

**SENATE, No. 957**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED JANUARY 27, 2020

**Sponsored by:**

**Senator CHRISTOPHER J. CONNORS**  
**District 9 (Atlantic, Burlington and Ocean)**

**Co-Sponsored by:**

**Senators Greenstein, Holzapfel, Bateman, Madden and Turner**

**SYNOPSIS**

Permits certain portion of municipal development trust funds to be spent on housing affordability assistance to veterans.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/5/2020)**

1 AN ACT concerning affordable housing for veterans and amending  
2 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 8 of P.L.2008, c.46 (C.52:27D-329.2) is amended to  
8 read as follows:

9 8. a. The council may authorize a municipality that has  
10 petitioned for substantive certification, or that has been so  
11 authorized by a court of competent jurisdiction, and which has  
12 adopted a municipal development fee ordinance to impose and  
13 collect development fees from developers of residential property, in  
14 accordance with rules promulgated by the council. Each amount  
15 collected shall be deposited and shall be accounted for separately,  
16 by payer and date of deposit.

17 A municipality may not spend or commit to spend any affordable  
18 housing development fees, including Statewide non-residential fees  
19 collected and deposited into the municipal affordable housing trust  
20 fund, without first obtaining the council's approval of the  
21 expenditure. The council shall promulgate regulations regarding  
22 the establishment, administration and enforcement of the  
23 expenditure of affordable housing development fees by  
24 municipalities. The council shall have exclusive jurisdiction  
25 regarding the enforcement of these regulations, provided that any  
26 municipality which is not in compliance with the regulations  
27 adopted by the council may be subject to forfeiture of any or all  
28 funds remaining within its municipal trust fund. Any funds so  
29 forfeited shall be deposited into the "New Jersey Affordable  
30 Housing Trust Fund" established pursuant to section 20 of  
31 P.L.1985, c.222 (C.52:27D-320).

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

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

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

43 (3) A municipality shall set aside a portion of its development  
44 fee trust fund for the purpose of providing affordability assistance  
45 to low and moderate income households in affordable units

**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 included in a municipal fair share plan, in accordance with rules of  
2 the council.

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

7 (b) Affordability assistance to households earning 30 percent or  
8 less of median income may include buying down the cost of low  
9 income units in a municipal fair share plan to make them affordable  
10 to households earning 30 percent or less of median income. The use  
11 of development fees in this manner shall not entitle a municipality  
12 to bonus credits except as may be provided by the rules of the  
13 council.

14 (c) Up to 30 percent of the funds dedicated to affordability  
15 assistance may be utilized for a program to assist first-time  
16 homebuying veterans with grants for downpayment assistance,  
17 provided that no individual participant shall be granted more than  
18 \$15,000. For the purpose of this subparagraph, veterans shall mean  
19 all persons having veteran status as enumerated in section 1 of  
20 P.L.1983, c.391 (C.43:16A-11.7). No payment or grant received by  
21 a veteran under this subsection shall be considered as income or  
22 resources for the purpose of determining the eligibility or extent of  
23 eligibility of any person for assistance under any State law or for  
24 the purposes of the State's corporation tax law, State income tax or  
25 other tax laws. Such payment shall not be considered as income or  
26 resources of any recipient of public assistance and such payment  
27 shall not be deducted from the amount of aid to which the recipient  
28 would otherwise be entitled.

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

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

37 d. The council shall establish a time by which all development  
38 fees collected within a calendar year shall be expended; provided,  
39 however, that all fees shall be committed for expenditure within  
40 four years from the date of collection. A municipality that fails to  
41 commit to expend the balance required in the development fee trust  
42 fund by the time set forth in this section shall be required by the  
43 council to transfer the remaining unspent balance at the end of the  
44 four-year period to the "New Jersey Affordable Housing Trust  
45 Fund," established pursuant to section 20 of P.L.1985, c.222  
46 (C.52:27D-320), as amended by P.L.2008, c.46 (C.52:27D-329.1 et  
47 al.), to be used in the housing region of the transferring  
48 municipality for the authorized purposes of that fund.

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

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

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

12  
13 2. This act shall take effect immediately.

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15  
16 STATEMENT

17  
18 Current law permits a municipality that is authorized to collect  
19 affordable housing fees under the rules of the Council on  
20 Affordable Housing (COAH) to set aside amounts from the fees  
21 collected to provide affordability assistance programs, which may  
22 include down payment assistance, security deposit assistance, low  
23 interest loans, common maintenance expenses for units located in  
24 condominiums, rental assistance, and any other program authorized  
25 by the COAH.

26 This bill would provide that up to 30 percent of the development  
27 fee amounts permitted to be spent on affordability assistance  
28 programs may be directed to a municipal program for first-time  
29 homebuying veterans, to provide grants for downpayment  
30 assistance. Grants under the program would be limited to \$15,000  
31 per recipient, and would not be considered as income concerning  
32 eligibility requirements for other State programs, or for purposes of  
33 taxation. The bill will help veterans by supplementing other State  
34 programs available for first-time homebuyers, such as the low-  
35 interest loans program offered by the New Jersey Housing and  
36 Mortgage Finance Agency.