



Building on Progress, Taking Future Initiatives to House NJ

For nearly 35 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. New Jersey's housing market remains out of balance. New Jersey is among the national leaders in eviction prevention and affordable home production but, we have identified systemic and institutional racist policies and practices that harm our residents. These barriers prevent prospective Black and Brown homeowners from creating wealth through homeownership and they keep renters from accessing available apartments.

Despite the state's efforts to increase compensation to workers by raising the minimum wage and creating important employment protection programs, like Paid Family Leave, the cost of housing continues to spiral out of reach for too many New Jersey residents. Housing insecurity and unaffordability present enormous threats to public health and safety, which we saw acutely during the pandemic. As COVID-19 protections expire, safe and affordable homes are out of reach for too many of our residents. Along with our national partner, the National Low Income Housing Coalition, we release the annual *Out of Reach* report, which documents the housing wage and details what it costs for working people to afford a modest home at Fair Market Rent (FMR). New Jersey is consistently in the top ten places every year and we rank among the top states experiencing foreclosures as well.

Over the last five years, **we have made significant progress in the right direction.** However, we must continue to work together to ensure housing security, stability and affordability in our future. We offer the following suggestions for our public officials and thought leaders to consider as they tackle this challenge and look forward to working with all of our partners so that we can House NJ:

- **Neighborhood Revitalization Tax Credit (NRTC):** The NRTC provides businesses with a 100% tax credit for funds provided to nonprofit organizations working on revitalization plans. These nonprofit organizations must use at least 60% of the tax credit funds on housing and economic development. The remainder of the funds can be put toward support services and other activities promoting neighborhood revitalization.

The Murphy Oliver Administration expanded the NRTC program from \$10M to \$15M but this very popular and enormously successful program has not grown to meet the full need. We urge NJ's public officials to double the program's funding to \$30M. CDFIs and non-profit entities that provide support to NRTC plans and projects should also be eligible for a smaller portion of the expanded pool of resources.

- **Affordable Housing Trust Fund (AHTF):** The Affordable Housing Trust Fund provides crucial subsidy funding for non-profit and for-profit developers to support the creation of

affordable housing across New Jersey. It is the single largest source of funding for non-profits.

We applauded the Murphy Oliver Administration for ending the decade long, bipartisan practice of diverting the AHTF and using it to fund other, non-production related housing programs and backfilling budget holes. Although Gov. Corzine began this diversion during the Great Recession, Gov. Christie completely drained this critical source of funding for his entire time in office. From 2009-2018, NJ lost more than a \$1 billion in revenue, exacerbating our housing crisis and preventing non-profit developers from accessing available land and development opportunities. NJ's next administration must remain committed to ensuring dedicated funding through the AHTF for LMI residents at or below 80 percent of AMI, *with an emphasis on housing that is affordable to families earning below 50% AMI*, with no diversions.

- **Operational & Capacity Support for CDCs:** In 2009, the Christie Administration eliminated the Office of Housing Advocacy (OHA), a longstanding program that provided operating support for nonprofit organizations to prepare for and engage in property development. OHA provided grants to CDCs, who used the funds to retain development staff and then paid the grants back – or recycled them for future use – once homes were built, and the developer fees were paid.

While OHA was sometimes challenging during significant changes in the real estate market, it provided an essential tool for non-profit developers to be able to acquire and develop properties. CDCs and other non-profits simply do not have the same easy access to capital and without it, they have a more challenging time sustaining development staff and are not able to compete equitably with for-profit developers when key opportunities arise. It is essential that NJ's leaders invest in strengthening and sustaining the non-profit sector so that residents in disinvested neighborhoods are not at the mercy of unscrupulous investors but have the ability to implement their own vision for thriving communities through organizations they lead.

- **Mount Laurel/COAH: It is imperative that our public officials vocally support the Mount Laurel doctrine and prevent any future delays as we approach 2025, during which the fourth round of fair housing obligations will be decided.** We support the current process whereby municipal affordable housing obligations are determined in the courts. There needs to be more transparent reporting of local municipal trust funds, as COAH used to provide.
- **Tenant Protections & Rent Control:** The Murphy Oliver Administration saved thousands of lives during the pandemic by taking swift and decisive action to prevent evictions (and foreclosures). The NJDCA, under the leadership of the late Lt. Gov. Sheila Oliver, built and delivered a nationally recognized eviction prevention program, working with the Courts, advocates and non-profits to provide rental navigation and rental assistance that has helped keep people safely and stably housed. Some of these program components are beginning to wind down, including the case management conference process, which may erode the program's future capability. Future leaders must make this program permanent and expand it as much as possible.

Similarly, the state has expanded its access to counsel to all 21 counties under the current administration. This work is in partnership with the EPP and should receive more funding to be a sustainable statewide right to counsel program. Municipalities doing this work should be supported with state funding, technical assistance and other resources.

The Office of the Public Advocate, which had been the primary source of education, outreach and advocacy for years, was also dismantled by former Gov. Chris Christie. When the pandemic struck, NJDCA took up this effort and provided information and supported the efforts of other entities to do the same. However, there is no single source of tenant rights information or support, nor is there an easy mechanism for tenants to report code violations to a state level office. NJ tenants need a state-level office to serve in this capacity, and either the DCA or a restored Public Advocate seems most appropriate.

We learned during Hurricane Ida that many municipal officials remain unaware of their responsibilities to coordinate temporary shelter and/or permanent relocation assistance when disaster strikes. NJ should create an office of tenant advocacy that can step in to help individuals and communities as they address the needs of lower income tenants and staff an ombudsman that can assist tenants as they exercise their rights.

Further, NJ's statute regarding rent increases is vague, stating only that landlords cannot raise rents in an "unconscionable" manner. NJ must provide clear guidance, so that communities can create and preserve common sense rent caps and ensure affordable housing for renters. Ensure funding and guidance for municipalities who are looking to provide the right to counsel for people facing eviction.

NJ must prevent blacklisting for tenants who have complained about landlord issues and codify and expand upon the court-created doctrine of the implied warranty of habitability in order to enhance the use of the doctrine as a defense to residential eviction proceedings.

Additionally, NJ should expand the State Rental Assistance Program, which provides additional rental subsidies to our most vulnerable tenants and expand the use of project-based vouchers. This could be financed by a surcharge on corporate landlords and LLCs, which are engaged in predatory rent hikes and property purchases that make the dream of homeownership even harder for LMI renters.

- **Homelessness Prevention/Housing First:** The Murphy Oliver Administration created and funded the Office of Eviction Prevention and Office of Homeless Prevention. The Office of Eviction Prevention expanded access to counsel to low-income tenants facing or threatened with eviction. The Office also handles general inquiries about landlord-tenant rights and responsibilities and publishes the bi-annual Truth in Renting Guide

The Murphy Oliver Administration also set up the Office of Homelessness Prevention/Housing First. The Homelessness Diversion Pilot deploys rapid housing stabilization case management paired with flexible funding to rapidly prevent and exit eligible households from risk of unsheltered homelessness and shelter placement through

non-profits throughout the state. It also is funding street outreach and services to the homeless in select counties. The Governor also funded Code Blue services. Additional programs and support for our homeless neighbors is desperately needed, as we have recently seen the state's Point in Time Count of unsheltered individuals top 10,000 people.

The next Administration should:

- Fund Code Red for heat emergencies and provide emergency shelters in case of any disaster that makes it unhealthy to be unsheltered, like the Canadian wildfires.
- Fund a county system of homeless shelters and ensure anyone who needs shelter receives it, regardless of whether they had emergency assistance.
- Establish an Interagency Council on Homelessness that coordinates the actions of all state agencies to address the end of homelessness. Over a dozen other states have this.

We can assist people moving from temporary, emergency housing and shelters by eliminating unnecessary barriers and red tape. For example, NJ should eliminate credit checks for Housing Choice voucher holders. Residents living in homeless shelters who have obtained vouchers are being turned away from otherwise available, affordable places due to their credit history. However, the rent payment is guaranteed through NJ DCA and the portion that the tenant is required to pay is both reasonable and based on their income. Removing this barrier through an executive order will make affordable homes more readily available to people who desperately need them, while spending public resources more effectively.

- **The Affordable Housing Production Fund:** The AHPF was created with ARP funds in FY 2023, in order to jump start LIHTC developments that had financing gaps. Although it is unlikely that NJ will receive additional federal funding, it is important to support developments in addition to LIHTC investments should we receive more resources. In order to have infill and smaller development opportunities to meet the housing gap. Although it is unlikely that we will receive funding of this magnitude in the immediate future, it is important to consider how an Administration would deploy such an infusion of resources.

We welcome the opportunity to discuss these ideas, and additional proposals as they become available. All NJ residents deserve safe, stable and affordable places to live in thriving communities of their choice. We look forward to working with our current and future leaders to House New Jersey.