

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5670

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 28, 2023

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 5670.

This bill, as amended, directs the State Treasurer to establish a Social Impact Investment Fund (fund) in the General Fund to expand access to certain socially beneficial projects. Under the bill, the fund will facilitate the financing of: water and transportation infrastructure components of redevelopment projects in financially impaired municipalities; to provide predevelopment loans, in consultation with the New Jersey Housing and Mortgage Finance Agency (NJHMFA), to qualifying affordable housing developers that are seeking to participate in Low Income Housing Tax Credit-supported development under the Unified Application for New Jersey Housing and Mortgage Finance Agency Multifamily Rental Housing Production Programs; and to finance construction and maintenance of certain early childhood education facilities. The Governor's Fiscal Year 2024 budget recommendations include the enactment of this bill to create the fund to provide below-market-rate loans and guarantees to achieve positive social impacts.

The bill provides that the State Treasurer is to credit the fund with: moneys appropriated by the Legislature for the purpose of the fund; distributions from payments or repayments made to the fund; earnings received, if any, from the investment or reinvestment of money credited to the fund; and any money that, from time to time, may otherwise become available for the purposes of the fund.

On or before June 30 of the second year following the effective date of this bill, the State Treasurer, in consultation with the NJHMFA, is to prepare and submit a written report regarding the use of funds appropriated to the fund. This report is to be submitted to the Governor and to the Legislature.

The bill provides that the State Treasurer, in consultation with the New Jersey Infrastructure Bank and NJHMFA may adopt, immediately upon filing with the Office of Administrative Law, regulations as the State Treasurer deems necessary to implement the provisions of this bill, which regulations are to be effective for a period not to exceed 365 days and may, thereafter, be amended,

adopted or readopted by the State Treasurer, in consultation with the New Jersey Infrastructure Bank and NJHMFA.

The bill appropriates to the fund from the General Fund \$20 million to effectuate the purposes of this bill.

COMMITTEE AMENDMENTS:

The committee amended the bill to add early childhood education facilities to the projects that are permissible uses of fund capital to be financed by the fund. The committee also amended the bill to add “credit unions” to the definition of “institutional lender.”

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.