

SENATE, No. 1787

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senator Gopal

SYNOPSIS

Establishes "Tiny Home Pilot Program" in three regions of State.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/19/2021)

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1 AN ACT establishing a pilot program to incentivize the construction
2 of affordable tiny homes, supplementing P.L.1983, c.530
3 (C.55:14K-1 et seq.).
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 affordable, tiny homes could provide
10 viable housing options for residents who are struggling financially
11 and for the State's homeless population.

12 b. In 2013, an estimated 610,000 people in the United States
13 slept without shelter on any given night and more than 3.5 million
14 people experience homelessness in the United States each year.

15 c. According to a report from the National Low Income
16 Housing Coalition, for every 100 households of renters in the
17 United States that earn "extremely low income" (30 percent of the
18 median household income or less), there are only 30 affordable
19 apartments available.

20 d. Despite laudable efforts by all levels of government, private
21 individuals, nonprofit organizations, and charitable foundations to
22 end homelessness, the number of homeless persons in New Jersey is
23 unacceptably high. The State's homeless population, furthermore,
24 includes a large number of families with young children, youth,
25 veterans, the elderly, and employed persons.

26 e. Fiscal and social costs of homelessness are high for both the
27 public and private sectors.

28 f. A myriad of factors contribute to homelessness, including a
29 shortage of affordable housing, a shortage of jobs that pay wages
30 and benefits sufficient to support a family, high property taxes, and
31 rising utility costs.

32 g. Ending homelessness should be a joint goal for State and
33 local government and this pilot program is a significant step toward
34 achieving that goal.
35

36 2. As used in this act:

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

40 "Applicant" means a nonprofit organization or municipal housing
41 authority.

42 "Commissioner" means the Commissioner of Community
43 Affairs.

44 "Eligible project" means a housing development consisting of
45 tiny home dwelling units owned and operated by an applicant.

46 "Executive director" means the Executive Director of the New
47 Jersey Housing and Mortgage Finance Agency.

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1 "Housing development" means development undertaken for the
2 purpose of creating one or more residential units, for occupancy
3 under lease by persons who shall occupy such units as their usual
4 and permanent residence, together with any structures or facilities
5 appurtenant or ancillary thereto.

6 "Pilot municipality" means a municipality selected by the
7 executive director to participate in the pilot program pursuant to
8 subsection b. of section 3 of P.L. , c. (C.) (pending
9 before the Legislature as this bill), that agrees to participate in the
10 pilot program.

11 "Pilot program" means the "Tiny Home Pilot Program"
12 established in the New Jersey Housing and Mortgage Finance
13 Agency pursuant to subsection a. of section 3 of
14 P.L. , c. (C.) (pending before the Legislature as this
15 bill).

16 "Tiny home dwelling unit" means a permanent dwelling place or
17 domicile for occupants and having interior floor space not in excess
18 of 300 square feet.

19 "Very low-income family" or "very low-income individual"
20 means a family or individual whose annual income does not exceed
21 30 percent of the median family or individual income for the area,
22 as determined by the federal Department of Housing and Urban
23 Development, and that qualifies for low-income housing under the
24 standards promulgated by the Council on Affordable Housing
25 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-
26 301 et al.).

27 "Very low income housing" means housing affordable according
28 to federal Department of Housing and Urban Development or other
29 recognized standards for home ownership and rental costs and
30 occupied or reserved for occupancy by households with a gross
31 household income equal to 30 percent or less of the median gross
32 household income for households of the same size within the
33 housing region in which the housing is located.

34

35 3. a. The executive director, in consultation with the
36 commissioner, shall establish in the agency the "Tiny Home Pilot
37 Program," to encourage the development of tiny home dwelling
38 units.

39 b. (1) The executive director shall select for participation in
40 the pilot program not less than one, but not more than two
41 municipalities in each of the northern, central, and southern regions
42 of the State. In selecting the pilot municipalities, the executive
43 director may consider the comparative homeless population of the
44 municipality, the percentage increase in the homeless population
45 over the prior five years, the municipality's expressed interest in
46 participating in the pilot program, the level of anticipated financial
47 and other participation of municipal economic development
48 agencies, the existence of preexisting agreements between the

1 municipality and applicants willing to construct tiny home dwelling
2 units in accordance with this pilot program, and the municipality's
3 willingness to temporarily suspend applicable zoning restrictions to
4 permit development in accordance with this pilot program.

5 (2) Upon receipt of a resolution by the governing body of a pilot
6 municipality agreeing to participate in the pilot program the
7 executive director shall collaborate with each pilot municipality on
8 the procedures to be implemented to effectuate the purposes of the
9 pilot program.

10 c. (1) (a) Under the pilot program, the executive director shall
11 award grants to applicants for the construction of eligible projects
12 within pilot municipalities.

13 (b) An applicant shall agree to rent each tiny home dwelling unit
14 at an affordable price, as determined by the executive director.

15 (c) Each tiny home dwelling unit shall be rented to a very low-
16 income family or individual that qualifies for very low-income
17 housing.

18 (2) The executive director shall manage the pilot program in
19 consultation with the commissioner to most effectively increase
20 affordable housing options in the State. The executive director
21 shall administer the pilot program for three years following the
22 effective date of P.L. , c. (C.) (pending before the
23 Legislature as this bill).

24 (3) Upon securing a funding source, grant awards totaling \$1.65
25 million shall be awarded by the executive director to applicants
26 during each year the pilot program is in operation.

27 d. In addition to any additional information required by the
28 executive director, an applicant seeking a grant under the pilot
29 program shall submit an application to the agency that shall include
30 the following information:

31 (1) the approximate number of tiny home dwelling units the
32 applicant has the capacity to construct through funding from grants;

33 (2) a detailed description of the construction to be completed,
34 including, but not limited to, the applicant's ability to outfit the tiny
35 home dwelling units with energy efficient features or equipment
36 capable of minimizing residential utility costs throughout the life of
37 the structure;

38 (3) the anticipated rental price of each tiny home dwelling unit
39 to be constructed; and

40 (4) any relevant experience in successfully carrying out
41 accountability and reporting requirements involved in the proper
42 administration of grant funds.

43 e. The executive director shall establish options designed to
44 make tiny home dwelling units affordable for very low-income
45 families and very low-income individuals. The executive director
46 shall also coordinate with community organizations, homeless
47 groups, and public agencies to establish rental assistance programs
48 for tiny home dwelling units. The executive director may make

1 temporary loans, with or without interest, but with such security for
2 repayment as the executive director deems reasonably necessary
3 and practicable, to ensure affordable rental prices are available to
4 very low-income families and very low-income individuals for tiny
5 home dwelling units.

6 f. A pilot municipality shall receive two credits toward the
7 fulfillment of its fair share housing obligation pursuant to P.L.1985,
8 c.222 (C.52:27D-301 et al.) for each tiny home dwelling unit
9 constructed within the municipality in accordance with the pilot
10 program.

11

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

20

21 5. The executive director shall annually report to the Governor
22 and the Legislature, pursuant to section 2 of P.L.1991,
23 c.164 (C.52:14-19.1), regarding the allocation of the moneys sought
24 pursuant to section 7 of P.L. , c. (pending before the
25 Legislature as this bill). The report shall include, but not be limited
26 to, the municipalities selected to participate in the pilot program,
27 the importance of the financial incentive in the decision by
28 applicants to construct developments consisting of tiny home
29 dwelling units, the percentage increase of affordable housing
30 availability within the State resulting from the pilot program to the
31 date of the annual report, and the extent to which the homeless
32 population of this State has diminished as a result of the
33 proliferation of developments consisting of tiny home dwelling
34 units.

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36 6. The executive director of the New Jersey Housing and
37 Mortgage Finance Agency, in consultation with the Commissioner
38 of Community Affairs, shall promulgate rules and regulations
39 pursuant to the "Administrative Procedure Act," P.L.1968,
40 c.410 (C.52:14B-1 et seq.), necessary to carry out the purposes of
41 this act. The rules and regulations shall include special human
42 habitation, use, and occupancy standards for tiny home dwelling
43 units.

44

45 7. The New Jersey Housing and Mortgage Finance Agency in
46 the Department of Community Affairs shall seek funding from the
47 federal government and other sources for the purposes of
48 effectuating the provisions of this act. The moneys may also be

1 expended for appropriate and reasonable administrative expenses
2 incurred in the administration of the project by the agency.

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4 8. This act shall take effect immediately.

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STATEMENT

8

9 This bill creates the "Tiny Home Pilot Program" as a three-year
10 pilot program to assist the State's homeless population and other
11 residents struggling financially with acquiring housing through the
12 construction of small, affordable homes.

13 This bill requires the Executive Director of the New Jersey
14 Housing and Mortgage Finance Agency in the Department of
15 Community Affairs (HMFA) to select municipalities in three
16 regions of the State to participate in the pilot program. The
17 executive director also would be required to manage the pilot
18 program to award grants to qualified applicants for the construction
19 of housing developments consisting of homes no greater than 300
20 square feet of interior floor space. As part of the program, the
21 executive director would establish options, including rental
22 assistance programs, designed to make tiny home dwelling units
23 affordable for very low-income families and very low-income
24 individuals. Any municipality participating in this pilot program
25 would receive two credits toward the fulfillment of its fair share
26 housing obligation for each tiny home dwelling unit constructed
27 within its borders.

28 This bill directs the executive director to seek funding from the
29 federal government and other sources to implement the pilot
30 program. Upon securing a funding source, the executive director
31 would distribute \$1.65 million during each of the three years the
32 pilot program is in operation to qualified applicants for the
33 construction of housing developments consisting of tiny homes.
34 The executive director would be required to promulgate rules and
35 regulations necessary to carry out the purposes of the bill. In
36 addition, the executive director would be required to submit an
37 annual report to the Governor and Legislature detailing the pilot
38 program's progress in increasing affordable housing options and
39 reducing the State's homeless population.