



**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 for all.

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. We applaud the Governor for making housing affordability a center piece of this budget proposal, and support efforts to invest in New Jersey's communities so that the Garden State can be affordable to our most vulnerable and lower income residents. It will surprise no one that we are thrilled to see the Affordable Housing Trust Fund being used solely for its intended purpose: to create affordable homes.

We also strongly support Gov. Murphy's proposal to invest more than \$300M from New Jersey's American Rescue Plan allocation to help create thousands of homes our residents need. By making that historic down-payment on already approved municipal developments, this budget proposal helps restore balance to the marketplace.

These investments are essential because housing security and affordability are major concerns 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 gouging.

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.

Our state's 2021 housing wage, or what a household has to earn to afford a modest, 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.

Thanks to you and Gov. Murphy, New Jersey adopted some of the best pandemic-related tenant protections in the nation. Now, as we move – hopefully – towards recovery, we need to address the imbalance of our housing market and ensure that housing stability and access are at the core of our response. We need to make sure that NJ is affordable for those who have experienced the most harm during the pandemic.

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 reach that goal, we urge our state and federal officials to adopt the [HouseNJ](#) agenda. We ask that you fully deploy \$975 million in ARP funds and state resources to meet our housing needs. On the federal level we must ensure that any reconciliation bill includes deep investments in affordable home production, rental assistance, and public housing. 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, eliminate childhood lead poisoning from paint, as well as 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 may 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 homes.

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. Together, we can HouseNJ and make sure New Jersey is an affordable place for everyone to call home.

Thank you.