

**ASSEMBLY BILL NO. 1533**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 1533 with my recommendations for reconsideration.

Assembly Bill No. 1533 makes several revisions to the statute governing the State Rental Assistance Program ("SRAP"). First, the bill requires the Department of Community Affairs ("DCA") to set aside a portion of SRAP vouchers for tenants displaced "due to redevelopment of affordable housing." Second, the bill requires such tenants to be granted temporary priority status for new affordable units. Finally, the bill requires an official or agent of the new affordable housing development to notify displaced tenants of their priority status when the new units become available.

I commend the bill's sponsors for their commitment to supporting tenants living in affordable housing when they are displaced from their homes due to redevelopment projects. I agree that displaced tenants who continue to be eligible for affordable housing should be entitled to priority for new affordable units. I am concerned, however, about the unintended consequences of requiring DCA to set aside SRAP vouchers for these displaced tenants. Like the federal Housing Choice Voucher Program, SRAP provides housing vouchers primarily for very-low-income New Jersey residents. Unfortunately, SRAP cannot provide vouchers for everyone who qualifies for assistance. And, because DCA is already required to reserve vouchers for low-income senior citizens and veterans, imposing another set-aside would deprive other current or future voucher recipients of critically needed financial assistance.

In addition to these significant funding concerns, an annual set-aside would create administrative challenges, as it would be extremely difficult for DCA to calculate the number of tenants displaced in a given year and to further identify the number of those

tenants who will "continue to qualify for low income housing upon completion of the project," as prescribed by the bill.

For these reasons, I recommend removing the set-aside requirement from the bill. Instead, I am recommending amendments that would require the affordable housing redevelopment project's designated municipal official or administrative agent to determine whether the redevelopment project qualifies for relocation assistance or services from the Department of Housing and Urban Development (HUD) and, if so, to notify displaced tenants of how to access such support. I also recommend making clear that a displaced tenant who receives temporary priority status should not be subject to additional screening criteria that would not be imposed upon lease renewal had the tenant not been required to temporarily relocate. And I suggest shifting the timelines for the notices required by the bill so that tenants are notified of their priority status earlier in the process, allowing tenants to claim their priority before the redevelopment project begins running lotteries for new affordable units.

Finally, I suggest delaying the bill's effective date to give affordable housing development officials and agents time to prepare to comply with the law.

Therefore, I herewith return Assembly Bill No. 1533 and recommend that it be amended as follows:

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| <u>Page 2, Title, Line 1:</u>         | Delete "rental assistance and amending P.L.2004," and insert "the displacement of individuals due to the redevelopment of affordable housing and supplementing P.L.1966, c.293 (C.52:27D-1 et seq.)." |
| <u>Page 2, Title, Line 2:</u>         | Delete in its entirety  |
| <u>Page 2, Section 1, Lines 7-34:</u> | Delete in their entirety  |
| <u>Page 2, Section 1, Line 35:</u>    | Delete "redevelopment of affordable housing." and insert "1. (New section)"   |
| <u>Page 2, Section 1, Line 37:</u>    | Delete "the persons" and insert "any person"  |
| <u>Page 2, Section 1, Line 38:</u>    | Delete "continue to qualify for low income" and insert "continues to be income-qualified for affordable"  |

- Page 2, Section 1, Line 39: After "granted" insert "temporary"
- Page 2, Section 1, Line 40: After "units" insert "in the project. A displaced person with temporary priority status shall not be subject to additional screening criteria that the person would not have been subject to upon a lease renewal had the person not been displaced"
- Page 2, Section 1, Line 41: Delete (1) and insert "a."
- Page 2, Section 1, Line 43: After "or" delete "the"
- Page 2, Section 1, Line 44: After "development" insert "tasked with implementing the new affordable housing development's affirmative marketing plan"
- Page 2, Section 1, Line 44: After "their" insert "temporary"
- Page 3, Section 1, Line 4: After "persons" insert "in writing"
- Page 3, Section 1, Line 6: After "tenants." insert "b. If federal funds will be used for the redevelopment project, the designated municipal official or administrative agent of the new affordable housing development tasked with implementing the new affordable housing development's affirmative marketing plan shall determine whether the redevelopment project qualifies for relocation services or assistance for displaced persons provided by the federal Department of Housing and Urban Development. If such designated municipal official or administrative agent determines that the redevelopment project qualifies for federal relocation services or assistance, then the designated municipal official or administrative agent shall notify the displaced persons of the availability of such services or assistance and information on how to access the services or assistance."
- Page 3, Section 1, Line 7: Delete "(2) Within 30 days after" and insert "c. At least 90 days before"
- Page 3, Section 1, Lines 7-8: Delete "new affordable housing development begins to accept applications from prospective tenants" and insert "owner, developer, property manager, or other administrative entity required to implement an affirmative marketing plan of a

newly constructed development conducts a lottery drawing as required by P.L.2020, c.51 (C.52:27D-321.6)"

- Page 3, Section 1, Line 9: After "or" delete "the"
- Page 3, Section 1, Line 10: After "development" insert "tasked with implementing the new affordable housing development's affirmative marketing plan"
- Page 3, Section 1, Line 10: After "persons" insert "in writing"
- Page 3, Section 1, Line 11: After "from" delete "the" and insert "such"
- Page 3, Section 1, Line 11: After "or" delete "the"
- Page 3, Section 1, Line 14: Delete "and the availability of tenant-" and insert ", a copy of the application for a unit in the new affordable housing development, and information on how to seek federal, state, and local rental assistance."
- Page 3, Section 1, Lines 15-21: Delete in their entirety
- Page 3, Section 1, Line 22: Delete "After the 90 days have elapsed, the persons" and insert "d. A displaced tenant shall have at least 75 days following the date on which the notification was provided to respond to the notification required by subsection c. of this section. A person"
- Page 3, Section 1, Line 23: After "redevelopment" insert "who fails to respond to the notification required by subsection c. of this section at least 15 days before the lottery drawing required by P.L.2020, c.51 (C.52:27D-321.6) is to be conducted will"
- Page 3, Section 1, Line 23: Delete "their" and insert "temporary"
- Page 3, Section 1, Line 23: After "and" delete "the" and insert "any"
- Page 3, Section 1, Line 24: Delete "reserved for displaced persons" and insert "not rented to those with temporary priority status pursuant to this section"
- Page 3, Section 1, Line 25: After "tenants" insert "and shall be available for the lottery required under P.L.2020, c.51 (C.52:27D-321.6).  
e. If the new affordable housing development is not subject to the lottery requirement of P.L.2020, c.51 (C.52:27D-321.6), the notification

required by subsection c. of this section shall be provided at least 30 days before information regarding how to apply for units is provided to other prospective applicants or any applications from potential applicants through any other means are solicited. A displaced tenant shall have at least 75 days to respond to the notification before no longer retaining temporary priority status. Any units not rented to displaced tenants may be used for other tenants"

Page 3, Section 1, Line 26:

Delete "(4)" and insert "f."

Page 3, Section 1, Line 26:

Delete "subsection" and insert "section"

Page 3, Section 1, Line 29:

Delete "regional" and insert "area"

Page 3, Section 1, Line 34:

Delete "Priority" and insert "Temporary priority"

Page 4, Section 1, Line 5:

Delete in its entirety

Page 4, Section 2, Line 7:

Delete "immediately" and insert "on the first day of the fourth month next following the date of enactment"

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor