



Diverting the Affordable Housing Trust Fund (AHTF *aka* Balanced Housing) is bad for NJ's economy

1. In FY2009, the Corzine Administration proposed using AHTF money, despite Constitutional requirements to dedicate those funds, to support half of the State Rental Assistance Program, the other half came from General Revenue. Ultimately, SRAP was fully funded through GR, due to the advocacy of our members.

2. Support for home production continues to shrink (nothing has changed from this chart):

SHRINKING STATE FUNDS			
PROGRAM	2006	2012	CHANGE
Balanced Housing Program Production	\$38M	0	-100%
HOME Express	\$58M	0	-100%
State Rental Assistance Program	\$47M	\$42M	-11%
UHORP/CHOICE	\$42M	\$10M	-76%
Special Needs Housing Trust Fund	\$24M	0	-100%
TOTAL	\$209M	\$52M	-75%

FY2010-2018: Christie Administration used AHTF funds (which fluctuated depending on the sales of homes) to fully fund SRAP, leaving no money for production dollars. Nonprofit and private sector developers are extremely constrained in the production of new homes and rehabs that our housing market desperately needs.

Most of the recent development has been with Sandy recovery funds or small scale development supported primarily through private sector financing. This work costs more and is constricted without the state investment that is supposed to provide initial capital. This is a challenging environment for the nearly 200 communities that have Fair

Share agreements, in which non-profit developers have a stake in building homes under the *Mount Laurel* obligation.

3. When the realty transfer fee funds grew towards the end of the Christie Administration, they were used to support other programs in departments outside DCA, which had previously been funded by General Revenue. This is one of the many gimmicks the former Administration used, and it has damaged our economy. NJ ranks first in both standard and zombie foreclosures, is the 6th most expensive rental market and is the state with the highest rate of millennials living at home, because they cannot afford to move out. Like the Governor's other initiatives, having more affordable homes means people spend more of their discretionary income on other goods and services and can reignite the economy.
4. Our 2014 [Stronger Together Report](#) found that investments like AHTF resulted in NJ CDCs contributing \$12 billion to the state economy over the preceding 25 years. CDCs directly invested \$6.5 billion that rippled throughout the economy creating another \$5.7 billion of economic activity. CDCs added \$320 million to state tax rolls. Though CDCs are exempt from some taxes, CDC activities generated hundreds of millions of tax revenue dollars from worker wages, contracts and purchases. During that time, CDCs built and rehabilitated over 21,000 affordable homes for lower income residents and built over 2.5 million square feet of commercial space for new and expanding small businesses.
5. Over 300 elected officials and public leaders have endorsed the [Build A Thriving NJ](#) platform which calls for increased investment in housing programs, including AHTF. Other states and large cities are considering revenue raisers that include anti-speculation assessment, vacant property taxes, increasing and/or making their realty transfer fee more progressive, as well as increasing "mansion sale fees." NJ currently assesses 1% on the sale of certain real estate types of more than \$1 million, for residential single family and office/most commercial properties. This does not include vacant land, industrial sites or multifamily apartment buildings.