



**Senate Community and Urban Affairs Committee, Community Wealth Preservation Program
January 4, 2024**

Good morning, Chairman Singleton, Vice-Chair Stack, and to the members of the Senate Community and Urban Affairs Committee. Thank you for the opportunity to testify today on the state's housing affordability crisis and housing instability.

My name is Matthew Hersh, Director of Policy and Advocacy the Housing and Community Development Network of New Jersey. The Network represents 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.

I am pleased to be here on behalf of our members in support of S4240 as we believe it plays an important part in addressing the state's affordability crisis, helps chip away at the systemic barriers that prevent people from accessing a home, and provides an important tool for community development corporations.

Just as the Legislature and advocates have worked to remove barriers related to criminal backgrounds, credit scores, and other chronic issues that have led to housing instability, establishing a Community Wealth Preservation Program adds a critical tool to not only allowing additional access to a home, but also for building generational wealth.

How does it do this? S4240 expands community-based access to residential properties sold at sheriff sale. The residency requirement ensures that not only is the property serving an immediate, existing need, but it also allows for this wealth-generating asset to stay in the community and provide financial security for the family living there.

This bill also allows for nonprofit community development corporations, who work deeply in our communities, to work with residents to make sure these assets stay locally owned and occupied. CDCs have the knowledge, capacity, and community connections to assist in providing direct benefits to the community and it is very encouraging to know the Legislature understands how important it is to work with local stakeholders and providing housing stability.

Competition for quality, affordable homes is fierce everywhere because the housing market is out of balance. New Jersey has seen this happen in multiple cycles, after the Great Recession and then after Superstorm Sandy. This bill gives local residents a chance to expand generational wealth, particularly in Black and Brown communities. Families that own their homes are more economically stable and have the assets to create and expand businesses, send their children to college, or build a nest egg for a secure retirement. Once again, we strongly seek your support

for S4240 and thank you for allowing this bill to be heard and to move forward for the benefit of communities across NJ.

Respectfully submitted,

Matthew Hersh
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