

**LEGISLATIVE FISCAL ESTIMATE**  
[Second Reprint]  
**SENATE, No. 3955**  
**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

DATED: DECEMBER 22, 2021

**SUMMARY**

**Synopsis:** Establishes "Rental Assistance Navigation Program" in DCA; makes appropriation.

**Type of Impact:** State expenditure increase. Potential local expenditure increase.

**Agencies Affected:** Department of Community Affairs; The Judiciary; local government units.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>
<b>State Cost Increase</b>	Indeterminate
<b>Potential Local Cost Increase</b>	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would result in increased State expenditures attributable to the administration of the “Rental Assistance Navigation Program.” These expenses would be borne by the Department of Community Affairs (DCA) through (1) direct administrative costs associated with program implementation, and (2) indirect administrative costs associated with establishing contracts with DCA navigators.
- The bill requires the DCA to bear several administrative responsibilities, including decisions regarding contracting the responsibilities of the program to one or more DCA navigators; preparing and disseminating regulatory guidance documents; engaging in efforts to enhance public awareness of the program; identifying potential tenants eligible for the program; and submitting a report to the Governor and the Legislature to detail the outcomes of the program.
- In addition to DCA, the Administrative Office of the Courts and local resource agencies may see indeterminate increases in costs associated with assisting resource navigators with identifying eligible tenants, as defined by the bill.
- Under the bill, DCA may collaborate with counties and municipalities that received an allocation of federal Emergency Rental Assistance from the United State Treasury to facilitate



the collection of applications for and distribution of such assistance. As a result, certain local government units may incur marginal expenditure increases depending on the extent to which the DCA requests their services.

## **BILL DESCRIPTION**

This bill would establish the “Rental Assistance Navigation Program” in the DCA as a program to facilitate the diversion from and prevention of residential evictions due to nonpayment and habitual late payment of rent, or for refusal to pay or agree to a rental increase. The purpose of the program is to provide support for tenants facing or at risk of eviction who have suffered financial hardship as a result of the COVID-19 pandemic and provide resources to alleviate the burden placed on landlord-tenant courts that may be facing increased caseloads and additional resource constraints as a result of the COVID-19 pandemic.

The bill would authorize the DCA to contract the responsibilities of the program to one or more DCA navigators, private entities that would facilitate the prevention of residential evictions through fulfilling certain program responsibilities. Resource navigators, persons employed or contracted by DCA navigators, would be allocated to court vicinages in the State for one year beginning on the effective date of the bill for the purpose of attending eviction proceedings and conducting outreach in conjunction with the DCA, the Administrative Office of the Courts, and local resource agencies to identify eligible tenants. Resource navigators would provide services to eligible tenants in their respective vicinage or vicinages in the form of information and connections to resources that may help the eligible tenant avoid eviction. This may include information about the availability of rental assistance and how to obtain protections against eviction, and connections to counseling, legal services, and other intervention services to assist an eligible tenant in avoiding eviction. Additionally, the department would be permitted to collaborate with counties and municipalities that received an allocation of federal Emergency Rental Assistance from the United States Department of the Treasury to facilitate the collection of applications for and distribution of such assistance.

The DCA, in consultation with the Division of Disaster Recovery and Mitigation, would be responsible for establishing appropriate administrative costs and for ensuring that any expenditure of federal funds is expended in compliance with federal rules and guidance. Additionally, the DCA, in consultation with the Administrative Office of the Courts, would be required to submit a report to the Governor and the Legislature to detail the outcomes of the program, providing information including the number of eligible tenants who have been served by the program, and non-personally identifiable information on the race, ethnicity, gender, primary language spoken, household size, and vicinage of tenants assisted by the program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that the bill would result in increased State expenditures attributable to the administration of the “Rental Assistance Navigation Program.” These expenses would be borne



by the DCA through (1) direct administrative costs associated with program implementation, and (2) indirect administrative costs associated with establishing contracts with DCA navigators.

The DCA would be required to bear several administrative responsibilities, including decisions regarding contracting the responsibilities of the program to DCA navigators; preparing and disseminating regulatory guidance documents; engaging in efforts to enhance public awareness of the program; identifying potential tenants eligible for the program; and, in consultation with the Administrative Director of the Courts, submitting a report to the Governor and the Legislature to detail the outcomes of the program.

The bill would authorize the DCA to establish contracts with one or more DCA navigators, as defined by the bill, for the purpose of facilitating the prevention of residential evictions and fulfilling the responsibilities of the program. Resource navigators, employees or contractors of DCA navigators, would have several responsibilities under the bill. The OLS is unable to predict how many contacts would be established pursuant to the bill or the specific elements of the contracts, and it is unclear what funding would become available to DCA to fulfill these responsibilities.

The bill also requires resource navigators to work in conjunction with the DCA, the Administrative Office of the Courts, and local resource agencies of the county or counties that the resource navigator is assigned to in order to identify tenants eligible for the program. These entities may also experience an indeterminate increase in administrative costs.

Additionally, some counties and municipalities may see an increase in the rate of expenditures from allocations of federal Emergency Rental Assistance due to collaboration with the DCA in the collection of applications and distribution of assistance. As a result, certain local government units may incur marginal expenditure increases depending on the extent to which the DCA requests their services.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).