



February 18, 2025

Governor Phil Murphy
Office of Governor
PO Box 001
Trenton, NJ 08625

Dear Governor Murphy:

We, the undersigned local organizations dedicated to preventing and ending homelessness in New Jersey, would like to express our sincere gratitude for your unwavering support of our efforts to tackle NJ's chronic and deepening housing and homelessness crisis.

The FY2026 budget must plan for and grow essential housing and housing production resources, as we embark on the 4th round under *Mount Laurel*. The first, and most important step is to grow New Jersey's Affordable Housing Trust Fund (AHTF), the major, dedicated source of funding for affordable home creation in New Jersey. We can do this by expanding the state's realty transfer fee, the AHTF funding source, so it better reflects the state's housing production needs. Your FY26 budget should include the following:

- **Fund Homelessness Diversion and Eviction Prevention Programs:** It is essential to continue financing proven solutions, such as diversion and eviction prevention programs, which help individuals avoid homelessness. Additionally, we need to support our shelter system to keep those experiencing homelessness safe and provide ongoing support to assist people in finding permanent housing. As you are aware, the 2023 statewide Point-in-Time Count indicates that, for the first time since 2015, the number of individuals experiencing homelessness has exceeded 10,000.
- **Grow the Affordable Housing Trust Fund:** The AHTF is being used to fund housing security, stability and affordability programs as well as production. It is imperative that we help keep families in their homes by investing in eviction and homeless prevention services utilizing housing first, rapid housing and support for small, mom and pop landlords. At the same time, our leaders must preserve the intended use of the AHTF and ensure that construction and rehabilitation resources remain available to fill the need for more affordable homes to be built.
- **Create Housing Revenue Streams through Luxury Home Sales:** We ask your administration to consider creating a new revenue source through the sale of homes over \$2 million, that could fund vital programs that make living and raising a family in the state more affordable, and the impact of this fee would be limited to a small fraction of the housing market.

- **Lower the rent:** NJ should adopt a fee on for-profit, luxury developments that could be forgiven or refunded if the landlord provides affordable units through inclusionary zoning and/or keeps rent increases at a reasonable rate.
- **Make evictors pay:** Network members enthusiastically support A4964, sponsored by Asm. Gabriel Rodriguez, which would increase the eviction filing fee to \$150, up from the current \$50. This increased fee would be deposited directly into DCA's Office of Homelessness Prevention. Revenue could also be used to provide critical resources for eviction diversion counseling, rental assistance and/or legal counsel for lower income tenants.

With anticipated reductions in federal funding, New Jersey's budget needs to allocate more state resources to build affordable homes and to eliminate homelessness. We have shown that this issue can be addressed effectively with the proper funding level. Ensuring that everyone in the Garden State has a safe and stable place to call home is essential.