



Staci Berger, President & CEO  
Testimony to the Murphy Administration Regarding the American Rescue Plan  
July 27, 2021

Good afternoon. Thank you to Governor Murphy and his staff for the opportunity to testify today. I'm Staci Berger, and I'm the president and CEO of the Housing and Community Development Network of New Jersey, the statewide association of 275 nonprofit community developers, housing advocates, and private sector partners working to ensure that everyone has a great place they can afford to call home.

Last week, we released the annual report, *Out of Reach* with our national partner, detailing the housing wage – the hourly wage a full-time worker needs to earn in order to afford a modest two-bedroom rental apartment. Surprising no one, New Jersey is the sixth least affordable place to rent. To afford a modest rental home, a NJ family must earn **\$31.96 an hour or \$66,468** annually. A minimum wage worker in NJ would have to work **107** hours per week year-round. Affordable rentals are out of reach for too many tenants.

Hundreds of thousands of NJ tenants were struggling to pay rent **before** the pandemic. Thankfully, Congress provided billions in Emergency Rental Assistance, and the Department of Community Affairs, under the tremendous leadership of Lt. Gov. Sheila Oliver, is working hard to get those funds out. We look forward to Governor Murphy signing the eviction protection and rental navigator legislation to provide NJ renters more time and assistance, and to give our neighborhoods protection from unscrupulous investors who are buying up distressed properties. The American Rescue Plan is a once in a lifetime chance to address our state's housing needs and the systemic, institutional racism that has created and sustained housing insecurity.

Homeownership is the single largest mechanism by which families create and maintain wealth. Yet, residents and communities of color suffer from an extremely pervasive and persistent racial wealth gap in NJ, which is intertwined with our housing affordability crisis. Like the pandemic, the housing crisis – for renters and homeowners - disproportionately impacts Black and Brown residents. Black, female heads of households are five times more likely to be evicted than white male counterparts. In NJ, 77 percent of white households own a home **but less than half of Black households do**.

Researchers at the New Jersey Institute for Social Justice found that “Black people have been systematically denied the same opportunities for wealth building through homeownership afforded to white households.” The Institute also found:

- The median net worth for New Jersey's white families is \$352,000—the highest in the nation—but for our Black and Latino families, it is just \$6,100 and \$7,300, respectively.
- **It would take a Black family 228 years to achieve the wealth that the average white family has today.**

We can close this gap and balance our housing market by wisely investing the resources Congress has provided through the American Rescue Plan, including helping distressed homeowners – who are disproportionately people of color - through the Homeowner Assistance Fund.

**NJ can invest \$975 million from the ARP dollars in the housing market and help mitigate systemic and institutional racism. Key steps include:**

- Expanding the Affordable Housing Trust Fund to create more affordable homes, at \$200M
- Increasing Project Based Rental Assistance, to create more permanently affordable rental homes, at \$35M
- Ending childhood lead poisoning, at \$50M
- \$85M for repurposing vacant and underutilized properties – like hotels and motels - and creating safe places for folks experiencing homelessness, with services. We can end homelessness for people currently experiencing it with rental subsidies, new homes and support services, at \$175M as recommended by Monarch Associates, for a total of \$260M.
- Creating homeownership options for first generation homeowners, \$50M
- Rehabilitating public housing, which has suffered so much physical neglect, \$50M, as a down payment on what we hope will be further investment from the federal infrastructure plan.
- Providing new resources for repairing, rehabbing and redeveloping homes, \$125M, and doing other repairs and demolishing unsafe structures;
- Securing supportive housing for folks with special needs, \$100M, as recommended by the Supportive Housing Association of NJ.
- Providing key services for pandemic-impacted communities and residents, including community health workers, violence prevention programs, and housing services and benefit navigators, \$45M.

NJ's shortage of affordable homes – for both renters and homeowners – is exacerbated by systemic and institutional racism and economic injustice that we continue to see around our nation.

Gov. Murphy and the Legislature must make the needed investments in our neighbors and our communities and begin to repair this damage. When we expand the housing market, we create wealth and opportunity for all. Thank you.

<b>Investment/Program</b>	<b>ARP (Millions)</b>
Affordable Housing Trust Fund	\$200
State Rental Assistance Program ( <b>project based</b> )	\$35
Lead Prevention & Weatherization	\$50
NJ Homelessness Prevention Programs	\$85
Ending Current Homelessness in NJ	\$175 <sup>i</sup>
HMFA Lending (CHOICE & Small Rental)	\$60
Affordable Home Repair, Rehab & Redevelopment ( <b>NEW</b> )	\$125
Special Needs Housing Trust Fund	\$100 <sup>ii</sup>
Public Housing Investments ( <b>NEW</b> )	\$50
LMI Homeownership ( <b>NEW</b> )	\$50
Housing & Community Service Programs ( <b>NEW</b> )	\$45
<b>Total:</b>	<b>\$975</b>

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<sup>i</sup> Monarch Housing recommendation

<sup>ii</sup> Supportive Housing Association of NJ