

**CHAPTER 42****WORK FIRST NEW JERSEY HOUSING ASSISTANCE PROGRAM****Authority**

N.J.S.A. 44:10-45 and 44:10-70.

**Source and Effective Date**

R.1999 d.124, effective April 19, 1999 (operative January 18, 2000).  
See: 30 N.J.R. 1463(a), 31 N.J.R. 1061(c).

**Executive Order No. 66(1978) Expiration Date**

Chapter 42, Work First New Jersey Housing Assistance Program, expires on April 19, 2004.

**Chapter Historical Note**

Chapter 42, Federal Aid Project Notification and Review System, was adopted as R.1970 d.83, effective July 9, 1970. See: 2 N.J.R. 46(d), 2 N.J.R. 61(e).

Chapter 42, Federal Aid Project Notification and Review System, was repealed by R.1983 d.488, effective November 7, 1983. See: 15 N.J.R. 1494(a), 15 N.J.R. 1858(a).

Chapter 42, Work First New Jersey Housing Assistance Program, was adopted as new rules by R.1999 d.124, effective April 19, 1999 (operative January 18, 2000). See: Source and Effective Date.

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**SUBCHAPTER 1. PROGRAM ADMINISTRATION****5:42-1.1 Selection criteria**

(a) The Work First New Jersey (WFNJ) Housing Assistance Program shall be available to residents of the cities of Trenton, Camden, Elizabeth, Asbury Park and New Brunswick. These municipalities have been chosen on the basis of that portion of the State WFNJ/Temporary Assistance for Needy Families (TANF) caseload that is represented by each of them.

(b) The county agency administering WFNJ/TANF in the county in which a targeted municipality is located shall refer families that are no longer eligible for WFNJ/TANF cash assistance to the Department of Community Affairs if they are ineligible for all of the following reasons:

1. Placement in unsubsidized employment;
2. Incomes of 150 percent or less of the Federal Poverty Level; and
3. Cash assets and other personal property having an aggregate value not exceeding \$4,000 (exclusive of an automobile).

(c) Families who are no longer eligible for WFNJ/TANF cash assistance due to all of the reasons in (b) above shall be referred to the Department of Community Affairs based on the highest cumulative points in accordance with the following priorities:

1. Family is recommended by the county agency making the referral (7 points);
2. Family may have been homeless, but did not cause their homelessness themselves by being evicted from housing for being disorderly or engaging in wanton destruction of property or criminal activity (6 points);
3. Family received temporary rental assistance under WFNJ/TANF in order to prevent homelessness (5 points);
4. Applicant is a teenaged parent who will turn 18 years of age and has been living in a second chance home (4 points);
5. Family paying more than 50 percent of its gross earned income for housing expenses (3 points);
6. Applicant is a teenaged parent, under the age of 20, who has been employed and is no longer eligible for WFNJ/TANF (2 points);
7. Family that has received fewer than two sanctions while eligible for WFNJ/TANF (1 point).

Amended by R.2000 d.25, effective January 18, 2000.  
See: 31 N.J.R. 917(a), 32 N.J.R. 273(b).

Rewrote (b); and in (c), rewrote the introductory paragraph.

**5:42-1.2 Department responsibilities**

(a) Upon receipt of a written referral from the county agency administering WFNJ/TANF in the county in which a designated municipality is located, the Department of Community Affairs, through its county field offices, shall:

1. Assist families with locating appropriate housing;
2. Conduct case management services for program participants;
3. Inspect housing and ensure that it conforms with the Housing Quality Standards established by the United States Department of Housing and Urban Development;

4. Conduct rent reasonableness tests to ensure that rents represent the fair market value, as determined by the United States Department of Housing and Urban Development;

5. Negotiate lease and rental subsidy contract terms with landlords;

6. Calculate the rental subsidy for each participating family;

7. Establish and maintain escrow savings accounts for participants;

8. Determine the length of rental assistance for each family;

9. Provide and/or refer participants to housing counseling, budget counseling, re-employment services and related services;

10. Re-evaluate the participants' circumstances and needs with regard to the program at least once a year; and

11. Administer the day-to-day operations of the program.

### 5:42-1.3 Case management

(a) The Department of Community Affairs shall assign program participants to a field representative who shall assist them in identifying suitable housing and negotiating leases with property owners.

(b) The field representative shall review the information about the family that is provided by the Department of Human Services to determine if any additional services may be needed by the family. A description of programs that provide budget and employment counseling and supportive services shall be provided to participants as required.

1. The field representative shall continue to be the point of contact for the participants, and shall assist them with referral and linkage to other services as required.

## SUBCHAPTER 2. RENTAL SUBSIDIES

### 5:42-2.1 Subsidy amounts

(a) Participating families shall pay a percentage of their monthly income towards their rent, based upon the following schedule: Year One—45 percent; Year Two—55 percent; Year Three—65 percent.

(b) The Work First New Jersey (WFNJ) Housing Assistance Program shall pay the remainder of the rent, up to the Payment Standard for the rental costs in each county. The program shall pay the rental subsidy directly to the rental property owner. The Payment Standard is the Fair Market Rent for each county that is published annually by the United States Department of Housing and Urban Development.

### 5:42-2.2 Escrow/savings accounts

(a) The program shall establish escrow/savings accounts for participating families. These accounts shall be funded by rental payments that would normally be made to landlords by the program on behalf of assisted tenants had the tenant's income not increased. Because tenants will likely experience increases in wages which require them to pay more toward their rent, the subsidy will generally be reduced.

(b) An escrow/savings account shall be used for possible home purchase or other housing-related costs.

(c) If the subsidy is discontinued, the escrow/savings account shall be closed out, and the funds shall be transferred to the general subsidy account. The general subsidy account is the account established to provide rental subsidy payments to property owners on behalf of participants.

(d) If an escrow/savings account has been established for the participant, the program shall use the proceeds of that account to continue the rental subsidy beyond the extension period provided for in N.J.A.C. 5:42-2.3, for as long as the amount of escrow/savings account funds can pay the rental cost.

(e) In no case shall escrow funds be used to provide a rental subsidy that would exceed three years when added to the previous time period in which rental subsidies are paid. Instead, funds shall be returned to the general subsidy account, and the escrow/savings account shall be canceled.

### 5:42-2.3 Duration and termination of rental subsidies

(a) Rental subsidies shall continue for up to three years as long as the participant maintains unsubsidized employment.

(b) If the participant loses employment through no fault of his or her own, the rental subsidy shall continue for four months. (See (c) below regarding voluntary quits and good cause.) Regardless of the total extensions that are granted, rental subsidies may not be paid for more than a total of three years for any participant.

1. An extension of the rental subsidy shall be available for four additional months if the recipient shows that he or she is actively seeking employment and is utilizing all avenues for re-employment, including services offered by the Department of Labor. Extensions may be granted more than one time if the participant experiences loss of income through no fault of his or her own. However, under no circumstances shall the total period of subsidies, including all extensions, continue for in excess of three years.

2. The eligibility for the extension shall be reviewed on a monthly basis.

3. Failure for any reason to obtain other employment within the allowable time frame shall result in termination of the rental subsidy.

(c) An adult recipient who voluntarily quits a job, without good cause, shall render the entire assistance unit ineligible for WFNJ/TANF cash assistance benefits for a period of two months from the date the county agency administering the WFNJ/TANF makes the determination that the recipient quit the job.

1. When a WFNJ recipient reports the loss of earned income, the county shall determine if any adult household member has quit or terminated his or her most recent job, without good cause.

2. Changes in employment status that result from a permanent reduction in hours of employment while working for the same employer, terminating a failing self-employment enterprise; or resigning from a job at the demand of the employer shall not be considered a voluntary quit.

3. The individual who voluntarily ceased employment shall be responsible for providing the necessary information so that a good cause determination can be made. Good cause as it relates to voluntary cessation of work shall include any of the following conditions or situations:

i. Transportation of any means or mode, if required for the job, is unavailable;

ii. Child care is necessary for a child under 13 years of age, or for a special needs child up to the age of 18, and is unavailable from any source which meets State and local law;

iii. The individual has been discriminated against by the employer and a formal complaint, appeal or lawsuit is pending, this having been verified by the State Department of Labor, the Division on Civil Rights or other appropriate source;

iv. Work demands make continued employment unreasonable, as when payment for work is not made on schedule;

v. Working conditions are in violation of requirements established under the Occupational Safety and Health Act (OSHA) and pose a potential risk to the health or safety of the individual;

vi. A resignation is recognized by the employer as retirement when the individual is 60 years of age or older;

vii. An individual is prevented from working as a result of a lawful strike by other employees or a lockout by the employer;

viii. The individual is physically or mentally unable or unfit to perform the employment, as documented by medical evidence or verified information obtained from other sources; or

ix. Circumstances beyond the individual's control prevent continued employment, such circumstances including, without limitation, loss of driver's license or insurance, a change in shift or hours of employment resulting in the loss of the individual's regular means of transportation (where transportation is necessary and other means of transportation are not available), and breakdown of transportation or child care arrangements.

(d) Participants who lose employment through no fault of their own shall contact the housing field office within five working days of their employment termination.

1. The program field representative shall advise the participant that the rental subsidy shall continue automatically for four months and as to whether or not there are sufficient funds in the escrow/savings account to pay rental costs beyond the initial four months or another four months if an extension is granted.

2. The participant's rental assistance shall be terminated immediately upon the expiration of all extensions and the exhaustion of all escrow/savings account funds.

3. Any funds which may remain in the escrow/savings account shall be returned to the general subsidy account.

4. In any event, the allowable extension period shall begin on the first day of the succeeding month of loss of work.

(e) If, at the end of the extension period, the participant does not secure work, the housing program field office shall notify the landlord 30 days prior to termination that the subsidy shall terminate. However, the lease between the tenant and the landlord shall remain in effect until the end of the lease period unless terminated sooner for good cause, as provided by law.

(f) For those participants who lose employment through no fault of their own, the rental subsidy shall continue after the four months of unemployment or after the escrow account balance has been expended, only if the participant has obtained unsubsidized employment.

1. The remaining rental subsidy payments, when added to the total of all previous payments including any use of escrow savings funds, may not exceed an amount sufficient to provide rental subsidies for three years.

(g) If a participant suffers a temporary disability and is unable to continue employment, the program shall continue to pay rental subsidies until the participant is able to return to work. If the disability is permanent, rental assistance shall continue until the participant begins to receive disability benefits.

(h) In no case shall escrow funds be used to provide a rental subsidy that would exceed three years when added to the previous time period in which rental subsidies had been paid. When this limit is reached, funds shall be returned to the general subsidy account and the escrow account shall be canceled.

#### **5:42-2.4 Other causes for termination**

(a) If a family is found to have committed any fraud as a participant in the program, the rental subsidy shall be canceled after 30 days notice to the landlord. If the program has established an escrow account, it shall be closed and the amount of the escrow account shall be returned to the general subsidy account.

(b) Assistance may be denied or terminated at any time to a family if a member of the family has been convicted of any criminal activity, including, but not limited to, drug-related criminal activity such as drug-trafficking or illegal use or possession of drugs, whether in the unit or elsewhere on or near the premises.

1. A family member who has engaged in the illegal use of drugs may be required to submit evidence of participation in, or successful completion of, a treatment program as a condition of being allowed to reside in the unit.

(c) If it is determined by a court of law that a participating family has violated any lease terms and the court orders an eviction from the subsidized housing unit because of lease violations, the program shall terminate subsidy when the eviction becomes effective.

(d) A participant may voluntarily withdraw from the Work First New Jersey Housing Assistance Program at any time with at least 30 days notice to the program.

1. Participants for whom an escrow savings account has been established and who wish to withdraw from the program and claim the escrow savings account must provide documentation that they have been employed for six consecutive months prior to their date of withdrawal with wages totaling at least 150 percent of the Federal Poverty Level for those six consecutive months.

#### **5:42-2.5 Phasing out of the rental assistance program**

(a) Participants shall pay the appropriate percent of their monthly income toward their rent as specified by the program and the program shall pay the remainder of the rent up to the established rental cost for the county in which the participant resides. Participants shall gradually phase out of the subsidy as their income increases. During the period of participation in the program the percent of the income shall become a greater portion of the rental cost as the household income increases. At some point during the three-year period of participation the participant's portion may equal or exceed the actual rent. When that occurs, the program would pay nothing toward the rent.

(b) Participants may withdraw the escrow savings which the program has established at the end of the three years when rental subsidies terminate. The escrow savings amount may help participants to pay the cost of their housing for a period of time after their rental subsidy terminates.

#### **5:42-2.6 Exit counseling**

(a) At least six months prior to the expiration of the rental subsidy, the field representative shall meet with the participant to discuss the termination of the rental subsidy. At that time, participants shall be referred to appropriate agencies for counseling to help prepare them for the loss of the subsidy.

(b) Participants who have accumulated escrow accounts shall be eligible for home ownership counseling from the New Jersey Housing and Mortgage Finance Agency.

(c) The program also shall refer participants to agencies to address other family situations where the need for supportive services is identified.

#### **5:42-2.7 Right of appeal**

(a) Program participants shall have the right to appeal any refusal or termination of the service set forth in this subchapter. Requests for hearings arising from disputes concerning a denial of participation shall be made to the county WFNJ/TANF agencies, which shall transmit all such requests to the Division of Family Development for processing in accordance with N.J.A.C. 10:90-9.5 and 9.6.

(b) Requests for hearings arising from disputes concerning a termination of participation in the program shall be made to the Department of Community Affairs' field offices which shall transmit all such requests to the Department of Community Affairs for processing in accordance with N.J.A.C. 5:41-2.6.