

# ASSEMBLY CONCURRENT RESOLUTION No. 23

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## STATE OF NEW JERSEY

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Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

**By Assemblymen GARCIA and PASCRELL**

- 1   **A CONCURRENT RESOLUTION** memorializing Congress and the President of
- 2       the United States to make a legislative priority of increasing the supply of
- 3       affordable housing in the residential inventory of the Resolution Trust
- 4       Corporation.
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- 6   **WHEREAS**, The Resolution Trust Corporation (RTC) has promulgated rules
- 7       and regulations pursuant to the "Financial Institutions Reform, Recovery,
- 8       and Enforcement Act of 1989" (FIRREA) dealing with the disposition of
- 9       affordable residential property under the auspices of the RTC; and
- 10   **WHEREAS**, The goal of the RTC's affordable housing program is to provide
- 11       home ownership and rental housing opportunities for low and moderate
- 12       income households; and
- 13   **WHEREAS**, Under FIRREA, a single-family residence may become part of the
- 14       affordable housing inventory if it is appraised at not more than \$67,500, an
- 15       amount which is not adjusted for regional cost-of-living or housing market
- 16       variations; and
- 17   **WHEREAS**, The RTC is granted some discretion in discounting the disposition
- 18       price of property in its inventory if it does not sell within a given amount of
- 19       time; and
- 20   **WHEREAS**, Prospective first-time home buyers in all but the very highest
- 21       income categories in this State are thwarted by rapidly escalating initial
- 22       costs of home acquisition and there is, in particular, a compelling need to
- 23       encourage and, where possible, create home ownership opportunities for
- 24       low and moderate income households in this State; and
- 25   **WHEREAS**, The RTC, through its affordable housing disposition program,
- 26       possesses a major opportunity to increase home ownership opportunities
- 27       for low and moderate income households in this State; and
- 28   **WHEREAS**, The RTC is hindered in its efforts by the imposition of a national
- 29       standard governing the definition of what constitutes affordable housing
- 30       which is totally inappropriate given the significant regional variations which
- 31       exist across this country and is particularly unfair to New Jersey whose
- 32       housing costs are among the highest in the nation; and
- 33   **WHEREAS**, The RTC is limited in the extent to which it can discount the

1 appraised value of the units in its housing inventory by the receivers of the  
2 failed financial institutions which still legally own those properties; now,  
3 therefore,

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**5        BE IT RESOLVED** by the General Assembly of the State of New Jersey  
6 (the Senate Concurring):

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8       1. The Congress and the President of the United States are hereby  
9 respectfully memorialized to amend FIRREA to allow the RTC to adjust  
10 affordable housing guidelines based on regional variation in housing markets,  
11 reexamine the issue of discounting to allow the RTC greater discretion in  
12 defining housing as affordable, and reconsider any other provisions of  
13 FIRREA to facilitate the disposition of units under RTC jurisdiction for  
14 occupancy by low and moderate income households.

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16       2. This House hereby requests the support of the Governor in enjoining  
17 Congress and the President to make the achievement of these legislative goals  
18 a top priority.

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20       3. Duly authenticated copies of this resolution, signed by the President of  
21 the Senate and attested by the Secretary of the Senate, and signed by the  
22 Speaker of the General Assembly and attested by the Clerk of the General  
23 Assembly, shall be transmitted to the President of the United States, the  
24 presiding officers of the United States Senate and House of Representatives,  
25 and to every member of Congress elected from the State of New Jersey.

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## STATEMENT

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30 This concurrent resolution memorializes Congress and the President of the  
31 United States to make a legislative priority of increasing the supply of  
32 affordable housing in the residential inventory of the Resolution Trust  
33 Corporation.

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### 39 Resolution Trust Corporation.