



Testimony to the Assembly Housing and Community Development Committee
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Good morning. Thank you Chairman Wimberly, Vice Chairperson Chaparro and members of the Committee for the opportunity to testify before you today about New Jersey's housing affordability crisis. As the statewide association of 150 community developers and another 100 private sector partners working to ensure that everyone has a great place they can afford to call home, the Network and our members are deeply concerned about the need for housing to be affordable for all of the residents of our state. I'm Sharon Barker, the Network's Vice President and COO. I am glad that some of our members are here today, while more than 300 are with our CEO and President, Staci Berger and Senior Policy Coordinator Arnold Cohen, as part of our annual NJ Congressional Reception and NJ Hill Day in Washington DC. As we speak, NJ residents are traveling to Capitol Hill to speak with our Congressional delegation about the need to fund housing programs and invest in opportunities to make housing more affordable here in the Garden State.

Unfortunately, we still have a long way to go to create a balanced housing market that gives everyone a fair chance to live in the community of their choice, near transit and employment, and with amenities they enjoy and services they need. According to *Out of Reach 2018*, the annual, national report that provides the Housing Wage and other housing affordability data for every state, metropolitan area, combined non metropolitan area, and county in the country, New Jersey is the sixth most expensive location in the nation to rent a two bedroom apartment. Only Hawaii, the District of Columbia, California, New York, Maryland and Massachusetts, are less affordable, according to the report, produced by the National Low Income Housing Coalition and released by the Housing and Community Development Network of NJ.

In order to afford a modest two-bedroom rental home in the Garden State, a family must earn an hourly wage of \$28.17, far more than the state's average hourly wage of \$18.21. As the Fair Market Rent (FMR) in the state for a two bedroom rental is \$1,465, a family must earn \$58,603 annually in order to make it affordable. Using that formula, a minimum wage worker would have to work **131 hours** per week year-round to be able to afford a two-bedroom home at FMR. Even at the mean wage of \$16.92, a person would need to work for 62 hours a week to be able to afford that home. To gauge affordability, the NLIHC and the Network both use the widely accepted measure that no more than 30 percent of a person's income should be spent on housing. (report included)

For as long as many can remember, New Jersey has been at the top of this list of least affordable places to live. Competition for quality affordable homes is fierce because the housing market is out of balance. We need you as State leaders need to invest in ways to create more homes, including preserving money from the Affordable Housing Trust Fund. Our nurses, police officers, child care providers, administrative assistants, and all who are the backbone of our state's economy need homes they can afford. I can personally attest to this, as I look for a place to purchase that is affordable for my husband and me. My husband is retired and we are now looking further away from my office because it is more

affordable and will now cause me to have close to an hour commute each way. We all want an affordable home, something that is affordable for each of us based on our income and expenses or situation in life.

Unfortunately, our state is on top of other lists that demonstrate the lack of affordable homes. We have more millennials living at home, because they cannot afford to move out. Even worse, our foreclosure crisis continues to lead the nation. It is a huge burden for our families and communities, but especially those who live paycheck to paycheck. The housing affordability and foreclosure crisis is the albatross around the neck of our economic recovery.

It is not surprising that the Eagleton poll (copy included) conducted this spring found that New Jerseyans do not take the issue of housing affordability lightly. Almost all residents believe the cost of housing in New Jersey is a “very” (51 percent) or “somewhat” (35 percent) serious problem. How difficult New Jerseyans think it is to find reasonably priced housing in the state follows a similar overall pattern: 49 percent feel it is “very” difficult, and another 38 percent say “somewhat” difficult. About three-quarters of residents worry “a lot” (44 percent) or “some” (31 percent) about being able to afford housing in New Jersey.”

However, there is a growing sense in the state that both the policy environment and the budget situation are beginning to improve, bringing opportunities to develop the homes NJ needs. Our housing market is like a food market that only regularly offers filet mignon and lobster...we need hamburger and pasta, too. We are watching as the 2015 NJ Supreme Court decision to ensure fair share housing plans in communities takes hold. Communities are engaged in drafting and executing these plans, which include meaningful participation from non-profit builders and advocates. This process can create the homes that our economy and our residents need.

Let us be clear: This shortage is exacerbated by the stubborn patterns of racial and economic segregation that we continue to see in suburban communities, some of whom are openly advocating for a return to the policies of the past. In fact, some of the people here today are demanding “an end to high density housing”... that is a dog whistle, plain and simple. It is a call to keep communities segregated by race and income, to build walls using zoning laws. Our courts and this Legislature have been consistent on this matter: New Jersey’s municipalities cannot use their rules to keep people out of their neighborhoods.

But that is what they want. I am not sure why, perhaps you can ask them. But I know this is a long and difficult struggle here, and around our country. As far back as 1946, in *It's A Wonderful Life*, George Bailey asks Mr. Potter, “This rabble you’re talking about, they do most of the working and paying and living and dying in this community. Well, is it too much to have them work and pay and live and die in a couple of decent rooms and a bath?”

That may be a Christmas movie – and I love Christmas movies more than most – but it is the same thing we are fighting for right now. Is it too much to ask that people have a couple of decent rooms to raise their families, and contribute to their community? Is it too much to ask that they have choices about where to live and where to work? We don’t think it is, and hundreds of other public officials don’t think so either. It’s why more than 300 of them – many of you included – endorsed our campaign to **Build A Thriving NJ**, calling for increased investment to create homes people can afford. I have included the list of key stakeholders from communities around the state who understand the need for people to have a

decent place to live, in a neighborhood of their choosing. It is only a small handful of politicians who are using the ridiculous term of “high density housing” to try to frighten people ahead of elections. We have enough of that in Washington. We don’t need it in New Jersey.

Of course people want choices about where to live– this is America. Some people would love to move to the suburbs, and others want to be in our urban centers. Nonprofit developers have the expertise and community values to help create and rehab homes that can address our housing crisis. We know that you have tried, on numerous occasions, to craft policies and to expand resources to support this effort, and we are glad that this committee is continuing the work started by the late Chairman Jerry Green to that end. We appreciate your leadership and urge you to keep working with us. We have a broad agenda for changes you can adopt, and while I will not go into them all in detail now, I do want to highlight a few key areas that can make a big impact.

First and foremost, the Affordable Housing Trust Fund should be used for its intended purpose, housing production. We appreciate the work by this Committee and other legislators to ensure that the FY2019 budget allocated \$15 million of the Trust Fund. We hope that puts us on a path to using that funding as intended. Supported by more than 79% of residents, using the Trust Fund as intended helps us get to the heart of the problem – that there simply are not enough homes that lower income families can afford. It is why we see folks doubling and tripling up in unsafe conditions.

We need to provide rehabilitation funding for those places that need to address health and safety issues, especially homes where children are at risk of lead poisoning. This completely preventable disease continues to ravage the lives of children here in NJ every year. We are glad to be working with Lt. Governor Sheila Oliver and her team at DCA to deploy the resources available, once siphoned by the Christie Administration, to address this public health crisis.

Funding for rehabilitation of homes with lead poisoning and addressing other problem properties can help put more homes in the mix and help balance our market. In addition, increasing the funding for the Neighborhood Revitalization Tax Credit program, to \$15 million was also a step in the right direction, and we are grateful for that additional investment. As many of you know, the NRTC is a wildly successful, public-private partnership that allows community organizations and private sector investors to work together to create homes and economic development.

Lower income families need help when they face a crisis, especially when a foreclosure threatens. There are numerous proposals to fund housing counseling, which we, as the largest funded HUD-certified housing counseling intermediary in the state, we support. There are also strong proposals on our agenda to prevent foreclosures and address problem properties. Finally, as we work to create communities that are affordable and vibrant for everyone, we must maintain a strong safety-net that protects those most at risk. We are educating and monitoring the Code Blue emergency weather procedures across the state so that every county has a consistent process to shelter homeless residents during severe weather events. No one should freeze to death on our watch.

I am attaching the full list of our policy recommendations, and am happy to answer any questions you might have, now or later. I want to thank you again for the opportunity to be with you here today and for your continued leadership and commitment to make New Jersey a place everyone can afford to call home.