



## MEMORANDUM

**To:** Members of the Senate Budget and Appropriations Committee  
**From:** David Brogan, Executive Director  
**Date:** November 28, 2018  
**Re:** **NJAA Opposition to S-1261 (Stack)**

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On behalf of the New Jersey Apartment Association (NJAA), and our members who own, develop, and manage both market rate and affordable rental housing for over a million New Jersey residents, we respectfully **OPPOSE** S-1261, sponsored by Senator Stack. The safety of our residents is the number one priority of the multifamily housing industry. While we understand the desire to increase fire safety, we must also recognize that any mandate comes with a cost that will impact both rents and the ability to develop market rate and affordable housing. As written, this legislation would effectively ban lightweight wood construction, which would devastate the production of affordable housing in New Jersey.

Specifically, S-1261 mandates that all firewalls and floor separations be constructed out non-combustible materials (i.e. concrete or masonry). As such, this would require that all new apartment buildings be constructed with concrete and steel, effectively banning lightweight wood construction.

**A ban on lightweight construction would have a significant impact on construction costs, increasing the cost by at least 30 percent. Such a dramatic cost increase would cause some projects to no longer be economically feasible and would drive-up rents. Additionally, this would have a devastating impact on affordable housing construction, which operates on very slim margins.**

Additionally, S-1261 requires that NFPA-13 sprinkler systems be installed in all structures with three or more sleeping units. This enhanced sprinkler system requires not only additional sprinkler heads but could require infrastructure improvements such as a water pump, to accommodate increased water pressure requirements. The increased cost for an NFPA-13 system is at least \$1,000 - \$1,500 per unit.

Finally, S-1261 bill mandates a dedicated fire watch at construction sites 24 hours per day, from the time construction starts until a final certificate of occupancy is issued. NJAA believes that this mandate would be burdensome and ineffective. Alternatively, NJAA would suggest the approach taken by New York City to have a Certified Fire Safety Manager on site during construction to ensure that fire safety protocols are followed. NJAA believes that the additional training of construction workers and better awareness of safety regulations would be a more effective approach than simply having a person on site whose sole responsibility is to watch for fires.

NJAA supports additional fire safety measures and we would welcome being a part of a stakeholder process to discuss the possibility of expanding sprinkler and attic protections in certain apartment buildings. However, this legislation would have a devastating impact on multifamily development in this state and grind affordable housing development to a halt. **For this reason, we ask you to vote NO when S-1261 comes before you in the Senate Budget and Appropriations Committee on Monday, December 3, 2018.**