Good morning, Chairperson Sarlo, Vice-Chairperson Cunningham, and members of the Senate Budget and Appropriations Committee. Thank you for the opportunity to testify today to address this year’s budget priorities and to address the goal of an affordable New Jersey for all.

As a statewide membership organization that supports the creation of affordable homes, economic opportunities, and strong communities and as state’s largest, funded HUD-certified housing counseling intermediary serving NJ exclusively, we applaud the Governor for making housing affordability a center piece of this budget proposal. It will surprise no one that we are thrilled to see the Affordable Housing Trust Fund being used solely for its intended purpose: to create affordable homes.

We also strongly support Gov. Murphy’s proposal to invest more than $300M from New Jersey’s American Rescue Plan allocation to help create thousands of homes our residents need. By making that historic down-payment on already approved municipal developments, this budget proposal helps restore balance to the marketplace.

These investments are essential because housing security and affordability are major concerns for NJ residents. Nearly 80% of NJ residents feel it is very or somewhat difficult to find an affordable place to rent in New Jersey based on what they have experienced or heard. Along with our national partner, the National Low Income Housing Coalition, we release the annual Out of Reach report, which places New Jersey in the top five or six most unaffordable places in the country every year.

Our state’s 2021 housing wage, or what a household has to earn to afford a modest, two-bedroom rental home, is $31.96/per hour, far more than the state’s average hourly wage or our minimum wage. A minimum wage worker must work 107 hours per week, year-round to be able to afford this home. These are just impossible numbers in the best of times, let alone during a time of public health and economic crisis.

Thanks to you and Gov. Murphy, New Jersey adopted some of the best pandemic-related tenant protections in the nation. Now, we have a chance to make transformational, once-in-a-lifetime investments that create housing stability and affordability.
We have a plan to make that impact through our HouseNJ agenda which we have submitted in our written testimony. That includes a deployment of $975 million in ARP funds and state resources to meet our housing needs. In addition to advocating for housing to be included in any reconciliation package (thank you, Sen. Pou and Sen. Gopal for introducing SJR70 that calls for those federal investments), we urge you to preserve and grow the Affordable Housing Trust Fund, increase funding for the Neighborhood Revitalization Tax Credit, expand rental assistance, eliminate childhood lead poisoning from paint, as well as close the racial wealth gap and create generational wealth by funding first-generation homeownership programs, especially for Black and Brown residents.

Homeownership is the single largest mechanism by which families may create and maintain wealth. Now, in 2022, we have an unprecedented opportunity to help mitigate and undo systemic and institutional racism, which prevents Black and Brown families from achieving homeownership and safe, affordable rental homes.

The housing affordability crisis in New Jersey and around the country has been decades in the making. We won’t fix it overnight, but we can start today. There are proven solutions that can address the affordability crisis. Together, we can HouseNJ and make sure New Jersey is an affordable place for everyone to call home.

Thank you,

Matthew Hersh
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