

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 1442

STATE OF NEW JERSEY

DATED: APRIL 22, 1996

The Assembly Housing Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 1442.

The substitute, designated the "Jobs from Housing and Economic Development Act of 1996," establishes three non-lapsing revolving funds and the purposes for which \$290 million in bond proceeds from the "Jobs from Housing and Economic Development Bond Act" may be used. The proceeds from the sale of bonds under the companion bond legislation would be distributed among the three funds to foster the development of affordable housing and the growth of small business in the State.

Specifically, the substitute would distribute the proceeds of the bond sale among three non-lapsing revolving funds as follows:

(1) The "Affordable Housing Development Fund" would be administered by the Department of Community Affairs. It would be capitalized by \$216,000,000 from the bond issuance out of which would be provided loans, loan guarantees, equity investments, grants or other forms of assistance for the costs of construction and rehabilitation of safe, decent rental and owner-occupied housing affordable to low and moderate income households, including housing for households with elderly or disabled persons. Of this amount, \$50,000,000 would be devoted to project-based assistance to assure that, to the maximum extent feasible, rental housing constructed or rehabilitated with assistance from the "Affordable Housing Development Fund" is affordable to very low income households and no more than \$6,000,000 would be allocated for grants to nonprofit entities for planning the development of housing affordable to low and moderate income households.

(2) The "Homeownership Fund" would be administered by the New Jersey Housing Mortgage and Finance Agency. It would be capitalized by \$30,000,000 out of which would be provided loans, loan guarantees, grants, and other forms of assistance to enable low, moderate, and middle income households to make down payments, pay closing costs, and pay other one-time expenses associated with the purchase of housing, including condominium and cooperative housing.

(3) The "Economic Development Fund" would be administered by

the Economic Development Authority. It would be capitalized by \$44,000,000 out of which would be provided loans, loan guarantees, equity investments, grants and other forms of assistance to pay the costs of fostering the development and growth of eligible small businesses in urban areas and low income areas. Of the \$44,000,000, a maximum of \$3,000,000 would be allocated for grants to nonprofit entities for planning the development and growth of small businesses, and another maximum of \$4,000,000 would be allocated for the training of present and prospective owners, managers and employees of eligible small businesses.

The substitute sets forth the specific criteria according to which moneys are to be loaned or granted out of each fund.

The substitute would not take effect until the passage by the voters of the companion bond measure at the November, 1996, general election.