



Tell the Legislature to *HouseNJ* with NO Affordable Housing Diversions

The Network, its members, and allies are deeply concerned with Gov. Murphy's proposed FY2026 budget, which would divert roughly \$130 million in affordable housing resources toward programs that serve higher-income populations. This raid on the NJ Affordable Housing Trust Fund represents a troubling, but familiar tactic of the state draining dedicated funds in order to fill general budget holes.

Fortunately, Network members have established strong relationships with their state representatives, and we will focus our advocacy this budget session on the legislature not only to keep the Affordable Housing Trust Fund in place, but to grow it to address meet and surpass NJ's Fourth Round under Mount Laurel. The legislature needs to hear from you so we can *HouseNJ*!

The Senate and Assembly Budget committees will each meet twice to collect testimony from the public. We encourage you to register on behalf of your organization as well as a voice of the Network. You can register online here: <https://www.njleg.state.nj.us/budget-hearings-registration>.

Proposed Over 80-percent AMI Diversions:

- \$40,000,000 diversion from the AHTF to NJ HMFA's New Jersey Housing and Mortgage Finance Agency for a Down Payment and Closing Costs for up to 120 percent AMI;
- \$27,000,000 for HMFA's workforce housing program.

Pre-committed Funding and Highlights

- \$30,000,000 as part of the two-year funding of Bringing Veterans Home Initiative;
- \$20,000,000 (at minimum) to \$70,000,000 for the NJ State Rental Assistance Program;
- \$20,000,000 for the Special Needs Housing Trust Fund
- \$15,000,000 FY26 budget allocation for a homeless facility in Oceanport
- \$5,500,000 to support a statewide Continuum of Care Homelessness Initiative

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What we are calling for:

The Affordable Housing Trust Fund is the major, dedicated source of funding for affordable home creation in New Jersey. The state needs to adequately plan for consistent funding for affordable home production. The governor used a Network proposal in his budget address to place a modest 2 percent increase on the state's Realty Transfer Fee on home sales above \$2,000,000. This would affect only the top 2 percent of sales, while raising over millions in annual revenue for the state. While we are pleased the Governor used this revenue raiser concept, he did not propose to use it to fund the Affordable Housing Trust Fund.

Increasingly, the AHTF is being utilized to fund housing security, stability and affordability programs as well. In order to preserve the intended use of the AHTF and ensure that construction and rehab resources remain available to fill the need for more affordable homes to be built, we are examining new ideas to create additional revenue for these important programs.

We will also promote the 2024-2025 HouseNJ agenda, which includes:

- Full funding of the Affordable Housing Trust Fund with no diversions;
- Increasing the Neighborhood Revitalization Tax Credit to a \$65M cap;
- Meeting and surpassing Round 4 municipal housing obligations;
- Improving and making automatic NJ's vacant and abandoned property tools;
- Ending the practice of fining and arresting individuals experiencing homelessness;
- Creating Code Red shelters on the hottest days to serve our most vulnerable residents;
- Raising eviction filing fees and ending the practice of landlord application fees as a source of revenue;
- Undoing fundamental barriers that have systemically prevented homeownership or tenancy.

Questions? Contact Matthew Hersh, HCDNNJ VP of Policy and Advocacy, at mhersh@hcdnnj.org.