

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3956

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 7, 2020

The Assembly Commerce and Economic Development Committee reports favorably and with committee amendments Assembly Bill No. 3956.

This bill, as amended by the committee, establishes a temporary emergency rental assistance program for residential tenants who have suffered an income loss due to the COVID-19 crisis. The bill, as amended, appropriates \$100 million to provide rental assistance to tenants across the State.

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

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

The program would pay certain amounts of rent due and owing on behalf of tenants who: 1) are at least 30 days past due on a rent

payment; 2) are unable to pay rent without assistance; and 3) have suffered a demonstrable loss in income due to the COVID-19 crisis.

The bill, as amended, directs HPP agencies to verify with the landlord the amount of rent due and owing before disbursing program funds, and requires landlords to cooperate with and respond to inquiries from a HPP Agency. Upon verification of the amount of rent due and owing, and a determination that an application satisfies all program requirements, a HPP Agency would disburse a payment of program funds, to the extent funds are available, directly to the landlord on the tenant's behalf and provide a copy of the disbursement directly to the tenant.

The bill, as amended, directs the Commissioner of Community Affairs to:

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

The bill, as amended, specifies that the \$100 million being credited to the "2020 New Jersey Emergency Rental Assistance Program" shall be funded first from assistance provided from the federal government, to the extent not prohibited by federal law, which shall include uncommitted, unexpended CDBG-DR funds reallocated under the bill to the "2020 New Jersey Emergency Rental Assistance Program," and that the remaining amounts necessary to fund this program are appropriated from the General Fund.

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

As reported by the committee, this bill is identical to Senate Bill No. 2332, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments provide that the bill's direction to first fund the "2020 New Jersey Emergency Rental Assistance Program" from assistance provided from the federal government includes uncommitted, unexpended CDBG-DR funds reallocated under the bill to the "2020 New Jersey Emergency Rental Assistance Program."