

SENATE BILL NO. 1676
(Third Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 1676 (Third Reprint) with my recommendations for reconsideration.

This bill provides specific statutory authorization for general acute care hospitals to address homelessness and housing insecurity through the construction, rehabilitation, or remediation of affordable housing and the provision of wrap-around services for those treated at the hospital who are homeless or housing insecure. The bill exempts the housing and wrap-around services from the requirement to first obtain a certificate of need and exempts this housing from local zoning restrictions and health care facility licensing requirements.

I applaud the sponsors' recognition of the importance of this issue. The evidence is strong that stable and quality housing have a cognizable impact on health outcomes. In light of this evidence, in 2018, my Administration, through the New Jersey Housing and Mortgage Finance Agency ("HMFA"), initiated an unprecedented partnership with hospitals around the State by providing matching funds toward the development of affordable and supportive housing in their communities. Like Senate Bill No. 1676 (Third Reprint), the program supports multiple objectives, including reducing the costs to hospitals associated with frequent use of emergency services, and, more importantly, reducing the chronic illnesses, poor nutrition, and mental health effects among residents who suffer from housing instability.

While the bill laudably provides strong statutory support for this innovative partnership, I am recommending measures to ensure the viability of the novel program instituted by HMFA. The bill contains affordable housing language authorizing municipalities to receive

affordable housing credit for the housing created through the program. My recommendations strengthen this provision by appropriately placing it within the context delineated by the New Jersey Supreme Court in 2015 and clarifying that municipalities are not limited in their ability to seek the affordable housing credits or bonuses for which they would otherwise be eligible under existing law. Finally, the recommendations proposed today safeguard access to these housing units for those who are most vulnerable, while at the same time maintaining compliance with the federal Low-Income Housing Tax Credit program.

As we begin to emerge from a pandemic that has caused massive economic and social disruption, we must continue to think creatively about ways to reduce housing instability. I look forward to continuing to work with my partners in the Legislature to promote affordable housing and protect the health of all New Jersey residents.

Therefore, I herewith return Senate Bill No. 1676 (Third Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Line 1:</u>	Delete ", amending P.L.1992, c.160,"
<u>Page 2, Section 1, Lines 7-44:</u>	Delete in their entirety
<u>Page 3, Section 1, Lines 1-11:</u>	Delete in their entirety
<u>Page 3, Section 2, Line 13:</u>	Delete "2." and insert "1."
<u>Page 3, Section 2, Line 16:</u>	Delete "and" and insert "or"
<u>Page 3, Section 2, Line 17:</u>	Delete "and" and insert "or"
<u>Page 3, Section 2, Line 19:</u>	After "housing" insert ", or enter into a partnership or other contractual arrangement therefore,"
<u>Page 3, Section 2, Line 21:</u>	Delete "and" and insert "or"
<u>Page 3, Section 2, Line 21:</u>	After "insecure" insert ", or enter into a partnership or other contractual arrangement therefore,"
<u>Page 3, Section 2, Line 35:</u>	Before "b." insert "Such hospital shall notify the Department of Health as to the wrap-around services intended to be provided pursuant to this

section and if any such service is subject to the Department of Health's healthcare facility licensing requirements the service shall be licensed prior to it being provided. To the extent practicable, a hospital may collaborate with a regional health hub to provide the wrap-around services described in paragraphs (1) through (4) of this subsection."

<u>Page 3, Section 2, Line 35:</u>	Delete "The number of housing units that are constructed,"
<u>Page 3, Section 2, Lines 36-39:</u>	Delete in their entirety
<u>Page 3, Section 2, Line 40:</u>	Delete "Affairs."
<u>Page 3, Section 2, Line 42:</u>	After "hospital" insert ", or its partners or contractors,"
<u>Page 4, Section 2, Line 6:</u>	After "hospital" insert ", or its partners or contractors,"
<u>Page 4, Section 2, Line 12:</u>	Delete "Departments" and insert "Department"
<u>Page 4, Section 2, Line 12:</u>	Delete "and Human Services"
<u>Page 4, Section 2, Line 17:</u>	After "hospital" insert "or its partners or contractors,"
<u>Page 4, Section 2, Line 17:</u>	Delete "and" and insert "or"
<u>Page 4, Section 2, Line 20:</u>	After "care" insert "and, to the extent practicable, shall include input from local stakeholders, including regional health hubs, on program design and implementation. The report may be shared with regional health hubs to assist the Department of Health in program design, population analysis, strategic planning, and other appropriate functions"
<u>Page 4, Section 2, Line 20:</u>	Delete "A health care"
<u>Page 4, Section 2, Lines 21-23:</u>	Delete in their entirety
<u>Page 4, Section 2, Line 24:</u>	Delete "Departments" and insert "Department"
<u>Page 4, Section 2, Line 24:</u>	Delete "and Human Services"
<u>Page 4, Section 2, Line 25:</u>	Delete "an analysis of the" and insert "a report aggregating the data contained in the"
<u>Page 4, Section 2, Line 26:</u>	Delete "departments" and insert "department"
<u>Page 4, Section 2, Lines 26-27:</u>	Delete "or health care system, as applicable,"

<u>Page 4, Section 2, Line 29:</u>	Delete ". Thereafter, the Departments of"
<u>Page 4, Section 2, Lines 30-31:</u>	Delete in their entirety
<u>Page 4, Section 2, Line 32:</u>	Delete "health care system" and insert "and"
<u>Page 4, Section 2, Line 32:</u>	After "quinquennially" insert "thereafter"
<u>Page 4, Section 2, Line 33:</u>	After "is" insert "homeless or"
<u>Page 4, Section 2, Line 34:</u>	After "person" insert "or household"
<u>Page 4, Section 2, Line 34:</u>	Delete ": whose housing costs are more than 30"
<u>Page 4, Section 2, Lines 35-42:</u>	Delete in their entirety
<u>Page 4, Section 2, Line 43:</u>	After "who" insert "is homeless or"
<u>Page 4, Section 2, Line 43:</u>	After "homelessness" insert "as either of those terms is defined pursuant to the McKinney-Vento Homeless Assistance Act, (42 U.S.C. § 11301 et seq.), the Qualified Allocation Plan adopted by the New Jersey Housing and Mortgage Finance Agency, or any other State or federal program specifically designed to assist such persons or households; or a person or household eligible for and occupying very-low-income housing, low-income housing, or moderate-income housing as those terms are defined in section 4 of P.L.1985, c.222 (C.52:27D-304).
	f. This section shall not be construed to invalidate or otherwise limit the credit or bonus credit for which a municipality may otherwise be eligible to receive in accordance with P.L.1985, c.222 (52:27D-301 et seq.) or any court order issued or settlement agreement executed consistent therewith.
	g. This section shall not be construed to invalidate or otherwise limit the authority or ability to facilitate or enter into such arrangements, or agreements, or projects under existing law"

Page 4, Section 3, Line 45:

[seal]

Delete "3." and insert "2."

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor