

Housing

Only when people have safe, affordable, and decent places to live can New Jersey have a productive and stable future. There is a growing body of research showing a direct link between "housing security" and physical/mental health, depression, behavioral, and school problems among children, etc., as well as demonstrating the ultimate costs of these problems to society. However, remaining in one's home in New Jersey can be an ongoing challenge because of the increasingly high cost of housing, and the depletion of subsidy resources.¹ More than three-quarters of all very-low-income families (those with an income below \$25,000/year for a family of four) pay more than half of their income on housing.² It should come as no surprise that many families often have to make difficult choices among rent, food, medicine, and other essentials. Below are recommendations on the ways in which the current situation can be remedied.

Housing Starts: We need more variety and choice in our housing so people at different income levels and with different housing needs can find a home they can afford. Over the past six years, the state has NOT used its Affordable Housing Trust Fund to support housing starts. In 2008 the state spent \$50 million for the production of affordable homes, but from 2011 to 2015 that investment has dropped to only \$2 million.³ At the same time, the Special Needs Housing Trust Fund, which began in 2005 with \$200 million, ran out of money in 2011.⁴ We need policies to support building the affordable homes that the people of New Jersey need.

COAH compliance: New Jersey is one of the most segregated states in the USA. NJ's municipalities have a Constitutional obligation to zone for homes affordable to people at all income levels, so no town can remain an exclusive enclave. However, there have not been new rules to guide towns on how to meet this obligation since 1999. Following the March 2015 decision of the State Supreme Court, the process for meeting municipal Mount Laurel obligations is now back in the courts, and it is unclear when this process will produce the housing that is needed. Any future regulations or legislation regarding Mount Laurel obligations should require every municipality in New Jersey to provide for its true fair share of homes that people with low incomes can afford.

Preserving affordable homes: There are 23,000 at-risk subsidized units in New Jersey. Reduced HUD funding has also put some of our current publicly subsidized housing stock at risk.

Foreclosures: New Jersey has the highest concentration of homes in the foreclosure process of any state in the nation. A foreclosed home degrades neighborhoods by making the surrounding homes worth less and if it stays abandoned can be a place for crime, a fire etc. We need to both stop the tide of foreclosures and turn unoccupied homes into homes that can be a housing resource for New Jersey.

Homelessness: Homelessness is directly related to New Jersey's deficiency of affordable housing and permanent supportive housing. In many cases, homelessness can be prevented with targeted financial assistance to individuals and families. When people do become homeless, shelters provide an important emergency response, but they are not designed for long-term stays. A growing body of evidence demonstrates the effectiveness of the Rapid Re-housing and Housing First models of intervention, along with community-wide coordinated assessment. We need state policies that prevent homelessness and rapidly return people who experience homelessness to stable, permanent housing. An essential element of such policies must be investment in housing subsidies (including the State Rental Assistance

Program⁵), paired with extensive case-management services, to ensure that those priced out of the market (including the market of homes that are designated affordable, but are targeted to moderate-income families) have the opportunity to find and keep permanent housing.

We ask that you invest in the people of New Jersey by:

- Using money collected for the “NJ Housing Trust Fund” primarily to fund rehabilitation and construction of new homes that New Jerseyans can afford.
- Ensuring that locally collected funds for housing are spent addressing local housing needs.
- Creating a consistent and fair state housing plan to invest in housing for working families and homeless households.
- Counteracting the foreclosure crisis by enacting legislation that would (1) enable foreclosed families to stay in their homes as renters until their home is sold (2) enable homeowners with negative home equity to lower the remaining principal owed to an amount reflective of current market realities (3) create a funding stream that would allow non-profits to rehabilitate foreclosed properties and create affordable homes (4) fund housing counseling and 5) allow municipalities to designate entities to act as land banks, in order to put vacant, abandoned, and problem properties to productive use.
- Funding the State Rental Assistance Program from the State Budget and not from sources crucial to providing affordable housing. Expand the program to address unmet need.
- Improving the safety net by allowing people with drug convictions to receive General Assistance and associated housing assistance.
- Providing stable funding for legal services to the poor so people facing summary eviction actions have legal representation.
- Developing policies that minimize exclusion from housing for such things as credit scores, source of income, or criminal background.
- Increasing funding for homes for people with lower incomes by modifying the Mortgage Interest Deduction to be fairer, and use the savings to fund the National Housing Trust Fund

For more information, contact [Arnold Cohen](#), Housing and Community Development Network of New Jersey.

¹ Since 2006 federal funds to house very low income families has been cut significantly. http://nlihc.org/sites/default/files/FY16HUD-USA_Budget-Chart.pdf

² <http://nlihc.org/sites/default/files/2015-SHP-NJ.pdf>

³ http://www.njleg.state.nj.us/legislativepub/budget_2016/DCA_follow_up_response_ABU.pdf Attachment A

⁴ <http://www.state.nj.us/dca/hmfa/developers/needs/>

⁵ The State Rental Assistance Program has been level funded, resulting in a net loss of vouchers as housing costs continue to rise. <http://www.cbpp.org/sites/default/files/atoms/files/4-13-11hous-NJ.pdf>.