

BUILD A **THRIVING** NEW JERSEY

THE HOUSING AND COMMUNITY DEVELOPMENT NETWORK OF NEW JERSEY is the statewide association of 250 community development corporations, public agencies, private sector partners, housing advocates and other organizations working to ensure that everyone has a safe, affordable place to live in a great community.

The 2008 recession, the foreclosure crisis and Superstorm Sandy took an enormous toll on the communities in which our members work. Everyone around New Jersey has felt the impact — from our infrastructure to our businesses to the neighborhoods where we work and live. We are still recovering and our economy needs to get back on track — so that our residents have jobs that support vibrant opportunities in every corner of our state.

We have a simple solution: start with the basics of making sure everyone can afford to call New Jersey home. If we build homes we can afford, and revitalize the communities where we work and live, we can **Build a Thriving New Jersey**. Our families, friends and neighbors are the heart of our state and the backbone of our economy. If we can't afford to live here, we can't get our economy back on track.

The next leaders of New Jersey must commit \$600 million to create homes we can afford. This annual investment will recharge the economy by making sure businesses can locate in places where workers can afford to live. This is a focused, far-reaching investment that will benefit our communities and our state in the short- and long-term. New Jersey's greatest strength is its people. Our children can't afford to come back from out-of-state colleges and start their own lives here, and our seniors struggle to stay near their loved ones in their golden years.



Community developers have the experience to deploy resources in urban, suburban and rural areas in ways that have long-lasting impacts on the economy and the residents. Research shows that nonprofit community developers were able to return \$500 million per year to the state's economy, or \$12 billion over 25 yearsⁱ. We've created more than 80,000 jobs, generating \$320 million in state tax revenue while creating critically needed homes and commercial space in every corner of the stateⁱⁱ. While other developers left the market during the recession and subsequent foreclosure crisis, community-based organizations stayed and kept buildingⁱⁱⁱ.

CDCs CONSISTENTLY INVEST IN NEW JERSEY NEIGHBORHOODS, IN GOOD TIMES AND BAD.

CDCs continued to invest in New Jersey throughout the Great Recession. While private market developers retreated, CDCs completed roughly the same number of developments as they did every year since 2000. Each year from 2008 to 2014, CDCs brought more than \$180 million of economic value to New Jersey neighborhoods. CDCs are able to continue to invest in neighborhoods, even during the tough times, because they have strong leadership, established operating systems, and support from the state's philanthropic, government and corporate communities.

The economic engine of community development can be seen through the impact of the Neighborhood Revitalization Tax Credit. The NRTC annually provides a \$10 million pool of funds to community developers with state-approved neighborhood plans. The NRTC returns \$7.31 in public and private funding leveraged for every dollar the state provides through the credit^{iv}.

For over 30 years, community developers and private sector partners had worked with the State of New Jersey to provide the homes and services that our residents and our economy need. Over the last decade, though, state support for these investments has been diverted or abandoned, limiting what is possible for our robust industry to produce. The Affordable Housing Trust Fund, the Lead Hazard Abatement Control Fund and foreclosure funding have been used to plug budget holes. Funding for rental, homeownership and foreclosure counseling services do not exist at the state level; those resources have come entirely from the federal government and the private sector. The Special Needs Housing Trust Fund, capitalized through a bond a decade ago, is empty. Efforts to expand the NRTC have been thwarted. At the same time, federal funding has been cut substantially. Investing in creating affordable homes will help spur our economic recovery.

We have analyzed the investment the state has made over the last 30 years and urge our elected officials to deploy \$600 million annually to a strategic set of programmatic investments.

SHRINKING STATE FUNDS			
PROGRAM	2006	2015	CHANGE
Balanced Housing Program Production	\$38M	0	-100%
HOME Express	\$58M	0	-100%
State Rental Assistance Program	\$47M	\$42M	-11%
UHORP/CHOICE	\$42M	\$10M	-76%
Special Needs Housing Trust Fund	\$24M	0	-100%
TOTAL	\$209M	\$52M	-75%

Our state has a tremendous need for homes people can afford. New Jersey is the fifth most expensive state to rent a two bedroom apartment^v. We are also at the top of the list of states with both foreclosures and zombie foreclosures. More millennials are living at home longer in NJ than anywhere else in America^{vi}. With this commitment we can jump start the economy and get an immediate return on our investment. This investment will not only benefit our economy, but also our communities, our future, and the people who make New Jersey great.

BUILD A THRIVING NEW JERSEY		
INVESTMENT/ PROGRAM	CURRENT SOURCE	THRIVE AMOUNT (MILLIONS)
Affordable Housing Trust Fund	Realty Transfer Fee	\$125,000,000
State Rental Assistance Program	General Revenue	\$75,000,000
Operating & Capacity Support	Realty Transfer Fee	\$15,000,000
Neighborhood Revitalization Tax Credit	General Revenue	\$30,000,000
Lead Prevention & Weatherization	General Revenue/ dedicated	\$30,000,000
All NJ Homeless Programs	General Revenue	\$25,000,000
Federal Match Homeless Programs	Realty Transfer Fee	\$6,000,000
Emergency Assistance Programs	General Revenue	\$200,000,000
HMFA Lending (CHOICE & Small Rental)	HMFA	\$50,000,000
Special Needs Housing Trust Fund	Bond	\$45,000,000
TOTAL		\$601,000,000

This is funding that will come back in full force as economic renewal, stronger communities and thousands of homes people can afford. Vacant buildings and lots don't generate money for local communities. Creating affordable homes and strong communities are an investment that makes money. We have the demand and the capability to meet it; New Jersey needs the political will to invest in a thriving future for all.

^v2014, Stronger Together, www.hcdnnj.org, p.1
^v Ibid, p.1
^v Ibid, p.5
^{vi}2012, Transforming NJ Communities, www.hcdnnj.org, p. 1
^v2016, Out of Reach, www.nlihc.org/oor
^v2016, http://www.nj.com/news/index.ssf/2016/09/new_jersey_tops_nation_in_number_of_millennials_living_with_their_parents.html