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David J. Rosen
Legislative Budget and Finance Officer
Office of Legislative Services
State House Annex
PO Box 068
Trenton, NJ 08625-0068

Dear Mr. Rosen:

Please accept this letter as the Department of Community Affairs' response to Assembly Budget and Appropriations Committee hearing follow-up questions.

Why has the Executive Branch not transmitted fiscal notes on those bills that are considered part of the Governor's "toolkit" to the Office of Legislative Services?

> We are reviewing the current status of toolkit legislation and will shortly file fiscal notes for those applicable to the Department.

Please provide a copy of the Municipal Best Practices Inventory for Fiscal Year 2012.

> There is no final draft of Municipal Best Practices Inventory for FY 2012 completed at this time. A copy will be forwarded upon its completion.

Is a proposed change to budget language permitting the Director of the Division of Local Government Services to re-categorize an amount of Transitional Aid as additional base aid under the Consolidated Municipal Property Tax Relief Program intended to avoid violating State statutes governing the distribution of Energy Tax Receipts Property Tax Relief Aid?

> No. There may be a portion of aid being provided to certain communities as "Transitional Aid" which ought to be recognized as other than transitional in nature. For example, the City of Camden will almost certainly never have an ability to eliminate its reliance on what is now being classified as "Transitional Aid." In order to eliminate its reliance on "Transitional Aid," the City of Camden would need to triple its tax levy or terminate more than $60,000,000 worth of employees in addition to its recent 10% levy increase and sizable personnel actions. The intent of this language is to identify an appropriate level of aid that can appropriately be viewed as transitional in nature and to reset the amount of aid that is classified as Transitional Aid that is expected to be phased out.

What amount of State revenue has been deposited into the New Jersey Affordable Housing Trust Fund in the current fiscal year?

> Through April 2011, $30.793 million in realty transfer tax fee revenue has been credited to the New Jersey Affordable Housing Trust Fund.

Please explain the delay in transmitting a report to the Joint Budget Oversight Committee detailing the project subsidies provided to low income housing tax credit projects funded by New Jersey's allocation of federal funds through the American Reinvestment and Recovery Act of 2009. Were quarterly reports transmitted to the Joint Budget Oversight Committee in Fiscal Years 2010 and 2011? (The budget language requiring the report was in the Appropriations Act for those two fiscal years).

> The New Jersey Housing & Mortgage Finance Agency (NJHMFA) administered two financial assistance programs created under ARRA to assist low income housing tax credit projects negatively affected by the declining housing and investment markets – the Tax Credit Assistance Program (TCAP) and the Section 1602 Tax Credit Exchange Program (TCX). HMFA complied with ARRA requirements to submit reports to both HUD and Treasury on a quarterly basis which detail commitment amounts, expenditure and project completion status. Reports were also provided to JBOC through the Office of Legislative Services on May 6, 2011, as required by budget language. Please note that all program commitment deadlines have been met, with 100% of the funding under these two programs fully committed as of December 31, 2010.

Are there any unexpended balances in the New Jersey Affordable Housing Trust Fund that could be expended for affordable housing purposes instead of lapsing back to the General Fund at the end of the Fiscal Year?

> All available FY 2011 resources in the New Jersey Affordable Housing Trust Fund administered by the Department of Community Affairs will be obligated and reserved for use in FY 2012 to support the State Rental Assistance Program (SRAP).

What level of administrative and financial support is the State providing to municipalities as they apply the homestead property tax credit to the third quarter property tax bill?

> Municipalities were reimbursed for the direct expenditures involved in issuing the adjusted May 2011 tax bill. The reimbursement was a fixed rate of $.60 per line item receiving a credit (labor costs will not be reimbursed.) The fixed rate is calculated as $.44 for postage, $.11 for forms and printing, and $.05 for preprinted envelopes. The total municipal reimbursement is calculated by multiplying the $.60/line item rate times the number of line items receiving a credit. The payments were made as a separate ACH transaction. Additional information concerning the 2011 Homestead Rebate Program is provided in Local Finance Notice 2011-6 available on the Division of Local Government Services' website.

Thank you for the opportunity to reply to the concerns of the committee members. If I can be of further assistance, do not hesitate to contact me.

Sincerely,

LORI GRIFA
Commissioner