



March 26, 2025

### **FY2026 Budget Testimony: Save and Grow the Affordable Housing Trust Fund**

Good morning. The Housing and Community Development Network's 270 statewide members would like to express our sincere gratitude for your unwavering support of efforts to tackle NJ's chronic and deepening housing and homelessness crisis.

This requires a dimensional and multi-faceted approach to provide affordable homes, rental assistance, housing counseling, fair housing enforcement, and shelter for our neighbors experiencing homelessness. Our members serve tens of thousands of your constituents and many enjoy strong, long-term working relationships with your offices.

A few things to note up front:

- This legislature has indicated a strong record on growing resources for affordable home production;
- NJ towns are just embarking on their Round 4 obligations under Mount Laurel, which would result in producing 84,698 affordable homes;
- NJ's affordable housing deficit for residents at or below 50 percent AMI is [288,948](#).

So, we have some work to do.

*Because of these realities, we need to underscore the seriousness of Gov. Murphy's budget proposal to divert most, if not all, of the New Jersey Affordable Housing Trust Fund for over-80-percent AMI projects, when the fund is explicitly intended for under 80 percent AMI housing efforts. Between existing and proposed allocations, the Governor has signaled what amounts to be a complete drain of the AHTF for other purposes outside of affordable home production.*

The FY2026 budget must plan for and grow essential housing and housing production resources, as we embark on the 4<sup>th</sup> round under *Mount Laurel*. The first, and most important step is to grow the New Jersey's Affordable Housing Trust Fund (AHTF), the major, dedicated source of funding for affordable home creation in New Jersey.

Leading up to this budget, Network members worked with its fair budget coalition, For the Many, to advocate the expansion of the realty transfer fee, the funding source of the AHTF, to best address the state's affordable housing need as well as to position NJ to meet its 4<sup>th</sup> round housing obligations. While the governor identified this revenue raiser in his budget address, he did not propose to use it to grow the AHTF at a time when we have an ongoing obligation and the political will to make NJ more affordable.

Network members are working on smaller scale (under 25 units) efforts in your districts to provide affordable homes for constituents in your districts. In doing so, they are actively serving housing needs in your district and helping towns meet their affordable housing obligations. The Affordable Housing Trust Fund is the necessary catalyst to see these projects to completion.

National Low Income Housing Coalition (NLIHC) released “The Gap: A Shortage of Affordable Homes,” reporting that New Jersey has only 31 affordable homes for every 100 extremely low-income renter households. And while NJ has made progress in recent years to address our affordable home crisis, there is much more work to do to HouseNJ. Between draconian federal budget cuts and a proposed raid on NJ’s Affordable Housing Trust Fund, there will be no resources to build the homes our communities need.

Our members know to navigate the complexity of affordable housing finance, they understand where funding resources come from, and they have to couple subsidies from a variety of sources to build just one affordable home. The AHTF is critical in not only providing essential funds, but it also creates those connections with host municipalities that we absolutely need to have successful housing outcomes. This is the investment we need in our communities and it is crucial we close the housing gap to make sure everyone has a safe place to call home.

Respectfully submitted,

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