Special Needs Housing Trust Fund Fact Sheet

History: The Special Needs Housing Trust Fund (SNHTF) was signed into law in 2005. It authorized the issuance of $200 million of bonds to create housing for people with special needs and the homeless. The SNHTF has spent almost all of these funds on supportive housing for persons with disabilities in all twenty-one counties.

Who are people with Special Needs?: Individuals with mental illness, physical or developmental disabilities, victims of domestic violence, ex-offenders and youth offenders, youth aging out of foster care, runaway and homeless youth, individuals and families who are homeless, disabled and homeless veterans, individuals with AIDS/HIV, or those who are in other emerging special needs groups defined by state agencies.

What have the funds been used for? The program, under the auspices of the New Jersey Housing and Mortgage Finance Agency has helped create quality housing people can afford with needed supportive services for over 2,000 families and individuals with special needs throughout New Jersey. Without this funding many of these families would still be living with aging parents or institutionalized. Others would be homeless or returning to prison because they couldn't find a home they could afford.

Some examples of projects funded projects: The SNHTF provided financing for permanent, affordable and supportive housing on for persons with special needs including the homeless in all counties in NJ. Among the projects:

- Life Link in Glassboro which funded permanent housing for thirty young people (ages 18-21) who have aged out of foster care. Supportive services for the youth will be provided by Robins Nest, Inc.
- Collaborative Support Programs of New Jersey, Inc. constructed a four-bedroom independent living residence in Neptune City for people with special needs.
- Eva's Village Apartments developed fifty apartments including a set-aside of twenty-six for the homeless and persons with special needs. The project, sponsored by Eva's Village, leveraged Low Income Housing Tax Credits (LIHTC) as well as other resources.
- Community Hope created a community-based residential facility in Morris County for four mental health consumers with the goal of integrating them into the community.

For New Jersey, this $200 million investment from the state's Housing Trust Fund has meant:

- Leveraging at least $200 million[i] in total housing investment, the majority of which was private investment in New Jersey's economy.
- Created 8,800[ii] one-time jobs, including both construction jobs and related secondary jobs created as a result
- These workers earned $576 million[iii] in total income, and paid $12.4 million[iv] in state income taxes
- Purchases of construction materials and spending by the workers hired as a result of this activity generated $14.4 million[v] in state sales tax revenues.
- Once the homes are built, they and their residents will generate 1,600[vi] ongoing jobs, and $1.76 million per year in state income taxes.[vii]
- Generating as much as $10.4 million per year[viii] in local property tax revenues.
- Over 5 years, the state and its localities will realize over $88 million in total sales, income and property tax revenues.

What can we do to insure that the SNHTF continues to be funded? The following organizations are members of a steering committee to campaign for re-funding the SNHTF.

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[i] Assumes an average total development cost of $200,000 per unit, which is conservative.

[ii] Derived from National Association of Home Builders (2009) "The Local Impact of Multifamily Construction in a Typical Metropolitan Area." (NAHB study). For purposes of this analysis, we used the average of the projected impacts of rental apartments and multifamily condominiums.

[iii] NAHB study

[iv] Assumes that state income taxes are an average of 2.2% gross income.

[v] This represents a combination of sales taxes paid on taxable construction materials in the housing projects and the sales taxes paid on retail expenditures by the workers whose jobs are created as a result of the housing. With respect to sales taxes on construction materials, we have assumed that 30% of development budgets are taxable construction materials, and 50% of the developers are non-profit, and thus eligible for a sales tax exemption. We have assumed that 15% of worker incomes were spent on expenditures subject to NJ sales tax.

[vi] NAHB study

[vii] Assumes average of $50,000 annual FTE wage per job created and income taxes at average of 2.2% of gross income.

[viii] Assumes that the 500 units are divided between 250 rental and 250 homeownership units. Rental units pay a payment in lieu of taxes of between 5 - 15% of gross rent roll on average annual rents of $10,000 ($833/month), while sales units pay taxes on an average property value of $150,000 at an average rate of 2.5% of equalized valuation.