

ASSEMBLY, No. 1443

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1996

By Assemblymen DORIA and KELLY

1 AN ACT authorizing the creation of a debt of the State of New Jersey
2 by the issuance of bonds of the State in an aggregate principal
3 amount of \$290,000,000 for the purpose of providing grants, loans
4 and other forms of subsidy to foster the development of small
5 businesses in urban and low income areas; for the construction and
6 rehabilitation of safe and decent housing for low and moderate
7 income households; to foster home ownership among that
8 population; providing the ways and means to pay and discharge the
9 principal and interest on the bonds; providing for the submission of
10 this act to the people at a general election; and making an
11 appropriation therefor.

12
13 BE IT RESOLVED by the General Assembly of the State of New
14 Jersey (the Senate concurring):

15
16 1. This act shall be known and may be cited as the "Jobs from
17 Housing and Economic Development Bond Act."

18
19 2. The Legislature hereby finds that:

20 a. New Jersey suffers from a high rate of unemployment, which
21 causes great hardship to working families, the demoralization of young
22 persons who are attempting to enter the workforce, and places a
23 severe burden on the resources of government and private charities.

24 b. Small businesses and the construction industry are an important
25 source of primary and secondary employment in the State, especially
26 in New Jersey's cities and low income communities. The stagnation of
27 the small business sector of the economy and the construction industry
28 in New Jersey's cities and low income areas has had a detrimental
29 impact on those cities and communities and on the economy of the
30 entire State.

31 c. Small businesses and the construction industry in particular,
32 especially in New Jersey's cities and low income areas, have
33 experienced great difficulty securing private financing because they
34 often do not satisfy conventional underwriting criteria and suffer
35 disproportionately from the general pattern of disinvestment in the
36 cities and low income areas.

37 d. The lack of capital for housing production, planning and

1 development, construction financing, long-term financing, and
2 project-based assistance has served as a major impediment to the
3 production of affordable housing in this State, whether that housing is
4 newly constructed or rehabilitated. As a result, the entire State
5 continues to suffer from a shortage of safe, decent rental and sales
6 housing affordable to low and moderate income households, including
7 housing for the elderly and for disabled persons. Currently, more than
8 800,000 low and moderate income households lack safe, decent
9 housing that they can afford without giving up other necessities of life.

10 e. The ability of low and moderate income households, including
11 households with elderly and disabled persons, to purchase housing is
12 limited, in part, by their inability to make downpayments and pay
13 closing costs.

14 f. The lack of safe, decent, affordable housing discourages
15 job-creating businesses from moving to, and remaining in this State.
16 Because access to safe, decent, affordable housing and opportunities
17 for remunerative employment are intimately connected, it is sound
18 policy to seek to address these problems in a manner which is mutually
19 reinforcing.

20 g. Experience has shown that non-profit entities can be efficient
21 and effective producers and managers of low and moderate income
22 housing. Experience also has shown that non-profit entities can be
23 efficient and effective catalysts for the promotion of private
24 entrepreneurship and small businesses in cities and low income areas.

25 h. Accordingly, it is the purpose of this act to promote job creation
26 by providing funding to foster the development of small businesses in
27 New Jersey's cities and low income areas, provide funds for the
28 construction and rehabilitation of very low, low, and moderate income
29 housing throughout the State, including housing for households with
30 elderly and disabled persons, and assure the long-term economic
31 viability of such housing, to fund loans and grants to low, moderate,
32 and middle income households for downpayment and closing costs,
33 and provide funds to build the capacity of non-profit entities to
34 construct and rehabilitate low and moderate income housing and foster
35 economic development.

36

37 3. As used in this act:

38 "Affordable" means, (1) in the case of sales housing, housing whose
39 sales price is such that households throughout the relevant income
40 range need pay no more than 25 percent of gross household income
41 for principal, interest, insurance, taxes, homeowners association fees
42 and assessments, and fees for sewerage, water and solid waste
43 disposal. Payments required for principal and interest shall be
44 determined on the basis of 95 percent mortgages at rates generally
45 available within the housing market in the relevant housing region; (2)
46 in the case of rental housing, housing whose rents and fees are such

1 that households throughout the relevant income range need pay no
2 more than 30 percent of gross household income for rents and fees,
3 including heat, hot water, gas, electricity, water, sewerage, and solid
4 waste disposal.

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

8 "Bonds" means bonds authorized to be issued, or issued, under this
9 act.

10 "Commissioner" means the Commissioner of Community Affairs.

11 "Corporation" means the Urban Development Corporation created
12 pursuant to P.L.1985, c.227 (C.55:19-1 et seq.).

13 "Costs" means the expenses incurred in connection with: the
14 acquisition by purchase, lease, or otherwise, of land or buildings and
15 the development of any real or personal property for use in connection
16 with a project authorized by this act, including any rights or interests
17 therein, the execution of any agreements and franchises deemed to be
18 necessary or useful and convenient in connection with any project
19 authorized by this act; the preparation of land for development,
20 including the demolition of existing structures; the construction,
21 reconstruction, conversion or rehabilitation of existing structures; the
22 acquisition by purchase, lease or otherwise, of fixtures, machinery,
23 equipment, and other personal property for the operation of small
24 businesses; the acquisition by purchase, lease, license or otherwise, of
25 patents, copyrights, trademarks, service marks, franchises, and other
26 intangible property for the operation of eligible small businesses;
27 acquisition by purchase, lease, or otherwise of raw materials and
28 inventory; loans or other assistance for working capital by an eligible
29 small business; training of current and potential owners of eligible
30 small businesses; development of business and marketing plans in
31 connection with eligible small businesses; project-based rental
32 assistance to very low income tenants occupying housing constructed
33 or rehabilitated with grants or loans provided under this act, the
34 administrative, organizational, operating or other expenses incident to
35 the financing, completing, and marketing, counseling prospective
36 purchasers or tenants, selecting purchasers or tenants for, and placing
37 into service of, any housing development constructed or rehabilitated
38 under this act; the procurement of engineering, inspection, planning,
39 legal, accounting, financial, or other professional services, including
40 the services of a bond register or an authenticating agent; the
41 administrative expenses of underwriting, administering, servicing and
42 collecting loans; the administrative expenses of awarding and
43 administering grants; the issuance of bonds, or any interest or discount
44 thereon; the payment of the salaries and benefits of employees or the
45 fees of independent contractors to perform any of the foregoing
46 functions; the establishment of a reserve fund or funds for working

1 capital, operating, maintenance, or replacement expenses and for the
2 payment or security of principal or interest on bonds, as the Director
3 of the Division of Budget and Accounting in the Department of the
4 Treasury may determine; and reimbursement to any fund of the State
5 of moneys which may have been transferred or advanced therefrom to
6 any fund created by this act, or of any moneys which may have been
7 expended therefrom for, or in connection with, this act or any project
8 authorized by this act.

9 "Eligible small business" means an entity that:

10 a. sells goods or services;

11 b. is independently owned and operated;

12 c. has no more than 25 employees, provided that the
13 corporation may by regulation establish an alternative standard for
14 retail grocery stores;

15 d. has its principal place of business in an urban area or a low
16 income area; and

17 e. either (1) 51 percent or more of the equity in the business
18 is held by persons residing in the municipality which is the primary
19 place of business or (2) 51 percent or more of the current employees
20 reside in the municipality which is the primary place of business and
21 the applicant provides suitable assurances that 51 percent or more of
22 any additional employees hired with the assistance of loans, loan
23 guarantees, equity investments, grants or other forms of assistance
24 provided under this act will either be residents of the municipality
25 which is the primary place of business or be members of low income
26 households.

27 "Government securities" means any bonds or other obligations
28 which as to principal and interest constitute direct obligations of, or
29 are unconditionally guaranteed by, the United States of America,
30 including obligations of any federal agency, to the extent those
31 obligations are unconditionally guaranteed by the United States of
32 America, and any certificates or any other evidences of an ownership
33 interest in those obligations of, or unconditionally guaranteed by, the
34 United States of America or in specified portions which may consist
35 of the principal of, or the interest on, those obligations;

36 "Housing region" means "housing region" as that term is or may
37 hereafter be defined pursuant to subsection b. of section 4 of
38 P.L.1985, c.222 (C.52:27D-304).

39 "Low income areas" means municipalities in which the median gross
40 annual household income, as reported in the most recent federal
41 decennial census, is less than or equal to 40 percent of the median
42 gross annual household income for all households in the State.

43 "Low income household" means a household with a gross
44 household income less than or equal to 50 percent of the median gross
45 household income for households of similar size within the housing
46 region in which the housing is located. "Low income household"

1 includes "very low income household."

2 "Low income housing" means housing affordable to a low income
3 household.

4 "Middle income household" means a household with a gross
5 household income between 80 and 115 percent of the median gross
6 household income for households of similar size within the housing
7 region in which the housing is located.

8 "Middle income housing" means housing affordable to a middle
9 income household.

10 "Moderate income household" means a household with a gross
11 household income greater than 50 and less than 80 percent of the
12 median gross household income for households of similar size within
13 the housing region in which the housing is located.

14 "Moderate income housing" means housing affordable to a
15 moderate income household.

16 "Non-profit entity" means an entity that is exempt from federal
17 taxation on income pursuant to 26 U.S.C. §501(c)(3), as amended, or
18 any successor provision of federal law, and is organized for the
19 purpose of providing low and moderate income housing or fostering
20 economic development.

21 "Urban areas" means municipalities eligible to receive "urban aid"
22 under P.L.1978, c.14 (C.52:27D-178 et seq.).

23 "Very low income household" means a household with a gross
24 household income below 30 percent of the median gross household
25 income for a household of similar size within the housing region in
26 which the housing is located.

27 "Very low income housing means housing affordable to a very low
28 income household.

29

30 4. Bonds of the State of New Jersey are authorized to be issued in
31 the aggregate principal amount of \$290,000,000 for the following
32 purposes:

33 a. \$210,000,000 to establish an "Affordable Housing Development
34 Fund," which shall be a non-lapsing revolving fund administered by the
35 Department of Community Affairs for providing loans, loan
36 guarantees, equity investments, grants or other forms of assistance for
37 the costs of construction and rehabilitation of safe, decent rental and
38 sales housing affordable to low and moderate income households,
39 including housing for households with elderly or disabled persons. Of
40 this amount, \$50,000,000 shall be devoted to project-based assistance
41 to assure that, to the maximum extent feasible, rental housing
42 constructed or rehabilitated with assistance from the Affordable
43 Housing Development Fund is affordable to very low income
44 households.

45 b. \$30,000,000 to establish a "Homeownership Fund," which shall
46 be a non-lapsing revolving fund administered by the New Jersey

1 Housing and Mortgage Finance Agency, for the purpose of providing
2 loans, loan guarantees, grants, and other forms of assistance to enable
3 low, moderate, and middle income households to make
4 downpayments, pay closing costs, and pay other one-time expenses
5 associated with the purchase of housing, including condominium and
6 cooperative housing.

7 c. \$41,000,000 to establish an "Economic Development Fund,"
8 which shall be a non-lapsing revolving fund administered by the Urban
9 Development Corporation, for the purpose of providing loans, loan
10 guarantees, equity investments, grants and other forms of assistance
11 to pay the costs of fostering the development and growth of eligible
12 small businesses in urban areas and low income areas.

13 d. \$9,000,000 to establish a "Non-Profit Financial Assistance
14 Fund," which shall be a non-lapsing revolving fund to be administered
15 by the Department of Community Affairs for the purpose of providing
16 loans, grants and other forms of assistance to non-profit entities to 1)
17 plan and develop safe, decent housing affordable to low and moderate
18 income households and 2) foster the creation of small businesses and
19 employment in urban areas and low income areas. Of this sum,
20 one-third shall be for the purpose of providing loans, grants and other
21 forms of assistance to non-profit entities to foster the creation of small
22 businesses and employment in urban areas and low income areas.

23

24 5. The bonds authorized under this act shall be serial bonds, term
25 bonds, or a combination thereof, and shall be known as "Jobs from
26 Housing and Economic Development Bonds." They shall be issued
27 from time to time as the issuing officials herein named shall determine
28 and may be issued in coupon form, fully-registered form or book-entry
29 form. The bonds may be subject to redemption prior to maturity and
30 shall mature and be paid not later than 35 years from the respective
31 dates of their issuance.

32

33 6. The Governor, the State Treasurer and the Director of the
34 Division of Budget and Accounting in the Department of the Treasury,
35 or any two of these officials, herein referred to as "the issuing
36 officials," are authorized to carry out the provisions of this act relating
37 to the issuance of bonds, and shall determine all matters in connection
38 therewith, subject to the provisions of this act. If an issuing official is
39 absent from the State or incapable of acting for any reason, the powers
40 and duties of that issuing official shall be exercised and performed by
41 the person authorized by law to act in an official capacity in the place
42 of that issuing official.

43

44 7. Bonds issued in accordance with the provisions of this act shall
45 be direct obligations of the State of New Jersey, and the faith and
46 credit of the State are pledged for the payment of the interest and

1 redemption premium thereon, if any, when due, and for the payment
2 of the principal thereof at maturity or earlier redemption date. The
3 principal of and interest on the bonds shall be exempt from taxation by
4 the State or by any county, municipality or other taxing district of the
5 State.

6
7 8. The bonds shall be signed in the name of the State by means of
8 the manual or facsimile signature of the Governor under the Great Seal
9 of the State, which seal may be by facsimile or by way of any other
10 form of reproduction on the bonds, and attested by the manual or
11 facsimile signature of the Secretary of State, or an Assistant Secretary
12 of State, and shall be countersigned by the facsimile signature of the
13 Director of the Division of Budget and Accounting in the Department
14 of the Treasury and may be manually authenticated by an
15 authenticating agent or bond registrar, as the issuing officials shall
16 determine. Interest coupons, if any, attached to the bonds shall be
17 signed by the facsimile signature of the Director of the Division of
18 Budget and Accounting in the Department of the Treasury. The bonds
19 may be issued notwithstanding that an official signing them or whose
20 manual or facsimile signature appears on the bonds or coupons has
21 ceased to hold office at the time of issuance, or at the time of the
22 delivery of the bonds to the purchaser thereof.

23
24 9. a. The bonds shall recite that they are issued for the purposes
25 set forth in section 4 of this act, that they are issued pursuant to this
26 act, that this act was submitted to the people of the State at the
27 general election held in the month of November, 1996, and that this
28 act was approved by a majority of the legally qualified voters of the
29 State voting thereon at the election. This recital shall be conclusive
30 evidence of the authority of the State to issue the bonds and their
31 validity. Any bonds containing this recital shall, in any suit, action or
32 proceeding involving their validity, be conclusively deemed to be fully
33 authorized by this act and to have been issued, sold, executed and
34 delivered in conformity herewith and with all other provisions of law
35 applicable hereto, and shall be incontestable for any cause.

36 b. The bonds shall be issued in the denominations and in the form
37 or forms, whether coupon, fully-registered or book-entry, and with or
38 without provisions for the interchangeability thereof, as may be
39 determined by the issuing officials.

40
41 10. When the bonds are issued from time to time, the bonds of
42 each issue shall constitute a separate series to be designated by the
43 issuing officials. Each series of bonds shall bear such rate or rates of
44 interest as may be determined by the issuing officials, which interest
45 shall be payable semiannually; except that the first and last interest
46 periods may be longer or shorter, in order that the intervening

1 semiannual payments may be at convenient dates.

2

3 11. The bonds shall be issued and sold at the price or prices and
4 under the terms, conditions and regulations as the issuing officials may
5 prescribe, after notice of the sale, published at least once in at least
6 three newspapers published in this State, and at least once in a
7 publication carrying municipal bond notices and devoted primarily to
8 financial news, published in this State or in the City of New York, the
9 first notice to appear at least five days prior to the day of bidding. The
10 notice of sale may contain a provision to the effect that any bid in
11 pursuance thereof may be rejected. In the event of rejection or failure
12 to receive any acceptable bid, the issuing officials, at any time within
13 60 days from the date of the advertised sale, may sell the bonds at a
14 private sale at such price or prices and under the terms and conditions
15 as the issuing officials may prescribe. The issuing officials may sell all
16 or part of the bonds of any series as issued to any State fund or to the
17 federal government or any agency thereof, at a private sale, without
18 advertisement.

19

20 12. Until permanent bonds are prepared, the issuing officials may
21 issue temporary bonds in a form and with those privileges as to their
22 registration and exchange for permanent bonds as may be determined
23 by the issuing officials.

24

25 13. The proceeds derived from the sale of bonds shall be paid to
26 the State Treasurer to be held by the State Treasurer in a separate
27 fund, which shall be known as the "Jobs from Housing and Economic
28 Development Fund." The proceeds of this fund shall be deposited in
29 those depositories as may be selected by the State Treasurer to the
30 credit of the fund.

31

32 14. a. The moneys in the "Jobs from Housing and Economic
33 Development Fund" are specifically dedicated and shall be applied to
34 the cost of the purposes set forth in section 4 of this act. However, no
35 moneys in the fund shall be expended for those purposes, except as
36 otherwise authorized by this act, without the specific appropriations
37 thereof by the Legislature, but bonds may be issued as herein provided,
38 notwithstanding that the Legislature shall not have then adopted an act
39 making a specific appropriation of any of the moneys. Any act
40 appropriating moneys from the "Jobs from Housing and Economic
41 Development Fund" shall identify the project to be funded by the
42 moneys.

43

44 b. At any time prior to the issuance and sale of bonds under this
45 act, the State Treasurer is authorized to transfer from any available
46 moneys in any fund of the treasury of the State to the credit of the
"Jobs from Housing and Economic Development Fund" those sums as

1 the State Treasurer may deem necessary. The sums so transferred
2 shall be returned to the same fund of the treasury of the State by the
3 State Treasurer from the proceeds of the sale of the first issue of
4 bonds.

5 c. Pending their application to the purposes provided in this act,
6 the moneys in the "Jobs from Housing and Economic Development
7 Fund" may be invested and reinvested as are other trust funds in the
8 custody of the State Treasurer, in the manner provided by law. Net
9 earnings received from the investment or deposit of moneys in the
10 "Jobs from Housing a4d Economic Development Fund" shall be paid
11 into the General Fund.

12

13 15. If any coupon bond, coupon or registered bond is lost,
14 mutilated or destroyed, a new bond or coupon shall be executed and
15 delivered of like tenor, in substitution for the lost, mutilated or
16 destroyed bond or coupon, upon the owner furnishing to the issuing
17 officials evidence satisfactory to them of the loss, mutilation or
18 destruction of the bond or coupon, the ownership thereof, and
19 security, indemnity and reimbursement for expenses connected
20 therewith, as the issuing officials may require.

21

22 16. The accrued interest, if any, received upon the sale of the
23 bonds shall be applied to the discharge of a like amount of interest
24 upon the bonds when due. Any expense incurred by the issuing
25 officials for advertising, engraving, printing, clerical, authenticating,
26 registering, legal or other services necessary to carry out the duties
27 imposed upon them by the provisions of this act shall be paid from the
28 proceeds of the sale of the bonds by the State Treasurer, upon the
29 warrant of the Director of the Division of Budget and Accounting in
30 the Department of the Treasury, in the same manner as other
31 obligations of the State are paid.

32

33 17. Bonds of each series issued hereunder shall mature, including
34 any sinking fund redemptions, not later than the 35th year from the
35 date of issue of that series, and in amounts as shall be determined by
36 the issuing officials. The issuing officials may reserve to the State by
37 appropriate provision in the bonds of any series the power to redeem
38 any of the bonds prior to maturity at such price or prices and upon
39 such terms and conditions as may be provided in the bonds.

40

41 18. Any bond or bonds issued hereunder, which are subject to the
42 "Refunding Bond Act of 1985," P.L.1985, c.74 as amended by
43 P.L.1992, c.182 (C.49:2B-1 et seq.), shall no longer be deemed to be
44 outstanding, shall no longer constitute a direct obligation of the State
45 of New Jersey, and the faith and credit of the State shall no longer be
46 pledged to the payment of the principal of, redemption premium, if

1 any, and interest on the bonds, and the bonds shall be secured solely
2 by and payable solely from moneys and government securities
3 deposited in trust with one or more trustees or escrow agents, which
4 trustees and escrow agents shall be trust companies or national or state
5 banks having powers of a trust company, located either within or
6 without the State, as provided herein, whenever there shall be
7 deposited in trust with the trustees or escrow agents, as provided
8 herein, either moneys or government securities, including government
9 securities issued or held in book-entry form on the books of the
10 Department of Treasury of the United States, the principal of and
11 interest on which when due will provide money which, together with
12 the moneys, if any, deposited with the trustees or escrow agents at the
13 same time, shall be sufficient to pay when due the principal of,
14 redemption premium, if any, and interest due and to become due on
15 the bonds on or prior to the redemption date or maturity date thereof,
16 as the case may be; provided the government securities shall not be
17 subject to redemption prior to their maturity other than at the option
18 of the holder thereof. The State of New Jersey hereby covenants with
19 the holders of any bonds for which government securities or moneys
20 shall have been deposited in trust with the trustees or escrow agents
21 as provided in this section that, except as otherwise provided in this
22 section, neither the government securities nor moneys so deposited
23 with the trustees or escrow agents shall be withdrawn or used by the
24 State for any purpose other than, and shall be held in trust for, the
25 payment of the principal of, redemption premium, if any, and interest
26 to become due on the bonds; provided that any cash received from the
27 principal or interest payments on the government securities deposited
28 with the trustees or escrow agents, to the extent the cash will not be
29 required at any time for that purpose, shall be paid over to the State,
30 as received by the trustees or escrow agents, free and clear of any
31 trust, lien, pledge or assignment securing the bonds; and to the extent
32 the cash will be required for that purpose at a later date, shall, to the
33 extent practicable and legally permissible, be reinvested in government
34 securities maturing at times and in amounts sufficient to pay when due
35 the principal of, redemption premium, if any, and interest to become
36 due on the bonds on and prior to the redemption date or maturity date
37 thereof, as the case may be, and interest earned from the reinvestment
38 shall be paid over to the State, as received by the trustees or escrow
39 agents, free and clear of any trust, lien or pledge securing the bonds.

40 Notwithstanding anything to the contrary contained herein:

41 a. the trustees or escrow agents shall, if so directed by the issuing
42 officials, apply moneys on deposit with the trustees or escrow agents
43 pursuant to the provisions of this section, and redeem or sell
44 government securities so deposited with the trustees or escrow agents,
45 and apply the proceeds thereof to (1) the purchase of the bonds which
46 were refinanced by the deposit with the trustees or escrow agents of

1 the moneys and government securities and immediately thereafter
2 cancel all bonds so purchased, or (2) the purchase of different
3 government securities; provided however, that the moneys and
4 government securities on deposit with the trustees or escrow agents
5 after the purchase and cancellation of the bonds or the purchase of
6 different government securities shall be sufficient to pay when due the
7 principal of, redemption premium, if any, and interest on all other
8 bonds in respect of which the moneys and government securities were
9 deposited with the trustees or escrow agents on or prior to the
10 redemption date or maturity date thereof, as the case may be; and

11 b. in the event that on any date, as a result of any purchases and
12 cancellations of bonds or any purchases of different government
13 securities, as provided in this sentence, the total amount of moneys
14 and government securities remaining on deposit with the trustees or
15 escrow agents is in excess of the total amount which would have been
16 required to be deposited with the trustees or escrow agents on that
17 date in respect of the remaining bonds for which the deposit was made
18 in order to pay when due the principal of, redemption premium, if any,
19 and interest on the remaining bonds, the trustees or escrow agents
20 shall, if so directed by the issuing officials, pay the amount of the
21 excess to the State, free and clear of any trust, lien, pledge or
22 assignment securing the refunding bonds.

23

24 19. Refunding bonds issued pursuant to P.L.1985, c.74 as amended
25 by P.L.1992, c.182 (C.49:2B-1 et seq.), may be consolidated with
26 bonds issued pursuant to section 5 of this act or with bonds issued
27 pursuant to any other act for purposes of sale.

28

29 20. To provide funds to meet the interest and principal payment
30 requirements for the bonds issued under this act and outstanding, there
31 is appropriated in the order following:

32 a. Revenue derived from the collection of taxes under the "Sales
33 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
34 thereof as may be required; and

35 b. If, at any time, funds necessary to meet the interest, redemption
36 premium, if any, and principal payments on outstanding bonds issued
37 under this act are insufficient or not available, there shall be assessed,
38 levied and collected annually in each of the municipalities of the
39 counties of this State, a tax on the real and personal property upon
40 which municipal taxes are or shall be assessed, levied and collected,
41 sufficient to meet the interest on all outstanding bonds issued
42 hereunder and on the bonds proposed to be issued under this act in the
43 calendar year in which the tax is to be raised and for the payment of
44 bonds falling due in the year following the year for which the tax is
45 levied. The tax shall be assessed, levied and collected in the same
46 manner and at the same time as other taxes upon real and personal

1 property. The governing body of each municipality shall pay to the
2 county treasurer of the county in which the municipality is located, on
3 or before December 15 in each year, the amount of tax herein directed
4 to be assessed and levied, and the county treasurer shall pay the
5 amount of the tax to the State Treasurer on or before December 20 in
6 each year.

7 If on or before December 31 in any year, the issuing officials, by
8 resolution, determine that there are moneys in the General Fund
9 beyond the needs of the State, sufficient to pay the principal of bonds
10 falling due and all interest and redemption premium, if any, payable in
11 the ensuing calendar year, the issuing officials shall file the resolution
12 in the office of the State Treasurer, whereupon the State Treasurer
13 shall transfer the moneys to a separate fund to be designated by the
14 State Treasurer, and shall pay the principal, redemption premium, if
15 any, and interest out of that fund as the same shall become due and
16 payable, and the other sources of payment of the principal, redemption
17 premium, if any, and interest provided for in this section shall not then
18 be available, and the receipts for the year from the tax specified in
19 subsection a. of this section shall be considered and treated as part of
20 the General Fund, available for general purposes.

21

22 21. Should the State Treasurer, by December 31 of any year, deem
23 it necessary, because of the insufficiency of funds collected from the
24 sources of revenues as provided in this act, to meet the interest and
25 principal payments for the year after the ensuing year, then the State
26 Treasurer shall certify to the Director of the Division of Budget and
27 Accounting in the Department of the Treasury the amount necessary
28 to be raised by taxation for those purposes, the same to be assessed,
29 levied and collected for and in the ensuing calendar year. The director
30 shall, on or before March 1 following, calculate the amount in dollars
31 to be assessed, levied and collected in each county as herein set forth.
32 This calculation shall be based upon the corrected assessed valuation
33 of each county for the year preceding the year in which the tax is to be
34 assessed, but the tax shall be assessed, levied and collected upon the
35 assessed valuation of the year in which the tax is assessed and levied.
36 The director shall certify the amount to the county board of taxation
37 and the treasurer of each county. The county board of taxation shall
38 include the proper amount in the current tax levy of the several taxing
39 districts of the county in proportion to the ratables as ascertained for
40 the current year.

41

42 22. For the purpose of complying with the provisions of the State
43 Constitution, this act shall be submitted to the people at the general
44 election to be held in the month of November, 1996. To inform the
45 people of the contents of this act, it shall be the duty of the Secretary
46 of State, after this section takes effect and at least 60 days prior to the

1 election, to cause this act to be published at least once in one or more
 2 newspapers of each county, if any newspapers be published therein and
 3 to notify the clerk of each county of this State of the passage of this
 4 act; and the clerks respectively, in accordance with the instructions of
 5 the Secretary of State, shall have printed on each of the ballots the
 6 following:

7 If you approve of the act entitled below make a cross (X), plus (+)
 8 or check (T) in the square opposite the word "Yes."

9 If you disapprove of the act entitled below, make a cross (X), plus
 10 (+) or check (T) in the square opposite the word "No."

11 If voting machines are used, a vote of "Yes" or "No" shall be
 12 equivalent to these markings respectively.

13

14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35	YES	<p style="text-align: center;">JOBS FROM HOUSING AND ECONOMIC DEVELOPMENT FUND BOND ISSUE</p> <p>Shall the "Jobs from Housing and Economic Development Bond Act," which authorizes the State of New Jersey to issue general obligation bonds in the amount of \$290,000,000 for the purposes of funding grants, loans, and other forms of assistance to foster the development and growth of small businesses in urban and low income areas, to facilitate the construction and rehabilitation of safe, decent rental and sales housing for low and moderate income households, to facilitate the purchase of safe, decent housing by low, moderate, and middle income households, and to assist non-profit entities to construct or rehabilitate safe, decent housing affordable to low and moderate income households and to foster the creation of small businesses and employment in urban and low income areas, be approved?</p>
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1		INTERPRETIVE STATEMENT
2		If this act is approved, the State would sell \$290 million of general obligation bonds. The moneys from the bonds would be placed in a "Jobs from Housing and Economic Development Fund." From that fund, the moneys would be appropriated by the Legislature to four permanent revolving funds from which loans, loan guarantees, equity investments, grants and other assistance would be provided. One revolving fund would be used to help the development and growth of small businesses in urban and low income areas. The second would aid the construction and rehabilitation of safe, decent housing for low and moderate income households. The third would help low, moderate and middle income households purchase safe, decent housing. The fourth would help non-profit entities to construct or rehabilitate safe, decent housing for low and moderate income households, and to create small businesses and jobs in urban and low income areas.
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26 The fact and date of the approval or passage of this act, as the case
 27 may be, may be inserted in the appropriate place after the title in the
 28 ballot. No other requirements of law of any kind or character as to
 29 notice or procedure, except as herein provided, need be adhered to.

30 The votes cast for and against the approval of this act, by ballot or
 31 voting machine, shall be counted and the result thereof returned by the
 32 election officer, and a canvass of the election had in the same manner
 33 as is provided for by law in the case of the election of a Governor, and
 34 the approval or disapproval of this act so determined shall be declared
 35 in the same manner as the result of an election for a Governor, and if
 36 there is a majority of all votes cast for and against it at the election in
 37 favor of the approval of this act, then all the provisions of this act not
 38 made effective theretofore shall take effect forthwith.

39
 40 23. There is appropriated the sum of \$5,000 to the Department of
 41 State for expenses in connection with the publication of notice
 42 pursuant to section 22 of this act.

43
 44 24. a. The Commissioner of Community Affairs shall submit to the
 45 State Treasurer with the department's annual budget request a plan for

1 the upcoming fiscal year for the expenditure of funds from (1) the
2 "Affordable Housing Development Fund;" (2) the "Homeownership
3 Fund" by the New Jersey Housing and Mortgage Finance Agency; and
4 (3) the "Non-Profit Capacity Building Fund" established pursuant to
5 section 4 of P.L. , c. (pending before the Legislature as this bill).

6 b. The Commissioner of Commerce and Economic Development
7 shall submit to the State Treasurer with the department's annual
8 budget request a plan for the expenditure of funds from the "Economic
9 Development Fund" for the upcoming fiscal year.

10 c. The plans required pursuant to subsections a. and b. of this
11 section shall include the following information: a performance
12 evaluation of the expenditures made from the fund to date; a
13 description of programs planned during the upcoming fiscal year; a
14 copy of the regulations in force governing the operation of programs
15 that are financed, in part or in whole, by those funds; and an estimate
16 of expenditures for the upcoming fiscal year.

17
18 25. Immediately following the submission to the Legislature of the
19 Governor's annual budget message, the commissioner shall submit to
20 the relevant standing committees of the Legislature, as designated by
21 the President of the Senate and the Speaker of the General Assembly,
22 and to the Joint Budget Oversight Committee, or its successor, a copy
23 of the plan called for under section 24 of this act, together with such
24 changes therein as may have been required by the Governor's budget
25 message.

26
27 26. This section and sections 22 and 23 of this act shall take effect
28 immediately and the remainder of this act shall take effect as and when
29 provided in section 22.

30 31 32 STATEMENT

33
34 This bill would authorize the issuance of \$290 million in general
35 obligation bonds of the State to create a "Jobs from Housing and
36 Economic Development Fund" to foster the development of affordable
37 housing and the growth of small business in the State.

38 Specifically, the bill would distribute the proceeds of the bond sale
39 among four non-lapsing revolving funds as follows:

40 (1) an "Affordable Housing Development Fund," administered by
41 the Department of Community Affairs, to be capitalized by
42 \$210,000,000 out of which would be provided loans, loan guarantees,
43 equity investments, grants or other forms of assistance for the costs of
44 construction and rehabilitation of safe, decent rental and sales housing
45 affordable to low and moderate income households, including housing
46 for households with elderly or disabled persons. Of this amount,

1 \$50,000,000 shall be devoted to project-based assistance to assure
2 that, to the maximum extent feasible, rental housing constructed or
3 rehabilitated with assistance from the Affordable Housing
4 Development Fund is affordable to very low income households.

5 (2) a "Homeownership Fund," administered by the New Jersey
6 Housing Mortgage and Finance Agency, to be capitalized by
7 \$30,000,000 out of which would be provided loans, loan guarantees,
8 grants, and other forms of assistance to enable low, moderate, and
9 middle income households to make downpayments, pay closing costs,
10 and pay other one-time expenses associated with the purchase of
11 housing, including condominium and cooperative housing.

12 (3) to establish an "Economic Development Fund," administered
13 by the Urban Development Corporation, to be capitalized by
14 \$41,000,000 out of which would be provided loans, loan guarantees,
15 equity investments, grants and other forms of assistance to pay the
16 costs of fostering the development and growth of eligible small
17 businesses in urban areas and low income areas.

18 (4) a "Non-Profit Financial Assistance Fund," to be administered
19 by the Department of Community Affairs to be capitalized by
20 \$9,000,000 out of which would be provided loans, grants and other
21 forms of assistance to non-profit entities for the purposes of increasing
22 their capability to (i) plan and develop safe, decent housing affordable
23 to low and moderate income households and (ii) foster the creation of
24 small businesses and employment in urban areas and low income areas.
25 Of this sum, one-third shall be for the purpose of providing loans,
26 grants and other forms of assistance to non-profit entities for the
27 purposes of increasing their capability to foster the creation of small
28 businesses and employment in urban areas and low income areas.

29

30

31

32

33 Authorizes creation of \$290 million in debt to foster development of
34 affordable housing and growth of small businesses.