



## **LEGISLATIVE TESTIMONY**

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### **Assembly Budget Committee Testimony on FY23 Budget Monday, March 21, 2022**

Good morning, Chairperson Pintor Marin, Vice-Chairperson Wimberly, and members of the Assembly Budget 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.

My name is Staci Berger, president and CEO of the Housing and Community Development Network of New Jersey. I am proud to represent nearly 300 community development corporations, individuals and other organizations that support the creation of affordable homes, economic opportunities, and strong communities. The Network is also the state's largest, funded HUD-certified housing counseling intermediary serving NJ exclusively.

For more than 30 years, the Network and our members around the Garden State have been working to address housing instability and homelessness in our communities by creating rental and homeownership opportunities. The pandemic made plain what many of us have been saying for years: Housing insecurity and unaffordability present the biggest threats to public health and safety.

The Murphy Administration and this legislature have made a tremendous effort to address housing insecurity during the pandemic, leading the nation with programs and policies that protect vulnerable homeowners and renters. The Network strongly supports Gov. Murphy's proposal to dispense more than \$300M from New Jersey's American Rescue Plan allocation to help settle municipal fair share housing obligations. Not only will this allow towns to look ahead to their next round of obligations, but it achieves the goal of affordable home production.

We also strongly support the Affordable Housing Trust Fund being used for its intended purpose: affordable home production. New Jersey falls short of its affordable home needs by more than 200,000, so we look forward to see this essential housing production tool remain and grow in place.

These investments are essential because affordability is a major concern for NJ residents. According to a 2021 [Eagleton poll](#), 61% of renters feel that the cost of housing is a very serious problem. 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. In the same survey,

voters wanted the state to take two steps to help address this crisis: increase rental assistance and adopt limits on rent increases.

NJ residents feel this way because of the facts: Affordable, safe homes are out of reach for too many residents. The Network and our national partner, the National Low Income Housing Coalition, release the annual *Out of Reach* report, which documents the housing wage and details what it costs for working people to actually afford an apartment at Fair Market Rent (FMR). This report consistently places New Jersey in the top five or six most unaffordable places in the country every year. Why? Because New Jersey's housing market remains out of balance. Our state's 2021 housing wage, or what a household has to earn to work full time and afford a two-bedroom rental home, is \$31.96/per hour, far more than the state's average hourly wage of \$19.38 and even further above our progressive minimum wage. New Jersey's average fair market two-bedroom rental is \$1,662, so a family must earn \$66,468 annually in order to afford rent. 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.

You have recognized and acted on these data. Thanks to you and Gov. Murphy, New Jersey adopted some of the best pandemic-related tenant protections in the nation, but *they do not address the core problem that has been and remains the most stubborn issue: the FMR is too damn high.*

But here's the good news: We have a chance to make transformational, once-in-a-lifetime investments that create housing stability and affordability, which has been a stated hallmark of our leadership in this new legislative session. To assist in achieving that goal, we have submitted to the Governor a plan to [HouseNJ](#), the name of our federal and state-level campaign to support historic, essential housing investments, by using \$975 million in ARP funds, as well as existing state resources. On the federal level we must ensure that any reconciliation bill includes deep investments in affordable home production, rental assistance, and public housing, and we ask you to join Sen. Nellie Pou and Asw. Britnee Timberlake in co-sponsoring a resolution calling on Congress to make those investments.

On the state level, HouseNJ calls on the legislature to preserve and grow the Affordable Housing Trust Fund, increase funding for the Neighborhood Revitalization Tax Credit, expand rental assistance, and 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 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 housing.

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 and together we can HouseNJ and make sure New Jersey is a place everyone can affordable to call home.

Thank you,

Staci Berger  
President and CEO  
Housing and Community Development Network of NJ