

# ASSEMBLY CONCURRENT RESOLUTION No. 23

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## STATE OF NEW JERSEY

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PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen GARCIA, PASCARELL and Assemblywoman Friscia

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  
34   appraised value of the units in its housing inventory by the receivers of the

1        failed financial institutions which still legally own those properties; now,  
2        therefore,

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

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

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

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

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29        Memorizes Congress to expand affordable housing inventory overseen by  
30        Resolution Trust Corporation.