4 executive order.

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STATEMENT

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9 This bill establishes a temporary emergency rental assistance
10 program for residential tenants who have suffered an income loss
11 due to the COVID-19 crisis. The bill appropriates \$100 million to
12 provide rental assistance to tenants across the State.

13 The bill directs the Commissioner of Community Affairs to
14 implement this program along the lines of the "Homeless
15 Prevention Program," (HPP), however, for the purpose of this new
16 program, the bill requires the commissioner to modify current HPP
17 rules and guidelines in several ways in order to address the needs of
18 tenants who are in difficult financial circumstances because of the
19 COVID-19 crisis. Notably, the bill directs the commissioner to
20 modify current HPP rules so to provide rental assistance to tenants
21 before they face eviction, and so to provide rental assistance to
22 tenants of medium-income (in addition to tenants of low- and
23 moderate-income). Medium-income refers to persons and
24 households with greater than 80 percent of Area Median Income
25 (AMI) and up to 120 percent of AMI.

26 The bill directs the Commissioner of Community Affairs to
27 distribute an amount of program funds for each county and
28 applicant based, in part, on the fair market rents in each county,
29 according to the most recent fair market rents published by the U.S.
30 Department of Housing and Urban Development. Under the bill,
31 the commissioner would provide funds to each HPP agency to be
32 used exclusively for providing emergency rental assistance
33 payments for eligible tenants. However, for the purposes of this
34 program, the bill authorizes the commissioner to designate an
35 additional agency or agencies to process applications and disburse
36 emergency rental assistance payments in more populated, and more
37 densely populated counties.

38 The program would pay certain amounts of rent due and owing
39 to tenants who: 1) are at least 30 days past due on a rent payment;
40 2) are unable to pay rent without assistance; and 3) have suffered a
41 demonstrable loss in income due to the COVID-19 crisis.

42 The bill directs HPP agencies to verify with the landlord the
43 amount of rent due and owing before disbursing program funds, and
44 requires landlords to cooperate with and respond to inquiries from a
45 HPP Agency. Upon verification of the amount of rent due and
46 owing, and a determination that an application satisfies all program
47 requirements, a HPP Agency would disburse a payment of program
48 funds, to the extent funds are available, directly to the landlord on

1 the tenant’s behalf and provide a copy of the disbursement directly
2 to the tenant.

3 The bill directs the Commissioner of Community Affairs to:

- 4 • expeditiously seek federal government approval for a
5 substantial action plan amendment to reallocate
6 uncommitted, unexpended Community Development Block
7 Grant Disaster Recovery (CDBG-DR) funds to the “2020
8 New Jersey Emergency Rental Assistance Program,” and
- 9 • identify amounts of federal government assistance provided
10 to this State with regard to the Coronavirus disease 2019
11 which may be available for the purposes of this program and
12 allocate those amounts to this program.

13 The bill specifies that the \$100 million being credited to the
14 “2020 New Jersey Emergency Rental Assistance Program” shall be
15 funded first from assistance provided from the federal government,
16 to the extent not prohibited by federal law, and that the remaining
17 amounts necessary to fund this program are appropriated from the
18 General Fund.

19 The bill takes effect immediately. The program would expire
20 upon the completion of processing of all applications for assistance
21 submitted on or prior to the 90th day next following the end of the
22 eviction moratorium ordered by the Governor pursuant to Executive
23 Order No. 106 (2020) or modified by the Governor in a subsequent
24 executive order.