



Testimony in Support of S.2245 - Senate Community & Urban Affairs Committee
November 15, 2012

Good morning. Thank you Chairman Van Drew and Vice Chairman Rice and members of the committee for an opportunity to testify in support of S2245, to expand the neighborhood revitalization tax credit program from a \$10 to a \$15 million program.

My name is Staci Berger, and I am the Director of Policy & Advocacy at the Housing and Community Development Network of New Jersey. The Network is the statewide association of more than 250 housing and community development corporations, individuals and other organizations that support the creation of homes and economic opportunities for low- and moderate-income New Jerseyans. The 24 non-profits that have successfully implemented this program – some whom are with us today - are members of the Network.

Since its inception in 2002, the Neighborhood Revitalization Tax Credit (NRTC) program has become one of the most successful public/private programs furthering community development and neighborhood change in New Jersey. The NRTC was designed by the Housing and Community Development Network of New Jersey (the Network), authorized by the New Jersey Legislature in 2002, and is administered by the state Department of Community Affairs (DCA). The program aims to “foster the revitalization of New Jersey’s distressed neighborhoods” by offering business entities that invest in the revitalization of eligible low- and moderate-income neighborhoods a 100 percent tax credit against various state taxes. Program-wide, a total of \$10 million in tax credits is available per year, with a maximum of \$1 million available per neighborhood. To date, \$48 million in NRTC dollars have been invested by twenty-four corporations.

The Network and New Jersey Community Capital (NJCC) conducted a study this year to assess the impact of the program statewide over its first 10 years. I’d like to share with you a few of the highlights from that report, which we expect to release in full soon.

- The NRTC has proven to be a powerful tool for leveraging additional resources for community development projects and activities in older NJ communities, leveraging \$7.3 for every NRTC dollar invested.
- The economic impact has been significant: 30 new businesses were created, and 826 jobs, with over 400 more on the way from pending projects. More than 536,037 square feet of commercial space and close to 1,500 homes have been created, generating nearly \$4 million dollars in local property taxes to date, with over a million more expected annually starting this year and in the future.
- A number of NRTC recipients have combined economic development goals with other community goals such as improving health or engaging young people. One example is the Trinitas Center for Regional Education (CORE) building in Elizabeth, where the NRTC has been used to spur physical redevelopment and create new opportunities for the residents of a neighborhood and the city at large. Designed as a multipurpose center, the state-of-the-art facility is home to a paramedic and emergency medical technician (EMT) training program; space for community events and community health education classes; and the offices of the Trinitas Health Foundation, the Elizabethtown Healthcare Foundation and the Medical Center’s

Mobile Intensive Care Unit and ambulance services. Of the \$5.7 million total project cost, \$1 million came from NRTC investment.

Clearly this is a valuable program that partners private corporations and community-based development organizations to implement a distressed community's plans for its own future. This program deserves expansion as outlined in the legislation before you. There are many community-based development organizations that have community plans but without this expansion there is no money. Similarly there are private corporations willing to invest more in this program if allowed to so. Your action today to add another \$5 million to this program will help to leverage over \$36 million of additional investment in our state.