THRIVING TOGETHER:
The Economic Impact of NJ’s CDCs at 30 Years

In 2014, the Network released Stronger Together, an economic impact analysis showing nonprofit community development corporations (CDCs) added more than $12 billion to New Jersey’s economy and created 82,000 jobs over 25 years. As the Network marks our 30th anniversary in 2019, we surveyed our member CDCs to update this analysis for the past five years.

From 2014-2019, CDCs made substantial economic impact in New Jersey. But this period also was a missed opportunity for the state: despite the perseverance of New Jersey’s CDCs, their impact was limited by a depleted Affordable Housing Trust Fund and underinvestment in affordable homes.

$2 billion
IN ECONOMIC IMPACT
11,500
JOBS SUPPORTED
6,000+
HOMES BUILT

$2 billion of impact: CDCs are an economic engine for New Jersey.

From 2014-2019, non-profit CDCs contributed nearly $2 billion in economic impact throughout New Jersey by building affordable homes and other construction projects. This work supported 11,500 jobs and put more than $500 million into the community through New Jersey’s workers and businesses.

The wide-ranging work of New Jersey’s CDCs

In addition to affordable homes, CDCs built 21 non-residential or mixed-use developments during the past five years, with uses including:

- COMMERCIAL & RETAIL
- COMMUNITY CENTERS
- ARTS
- HEALTH & WELLNESS
- URBAN FARMING
- CHILD CARE
- ...AND MORE

Throughout the state, CDCs completed or began a total of 570 projects, creating or rehabilitating more than 6,000 homes. These developments provide a safe, stable, affordable place to call home for families, workers, seniors, veterans, formerly homeless individuals, people with disabilities and more.

The numbers in this report do not fully capture the benefits provided by CDCs. First, some NJ CDCs did not complete the survey, so the actual impact is likely greater than the estimated $12 billion. Second, many benefits provided by CDCs cannot be adequately quantified. These organizations provide a broad range of services, including food for hungry residents, emergency shelter for people experiencing homelessness, child care, job training, and more. Safe, stable, affordable homes help children succeed in school, parents find good jobs, and families live healthier lives. While these impacts are not calculated here, this analysis offers one illustrative measure of how the work of CDCs benefits everyone in our state.
Economic Impact of NJ CDCs by Year

CDCs built affordable homes and added economic impact in every corner of the state – but need is growing.

From 2014-2019, CDCs built affordable homes in all of New Jersey’s 21 counties, in North, Central, and South Jersey. They completed projects in urban, suburban, and rural communities.

Even with this meaningful level of investment, unmet needs are great and growing. In 2018, New Jersey’s courts determined municipalities must address unmet fair housing needs of more than 150,000 homes for the period 1999-2025. Central and South Jersey also saw relatively less CDC development during the past five years in proportion to their need, compared to the Network’s first 25 years.

In addition, the cost of a decent home in New Jersey is high, while wages have been relatively flat. As of 2019, New Jersey is the fifth most expensive state for renters. In order to afford a modest two-bedroom home in the Garden State, a family must earn an hourly wage of $28.86, far more than the state’s average hourly wage of $18.68 or $8.85 minimum wage.\(^3\)

\(^1\) Indirect and induced economic impact was calculated using the U.S. Bureau of Economic Analysis Regional Input-Output Modeling System (RIMS II) multipliers for selected industries in the state of New Jersey.


\(^3\) National Low Income Housing Coalition and HCDNNJ. Out of Reach 2019, https://www.hcdnnj.org/oor.
CDCs face significant underinvestment in affordable homes.

New Jersey’s CDCs have worked to close the unmet needs gap, and their $2 billion impact over the past five years is vital for communities. But the overall impact and the total number of new affordable homes could have been much greater.

During the Network’s first 25 years, CDCs contributed an economic impact of $2.4 billion over an average five-year period. The past five years saw about 20 percent less economic impact on average. Even during the Great Recession, New Jersey CDCs directly invested about $180 million each year. Since then, direct impact has been limited to an average of $160 million annually.

A major reason for this decrease in development activity is sustained underinvestment in affordable homes in New Jersey and nationwide. For a decade, state officials raided New Jersey’s Affordable Housing Trust Fund (AHTF) to use for expenses other than affordable homes. If the AHTF had been fully funded at about $75 million annually for five years, this money would have translated into more than $760 million in total economic impact. But this understates the overall effect of the trust fund, because CDCs can use these resources to leverage more financing from other sources.

Additionally, several key sources of state funding were cut between 2006-2015. This led to a 75 percent drop in program funding. Federal funding also is limited. Although the most recent federal budget increased spending for several major housing programs, it came on the heels of years of stagnant funding. Today, the U.S. Housing and Urban Development’s (HUD) programs receive less funding than in 2010, after adjusting for inflation.

Due to these cuts, NJ’s CDCs began the last five years with fewer resources to support their work. Several former Network members were forced to end operations.

The opportunity today: invest in CDCs to build a thriving New Jersey.

This analysis again shows: community developers have the experience to deploy resources in ways that have long-lasting impacts on New Jersey’s economy and residents. But to truly build a thriving New Jersey, much more investment in affordable homes is needed.

In the 2019 legislative session, New Jersey took several steps to increase its investments. Following years of advocacy by the Network and its members, the Legislature passed and Governor Murphy signed a budget that fully funds the Affordable Housing Trust Fund. Legislation passed to expand the Neighborhood Revitalization Tax Credit, to support municipal land banks, and to create a state Office of Homelessness Prevention.

These accomplishments are a critical starting point. It is time to build on this progress to ensure the next five years are filled with success and not missed opportunities. By providing nonprofit community developers the support and resources they need, New Jersey can help ensure every resident has a safe, stable, and affordable place to call home.

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- Advance Housing, Inc.
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- Bergen County’s United Way
- Better Community Housing of Trenton
- Camden County Habitat for Humanity
- Camden Lutheran Housing, Inc.
- Catholic Charities, Diocese of Trenton
- Catholic Charities, Diocese of Metuchen / Union
- Square Community Center
- Central Jersey Housing Resource Center
- Coastal Habitat for Humanity
- Elizabeth Coalition to House the Homeless
- Elizabeth Development Company
- Fair Share Housing Development
- Family Promise Union County
- Garden State Episcopal CDC
- Gateway Community Action Partnership
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- Habitat for Humanity of Bergen County
- HANDS, Inc.
- Holly City Development Corporation
- HOMEcorp
- HomeFront
- Homeless Solutions
- Homes for All
- HQM Properties
- Interfaith Neighbors, Inc.
- Ironbound Community Corporation
- Jersey City Housing Authority
- Jewish Community Housing Corporation of Metropolitan New Jersey
- Jewish Family Service of Atlantic and Cape May Counties
- Jewish Renaissance Foundation
- La Casa de Don Pedro
- MEND
- Morris Habitat for Humanity
- New Brunswick Tomorrow
- New Community Corporation
- New Jersey Community Capital
- New Jersey Community Development Corporation
- Northern Ocean Habitat for Humanity
- Norwescap
- Ocean Community Economic Action Now (O.C.E.A.N., Inc.)
- Parkside Business and Community in Partnership
- Passaic Affordable Housing Coalition
- Paterson Habitat for Humanity
- Premier Community Development Corporation
- Princeton Community Housing
- Project Freedom
- Project Live, Inc.
- Raritan Valley Habitat for Humanity
- Reformed Church of Highland Park Affordable Housing Corp.
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- Town Clock CDC
- Triple C Housing
- Unified Vailsburg Services Organization
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