

SENATE URBAN POLICY AND PLANNING COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 202

STATE OF NEW JERSEY

DATED: MAY 9, 1996

The Senate Urban Policy and Planning Committee reports favorably a Senate Committee Substitute for Senate Bill No. 202.

This Senate Committee Substitute would authorize the issuance of \$200 million in general obligation bonds of the State to create a "Jobs from Housing and Economic Development Fund" to foster the development of affordable housing and the growth of small business in the State.

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

(1) an "Affordable Housing Development Fund," 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. Out of this fund, moneys shall be allocated 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 for grants to non-profit entities for planning the development of housing affordable to low and moderate income households;

(2) a "Homeownership Fund," 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; and

(3) an "Economic Development Fund," 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, and out of which shall be allocated moneys for grants to nonprofit entities for planning the development and growth of small

business and 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 the fund.

The substitute would not take effect until it has been signed by the Governor and until the passage by the voters of the bond measure at the November, 1996, general election.