

[First Reprint]
SENATE, No. 242

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Senator RONALD L. RICE

District 28 (Essex)

Co-Sponsored by:

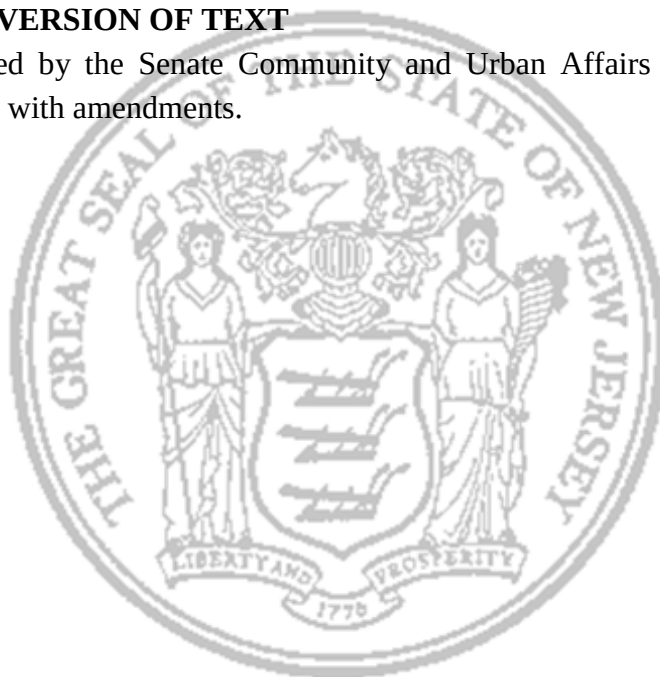
Senator Diegnan

SYNOPSIS

“New Jersey American Dream Act”; appropriates \$25 million to provide down payment and home repair assistance to low and moderate income first-time homebuyers.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on May 6, 2021, with amendments.



(Sponsorship Updated As Of: 11/8/2021)

1 **AN ACT** concerning housing assistance for certain homebuyers,
 2 supplementing Title 52 of the Revised Statutes, and making an
 3 appropriation.
 4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*
 7

8 1. P.L. , c. (C.) (pending before the Legislature as this
 9 bill) shall be known and may be cited as the “New Jersey American
 10 Dream Act.”
 11

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

14 “Commissioner” means the Commissioner of Community Affairs.

15 “Department” means the Department of Community Affairs.

16 “Director” means the director of the division.

17 “Division” means the Division of Housing and Community
 18 Resources in the department.

19 “Down payment assistance” means financial assistance for first-
 20 time homebuyers to acquire single-family housing for principal
 21 residence.

22 “First-time homebuyer” means a lower-income household in which
 23 no person has owned a home during the three-year period prior to the
 24 purchase of the single-family housing for which financial assistance is
 25 provided.

26 “Grant program” means the “New Jersey American Dream
 27 Program” established pursuant to section 3 of P.L. , c. (C.)
 28 (pending before the Legislature as this bill).

29 “Home repair assistance” means financial assistance for first-time
 30 homebuyers to complete capital improvements or repairs that: (1) are
 31 identified in an appraisal or home inspection completed in conjunction
 32 with a purchase of single-family housing; or (2) are completed within
 33 one year of the purchase of single-family housing and are necessary to
 34 bring the housing unit into compliance with any applicable health and
 35 safety housing code, including but not limited to the remediation of
 36 lead-based paint hazards.

37 “Low and moderate income household” means a household whose
 38 gross income is not greater than 80 percent of the median gross
 39 household income, according to the federal Department of Housing
 40 and Urban Development, for households of the same size within the
 41 county in which the single-family housing, for which financial
 42 assistance is provided, is located.

43 ¹“Overburdened community” means any census block group, as
 44 determined in accordance with the most recent federal decennial
 45 census, in which: (1) at least 35 percent of the households qualify as

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted May 6, 2021.

1 low-income households; (2) at least 40 percent of the residents identify
2 either as minority or as members of a State recognized tribal
3 community; or (3) at least 40 percent of the households have limited
4 English proficiency.¹

5 “Principal residence” means the homestead actually and
6 continually occupied as the permanent residence of a household, as
7 distinguished from a vacation home, property owned and rented or
8 offered for rent by the household, or other secondary real property
9 holdings.

10 “Single-family housing” means a one- to four-family residence, a
11 condominium unit, a cooperative unit, a combination of a
12 manufactured housing and lot, or a manufactured housing lot.

13

14 3. a. There is established in the division the “New Jersey
15 American Dream Program” to provide financial assistance for low and
16 moderate income households to achieve homeownership. The grant
17 program shall provide down payment assistance and home repair
18 assistance to low and moderate income households, who are first-time
19 homebuyers, to defray the costs associated with acquiring and
20 rehabilitating single-family housing for principal residence.

21 b. ¹(1)¹ The financial assistance shall be in the form of grant
22 awards. The grant awarded to each first-time homebuyer shall not
23 exceed six percent of the purchase price of the single-family housing
24 or \$10,000, whichever is greater. The grant award shall be used for
25 down payment assistance, home repair assistance, or any combination
26 thereof.

27 ¹(2)¹ Each first-time homebuyer who receives financial assistance
28 through the grant program shall ¹, prior to the award of financial
29 assistance,¹ complete not less than eight hours of a homebuyer
30 counseling course, as directed by the department pursuant to
31 subsection c. of this section. ¹The homebuyer counseling course shall
32 include, but not be limited to, coursework concerning:

33 (a) the maintenance of housing costs, including methods for
34 budgeting mortgage payments, utility charges, property taxes, and any
35 other applicable housing cost;

36 (b) the basics of home finance, property taxes, home warranties,
37 and home inspection;

38 (c) the legal components of finalizing a home purchase; and

39 (d) the process of finding an appropriate house, including how to
40 search real estate listings through a real estate agent or other sources.¹

41 c. (1) The commissioner, in consultation with the director, shall
42 promulgate rules and regulations pursuant to the "Administrative
43 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), on or before the
44 first day of the third month next following the enactment of P.L. , c.
45 (C.) (pending before the Legislature as this bill), to effectuate the
46 purposes of the grant program. The rules and regulations shall, at a
47 minimum, set forth the requirements for application submissions, the

1 criteria for application selections, the eligible uses of financial
2 assistance, and the curriculum and provision of the homebuyer
3 counseling course.

4 (2) The division shall administer the grant program. The grant
5 program shall remain in operation for not less than four years
6 following the promulgation of the rules and regulations pursuant to
7 paragraph (1) of this subsection.

8 d. ¹The division shall dedicate at least 20 percent of the grant
9 awards under the grant program to down payment assistance, home
10 repair assistance, or any combination thereof for homes located in
11 overburdened communities.

12 e.¹ The annual appropriations act shall appropriate not less than
13 \$25 million from the General Fund to the department, during each year
14 in which the grant program remains in operation, to defray the costs
15 associated with administering the grant program, except that the
16 department shall retain not more than five percent of the annual
17 appropriation for administrative costs.

18 ¹f. The department shall submit an annual report to the
19 Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1),
20 concerning the efficacy of the grant program for each year the grant
21 program remains in operation. The report shall provide an annual
22 overview of the total amount of down payment assistance and home
23 repair assistance, respectively, provided by the department, with
24 information by census tract on the race and ethnicity of the recipients
25 of assistance provided for that year. The report also shall analyze the
26 impact of the financial assistance on the total housing costs of the
27 recipients of such assistance

28
29 4. There is appropriated \$25 million from the General Fund to
30 the Department of Community Affairs to defray the costs associated
31 with administering the “New Jersey American Dream Program,”
32 established pursuant to section 3 of P.L. , c. (C.) (pending
33 before the Legislature as this bill).

34
35 5. This act shall take effect immediately.