



As the rest of the country's economy moved forward after the Great Recession of 2008, New Jersey's has struggled to keep pace. Our state has many strengths – our diverse population, proximity to major markets, access to transit – and yet NJ's failure to make public investments into our communities has threatened our economic prosperity. With a new administration at the helm, we have an opportunity to make our state's economy thrive once again.

Between the Recession, Superstorm Sandy, and the foreclosure crisis, making ends meet has been a challenge for many NJ residents. Many of our hard working families, seniors, and residents living with special needs face tough financial decisions just so they can maintain a roof over their heads and food on the table. Over the last eight years, investments that expanded affordable home opportunities, prevented homelessness, protected health, and revitalized neighborhoods were drastically reduced and cut, in many cases. The Housing and Community Development Network of New Jersey (the Network) has analyzed these programs and policies, and proposed a plan to invest in proven mechanisms that can turn our economy around. Our “Build a Thriving New Jersey” platform is endorsed by over 115 public officials and 100 community organizations. This blueprint calls on Governor-elect Murphy and his incoming administration, along with legislative leaders, to restore \$600 million annually into a strategic set of housing and community investments that has been siphoned away for nearly a decade.

As a result of the last Administration's actions that reduced or redirected funding, our state has a tremendous need for homes people can afford. It is the one of the most expensive states<sup>i</sup> to rent a home. We are also at the top of the list of states with both foreclosures<sup>ii</sup> and zombie foreclosures. More millennials are living at home longer in NJ than anywhere else in America<sup>iii</sup>. Homeless individuals are living outside in encampments in Howell, and under bridges in Camden<sup>iv</sup>, images reminiscent of Hoovervilles. New Jersey must and can be so much better. By committing to “Build a Thriving New Jersey,” we can jump start the economy and get an immediate return on our investment. A recent national study found that building 100 multi-family homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year<sup>v</sup>.

“Build a Thriving New Jersey” stresses that NJ has the ability to create and maintain homes that are affordable for residents who need them. Creating affordable homes will stimulate the revitalization of downtowns, strengthen existing neighborhoods, attract owners and renters of all ages, and expand opportunities for mixed-income, multi-racial communities. This investment will generate a positive return, and be a stimulus to our economy that will benefit us all.

The Murphy Administration can help our economy and our residents thrive by championing the following policies and programs:

**1. Produce more affordable homes for lower income families and improve neighborhoods where they live.** NJ needs more variety and choice in our housing so people at different income levels and with different housing needs can find a home they can afford. Substantial research conducted in recent years demonstrates the links between stable, affordable homes and positive outcomes for families and children. When families pay more for housing than they can afford, every other part of a household budget suffers. New Jersey's rental market is one of the most expensive in the nation, consistently ranking as one of the least affordable places for people to rent. According to the National Low Income Housing Coalition's annual Out of Reach report, NJ was the sixth least affordable place for renters last

year. Using 2017 data, in order to afford a modest two-bedroom home in the Garden State, a family must earn an hourly wage of \$27.31, far more than the state's average hourly wage of \$17.86 or the \$8.00 minimum wage. At the mean wage, an individual would have to work 60 hours a week or 1.5 jobs to afford a two-bedroom apartment at fair market rent (FMR). At the 2017 minimum wage a New Jersey resident would have to work 129 hours per week or 3.2 full jobs a week to afford a two bedroom at FMR.

Over the past six years, the state has not used its Affordable Housing Trust Fund (AHTF) to support housing starts. The last time it was used in 2008, the state spent \$50 million for the production of affordable homes, but from 2011 to 2017 that investment has dropped dramatically to only \$2 million. At the same time, the Special Needs Housing Trust Fund, which began in 2005 with \$200 million, ran out of money in 2011. New Jersey should do the following to help create more homes people can afford:

- Ensure that municipal fair housing plans continue to be approved through ongoing court cases, including through court settlements among fair housing advocates, municipal leaders and community developers.
- Use funds collected for the “NJ Housing Trust Fund” primarily to fund rehabilitation and construction of new homes that New Jerseyans can afford. Under the Christie Administration less than one percent of the fund went for this purpose.
- Reinststitute the Special Needs Housing Trust Fund. This fund helped produce over 2,000 homes for the disabled and homeless population before it ended Oct.31, 2011.
- Establish a NJ foreclosure transformation program that facilitates purchasing foreclosed residential properties from institutional lenders and dedicating them for occupancy as affordable homes
- Allow municipalities to create land banks, which have been very successful in Michigan, New York, Ohio, Philadelphia and other areas in helping turn vacant properties into community assets.
- Create new financing mechanisms, including tax credits that can be available to developers to construct affordable, mixed-income housing developments in low income neighborhoods.
- Enact permanent affordability, by requiring all publicly subsidized homes, including those financed with Low Income Housing Tax Credits, be permanently affordable. This is the law already in Vermont.
- Establish additional mechanisms to raise more resources for NJ's AHTF, including an additional \$75 county recording fee. The recording fee which currently funds the AHTF has not been increased in 14 years while the need for affordable homes has been growing.
- Increase funding for the Neighborhood Revitalization Tax Credit (NRTC), raising the cap from its current \$10 million annual allocation to \$30 million per year.

We were very encouraged by Governor-elect Murphy's commitment at our 2016 Annual Conference and Membership Meeting to increase funding for the NRTC. Since its inception in 2002, the NRTC has become one of the most successful public/private programs furthering community development and neighborhood change in New Jersey. A 2012 study<sup>vi</sup> found that the NRTC has been a powerful tool

leveraging critical resources for the revitalization of many of New Jersey's older communities. The NRTC provides an impressive return on investment for community groups, business partners, local residents and the state: for every one dollar in NRTC investment, \$5-\$7 in additional resources are returned to support these projects and revitalize these communities.

**2. Reduce the Impact of Foreclosures:** The Garden State has the highest concentration of homes in the foreclosure process of any state in the nation. Mortgage delinquency rates here far outpace the national average and New Jersey leads the nation in foreclosures. In June 2017, one of every 607 homes in the state was in some stage of the foreclosure process, a rate 2.5 times the national average. Foreclosure in New Jersey is not just a problem in cities: Salem, Sussex, Camden, Warren, and Atlantic counties led the state in the rate of foreclosures. It is a crisis that has hit rural, suburban, and urban areas and lower-income as well as middle-income families. Yet, the foreclosure crisis disproportionately hurts lower income and people of color. A foreclosed home degrades neighborhoods by reducing the value of surrounding homes. Unmaintained, abandoned properties put neighborhoods and people at risk because of the potential for property damage or criminal activity. We can stop the tide of foreclosures and also turn unoccupied homes into homes people can afford by taking these important first steps:

- Establish a "NJ Foreclosure Transformation Program" within the NJ Housing Mortgage Finance Agency for the purpose of purchasing foreclosed residential properties from institutional lenders and dedicating them for occupancy as affordable homes, working with nonprofit community developers. Establish foreclosure prevention funding by adopting a temporary \$800 surcharge placed on each foreclosure complaint filed in the State. Anticipated this will generate \$10 million a year for qualified non-profit entities to maintain and/or expand their foreclosure prevention programs.
- Create a foreclosure moratorium and provide forbearance of residential mortgage foreclosures under certain circumstances; place additional requirements on attorneys, residential mortgage lenders, and courts, as part of foreclosure process.
- Revise residential mortgage foreclosures to require mortgage loan servicers to initiate a process to consider loss mitigation options through the New Jersey Judiciary Foreclosure Mediation Program under certain circumstances and establish the New Jersey Foreclosure Prevention Fund.
- Hold creditors responsible for building interiors, in addition to the required exterior maintenance, while under foreclosure. Require creditors to maintain the interior of vacant and abandoned residential properties throughout the process.
- Create a mortgage assistance program that allows homeowners with negative home equity, and who are in default of a mortgage owned by the agency, to lower the remaining principal owed on the mortgage to an amount more reflective of current market realities. This will occur in exchange for conveying an equity share in the property to the agency.
- Move quickly on Governor Murphy's promise<sup>vii</sup> to aggressively pursue the state's fair share of Wall Street mortgage settlement funds and launch a program in which the state would purchase foreclosed homes and partner with qualified nonprofits to repurpose them as affordable housing.
- Codify and fund the Foreclosure Mediation Program. Dedicate monies from foreclosure filing fees and fines to administer the program.
- Allow families who have been foreclosed on to stay in their home as renters until the home is sold to a new buyer.

**3. Prevent and End Homelessness:** Homelessness is directly related to our state’s lack of affordable homes and permanent supportive housing. In many cases, homelessness can be prevented with targeted financial assistance to individuals and families. When people do become homeless, shelters provide an important emergency response, but they are not designed for long-term stays. A growing body of evidence demonstrates the effectiveness of Rapid Re-housing and Housing First models of intervention, along with community-wide coordinated assessment. We need state policies that prevent homelessness and quickly return people who experience homelessness to stable, permanent homes. An essential element of such policies must be investment in housing subsidies (including the State Rental Assistance Program), paired with extensive case-management services, to ensure that residents priced out of the market (including the market of homes that are designated affordable, but are targeted to moderate-income families) have the opportunity to find and keep permanent housing. When homeowners are unable to pay their mortgage, they usually turn to the rental market, which is already overburdened in New Jersey, increasing the scarcity of rental homes and driving up the cost. Tenants, especially low income tenants, do not have the resources they need to protect themselves from unscrupulous landlords or building owners who do not take adequate care of their properties. Last year, more than 160,000 evictions were filed in New Jersey<sup>viii</sup>. In most cases, the tenants had no counsel to defend themselves and were at risk for homelessness. We can do better, including taking the following steps:

- Implement the recommendations in the New Jersey Interagency Council on Homelessness Final Report issued on December 31, 2014.<sup>ix</sup>
- Fund the State Rental Assistance Program (SRAP) from the State Budget and not from sources crucial to providing affordable housing. Expand SRAP to address unmet need.
- Restore the “Presumption of Homelessness” (shifting the burden of proof), so that an affidavit of immediate need suffices to get immediate help for people who are homeless.
- Allow counties to increase their surcharge for County Homeless Trust Funds, so that any jurisdiction with a County Homeless Trust Fund would be able to increase the surcharge for document recordation from the current \$3 allowed by law to up \$7.
- Requirement to care/fund a system of shelters: Similar to the requirement to render aid in a public Emergency Room, there needs to be a requirement to simply render ‘shelter.’ If an individual/household is in need of coverage from the elements, it is our human duty to provide cover. No one should be homeless. The State must fund a system of emergency shelters in each county. Increase the Work First stipend by 30% over three years and then index it to inflation
- Develop policies that minimize exclusion from housing for such things as credit scores, source of income, or criminal background.
- Fund the Right to Counsel for Renters in Eviction Hearings, which would provide critically needed legal assistance to tenants in order to avoid eviction and possible homelessness. New York City has saved resources by helping people fight their evictions and reducing homelessness by pursuing this strategy.

**4. Foster healthy homes and communities:** Affordable homes have been linked to better healthcare access and reduced Medicaid health care expenditures, as those who can afford their homes use preventive care more often rather than more costly emergency department visits.<sup>x</sup> Stable, affordable homes lead to better nutrition, healthy brain development, and lower rates of child hospitalization for low-income families and children. Those with affordable housing also spend more on their children’s

enrichment than those without, leading to stronger child cognitive development. We can create healthy homes and communities by:

- Increase state funding for lead prevention from \$20 million to \$30 million and allow for lead remediation to be done at the same time as weatherization.
- Require municipalities to conduct lead paint inspections in one and two family rentals and require a lead safe certificate by 3<sup>rd</sup> party at time of rental turnover.
- Encourage municipalities to adopt Crime Prevention Through Environmental Design (CPTED) plans within “problem” areas of their communities. Provide funding to assist communities to implement these plans.
- Create licensure for remediation of mold in homes and create protocols for pre and post disaster planning, remediation and monitoring.
- Implement policy that authorizes every school nurse to access blood lead level results of their school’s children and provides them the funding and authority in collaboration with the local Department of Health to educate school staff and parents about how to lower their child’s blood lead levels and prevent future poisoning.

**5. Support the critical role played by the non-profit sector in both keeping people in a home and providing affordable homes.** The non-profit sector is in a unique position to address the need for safe, healthy affordable homes. Our member organizations working in neighborhoods with significant disinvestment and with at-risk residents have a long history of addressing needs where the needs are the greatest and are the organizations people turn to in times of need. We released *Stronger Together – 25 Years of Community Development Success Celebrating the \$12 Billion Impact of Community Development Corporations in New Jersey*<sup>xi</sup>. This report highlights the 82,000 jobs created, \$320 million in tax revenue generated, over 1500 developments undertaken with over 20,000 affordable homes built and or rehabilitated. Additionally, the report showed that nonprofit developers continued to address housing and economic needs during the Great Recession when others in the market walked away. The sector plays a significant role in addressing the needs of our most vulnerable residents, in good times and bad.

- The Network is the State’s largest funded, certified HUD Housing Counseling Intermediary, providing support to counseling organizations throughout the State. With State support, we can do more to support residents with a holistic housing counseling model that would include rental housing, homeownership and addressing/preventing foreclosure.
- The State should regularly evaluate our disaster preparedness plans in order to be ready when the next disaster strikes. At the heart of a plan to address the disaster is reliance on non-profits in disaster hit communities, we proved through the response to Superstorm Sandy that these local non-profit organizations have the knowledge and expertise to assist those in need obtain services in an efficient and timely manner.
- Revive the Office of Housing Advocacy Non-Profit Grant Program, to provide capacity investment and technical assistance, to non-profit developers and again help support the Housing Scholars Program. Given the changes in the federal tax code, all nonprofits are in danger of

losing charitable support; we request the Murphy Administration evaluate ways to provide critically needed support as soon as possible.

Community developers are also on the front lines of addressing the childhood lead poisoning epidemic as well as providing crucial services for homeless residents. Cost effective and targeted resources can be deployed by nonprofits to make sure everyone has a safe place to call home.

**6. Provide tenants with the right to a safe, decent home:** The *Asbury Park Press* series “Renter Hell” showed the horrible conditions in which some tenants live<sup>xii</sup>. When tenants try to exercise their rights for decent housing, they risk being “blacklisted.” The following policies would protect NJ renters:

- Establish the “Safe Sanitary Rental Housing Bill of Rights” to ensure that all tenants know who their landlord is and regulations that prevent landlords using public subsidies for properties that are not properly maintained.
- End “tenant blacklisting” to make it unlawful and end the often-discriminatory practice of rejecting prospective tenants solely because a prior court action had been filed by either side. “Tenant blacklisting” is known as a screening practice that completely disregards the circumstances which precipitated litigation, as well as its ultimate result.
- Change building inspection frequency based on landlord performance requiring more frequent inspections for building properties that are known to have dangerous or unsafe conditions.
- Improve the receivership law in order for it to be a more effective tool to address unsafe multi-family housing.
- Strengthen tenants’ right to a habitable home by facilitating the right of tenants to raise habitability violations in eviction and other judicial proceedings, while ensuring that judges hearing such cases can both order and obtain appropriate inspections whenever tenants raise health and safety claims.

During his campaign, Governor-elect Murphy outlined a plan to make homeownership in the state more affordable and accessible<sup>xiii</sup>. He also pledged to end the practice of diverting affordable home funding to other parts of the state budget, to expand counseling programs to keep people in their homes and repurposing for foreclosed properties as affordable homes, to increase tax credits to create new homes, and to lower property taxes by incentivizing shared services and restoring rebates to low-income households, seniors and disabled residents. We are ready to work with all of New Jersey’s leaders to achieve these objectives. Together, we can make New Jersey a place where everyone thrives, and a place we can all afford to call home.

*Submitted by*

Staci A. Berger, President & CEO

The Housing and Community Development Network of New Jersey

***Endorsed by the following Network Members:***

Advance Housing, Inc.  
Affordable Housing Alliance  
Better Community Housing of Trenton, Inc.  
Camden County Habitat for Humanity  
Camden Lutheran Housing, Inc.  
Catholic Charities, Diocese of Camden  
Catholic Charities, Diocese of Metuchen  
Community Access Unlimited, Inc.  
Community Affairs and Resource Center  
Cooper's Ferry Partnership  
Cumberland County Habitat for Humanity  
East Brunswick Community Housing Corporation  
Elizabeth Development Company  
Essex Community Land Trust  
Exhale Women's Fellowship  
Faith Fellowship Community Development Corporation  
Fair Share Housing Center  
Family Promise of Union County  
Family Promise of Monmouth County  
Financial Wellness Institute  
Garden State Episcopal Community Development Corporation  
Gateway Community Action Partnership  
Gloucester County Habitat for Humanity  
Gloucester Township Housing Authority  
Greater Bergen Community Action, Inc.  
HABcore  
Habitat for Humanity Cape May County  
Habitat for Humanity in Monmouth County

Habitat for Humanity of Bergen County  
Habitat for Humanity of Burlington County and Greater Trenton-Princeton  
Habitat for Humanity of Greater Plainfield & Middlesex County  
Habitat for Humanity of Salem County  
HANDS, Inc.  
Holly City Development Corporation  
HomeFirst Interfaith Housing & Family Services, Inc.  
HomeFront  
Homeless Solutions  
Homes Now, Inc.  
Homes of Montclair Ecumenical Corporation  
Housing Alliance of Morris County  
Housing Partnership NeighborWorks HomeOwnership Center  
Ironbound Community Corporation  
Isles, Inc.  
Jersey City Housing Authority  
Jewish Community Housing Corporation of Metropolitan NJ  
Jewish Family Service of Atlantic & Cape May Counties  
Jewish Renaissance Community Development Corporation  
Jewish Renaissance Foundation  
La Casa De Don Pedro  
Leviticus 25:23 Alternative Fund  
Lincoln Park Coast Cultural District  
Lutheran Episcopal Advocacy Ministry NJ  
Madison Affordable Housing Corporation  
Manufactured Home Owners Association of NJ

Mercer Alliance to End Homelessness  
 Mission First Housing Group  
 Monarch Housing Associates  
 Morris Habitat for Humanity, Inc.  
 Moorestown Ecumenical Neighborhood  
 Development Inc.  
 Morris Canal Community Development  
 Corporation  
 Morris Habitat for Humanity, Inc.  
 Neighborhood Housing Services of Staten  
 Island  
 New Brunswick Tomorrow  
 New Community Corporation  
 New Bridge Services, Inc.  
 NJ Citizen Action  
 NJ Coalition to End Homelessness  
 NJ Community Capital  
 NJ Community Development Corporation  
 NJ Foundation for Aging  
 Northern Ocean Habitat for Humanity  
 Northwest New Jersey Community Action  
 Program, Inc.  
 Parkside Business and Community  
 Partnership  
 Passaic Affordable Housing Coalition  
 Paterson Habitat for Humanity  
 Paterson Housing Authority  
 Paterson Task Force  
 Premier Community Development  
 Corporation  
 Princeton Community Housing  
 Project Freedom, Inc.  
 Project Live, Inc.  
 Raritan Valley Habitat for Humanity, Inc.  
 Red Cardinal Community Development  
 Corporation  
 Reformed Church of Highland Park  
 Affordable Housing Corporation  
 Region Nine UAW Housing Corporation  
 Saint Joseph's Carpenter Society  
 Saint Paul's Community Development  
 Corporation  
 SERV Properties & Management, Inc.  
 Sierra House  
 St. Luke Community Development  
 Corporation  
 Stand Up For Salem Inc.  
 The Heart of Camden, Inc.  
 The Supportive Housing Association of NJ  
 The Waterfront Project, Inc.  
 Trenton Area Soup Kitchen  
 Town Clock Community Development  
 Corporation  
 Tri-City Peoples Corporation  
 Triple C Housing  
 Unified Vailsburg Services Organization  
 Urban League of Essex County  
 Volunteers of America, Delaware Valley  
 Division  
 Women Rising, Inc.  
 York Street Project



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- <sup>ii</sup> RealtyTrac, "U.S. Real Estate Trends & Market Info," November 2017. <http://www.realtytrac.com/statsandtrends/foreclosures/trends/>
- <sup>iii</sup> Erin Petenko, "New Jersey Tops Nation in Number of Millennials Living with their Parents," NJ Advance Media, September 15, 2016. [http://www.nj.com/news/index.ssf/2016/09/new\\_jersey\\_tops\\_nation\\_in\\_number\\_of\\_millennials\\_living\\_with\\_their\\_parents.html](http://www.nj.com/news/index.ssf/2016/09/new_jersey_tops_nation_in_number_of_millennials_living_with_their_parents.html)
- <sup>iv</sup> Karen Yi and Rebecca Everett 'I'm scared I'm going to be frozen:' The homeless try to escape the cold," NJ Advance Media, January 7, 2018. [http://www.nj.com/news/index.ssf/2018/01/im\\_scared\\_im\\_going\\_to\\_be\\_frozen\\_the\\_homeless\\_try\\_t.html#incart\\_river\\_index](http://www.nj.com/news/index.ssf/2018/01/im_scared_im_going_to_be_frozen_the_homeless_try_t.html#incart_river_index)
- <sup>v</sup> National Association of Home Builders, "The Economic Impact of Home Building in a Typical Local Area," April 2015. [https://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT\\_local\\_20150318115955.ashx?la=en](https://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT_local_20150318115955.ashx?la=en)
- <sup>vi</sup> Housing and Community Development Network of New Jersey, "Transforming New Jersey Communities through Planning, Investment and Community Engagement," December 2012. <http://www.hcdnnj.org/assets/documents/nrtc%20final%20report.pdf>
- <sup>vii</sup> "Murphy Proposes Aggressive Program to Combat Foreclosure by Making Wall Street Pay for Houses Through Settlement Funds," March 22, 2017 <https://www.murphy4nj.com/2017/03/murphy-proposes-aggressive-program-to-combat-foreclosure-by-making-wall-street-pay-for-houses-through-settlement-funds/>
- <sup>viii</sup> New Jersey Judiciary Court Management, June 2016 <https://www.judiciary.state.nj.us/public/assets/stats/cman1606.pdf>
- <sup>ix</sup> New Jersey Interagency Council on Homelessness, "Final Report," December 31, 2014. <http://www.state.nj.us/humanservices/news/hottopics/Final%20Report%20NJ%20Interagency%20Council%20on%20Homelessness%20December%20%202015.pdf>
- <sup>x</sup> Alan E. Simon, Andrew Fenelin, Veronica Helms, Patricia C. Lloyd, and Lauren M. Rossen, "HUD Housing Assistance Associated with Lower Uninsurance Rates and Unmet Medical Need," Health Affairs, June 2017. Veronica E. Helms, Jon Sperling, Barry L. Steffen, "A Health Picture of HUD-Assisted Adults, 2006-2012," Office of Policy Development and Research, U.S. Department of Housing and Urban Development, March 2017. <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2016.1152>
- <sup>xi</sup> Housing and Community Development Network of New Jersey, "Stronger Together – 25 Years of Community Development Success Celebrating the \$12 Billion Impact of Community Development Corporations in New Jersey." <http://www.hcdnnj.org/stronger-together>
- <sup>xii</sup> Payton Guion and Shannon Mullen, "APP impact: NJ 'Renter Hell' on road to fixes," Asbury Park Press, January 5, 2017. <http://www.app.com/story/insider/extras/2017/01/05/asbury-park-press-investigative-series-renter-hell/96195072/>
- <sup>xiii</sup> Phil Murphy Democrat for Governor, "Making Home Ownership More Affordable and Accessible" <https://www.murphy4nj.com/issue/home-ownership/>