



March 19, 2025

FY2026 Budget Testimony: Save and Grow the Affordable Housing Trust Fund

Good morning. The Housing and Community Development Network's 270 statewide members would like to express our sincere gratitude for your unwavering support of efforts to tackle NJ's chronic and deepening housing and homelessness crisis.

This requires a dimensional and multi-faceted approach to provide affordable homes, rental assistance, housing counseling, fair housing enforcement, and shelter for our neighbors experiencing homelessness. Our members serve tens of thousands of your constituents and many enjoy strong, long-term working relationships with your offices.

A few things to note up front:

- This legislature has indicated a strong record on growing resources for affordable home production;
- NJ towns are just embarking on their Round 4 obligations under Mount Laurel, which would result in producing 84,698 affordable homes;
- NJ's affordable housing deficit for residents at or below 50 percent AMI is [288,948](#).

So, we have some work to do.

Because of these realities, we need to underscore the seriousness of Gov. Murphy's budget proposal to divert most, if not all, of the New Jersey Affordable Housing Trust Fund for over-80-percent AMI projects, when the fund is explicitly intended for under 80 percent AMI housing efforts. Between existing and proposed allocations, the Governor has signaled what amounts to be a complete drain of the AHTF for other purposes outside of affordable home production.

The FY2026 budget must plan for and grow essential housing and housing production resources, as we embark on the 4th round under *Mount Laurel*. The first, and most important step is to grow the New Jersey's Affordable Housing Trust Fund (AHTF), the major, dedicated source of funding for affordable home creation in New Jersey.

Leading up to this budget, Network members worked with its fair budget coalition, For the Many, to advocate the expansion of the realty transfer fee, the funding source of the AHTF, to best address the state's affordable housing need as well as to position NJ to meet its 4th round housing obligations. While the governor identified this revenue raiser in his budget address, he did not propose to use it to grow the AHTF at a time when we have an ongoing obligation and the political will to make NJ more affordable.

I wanted to take a moment to talk about some AHTF efforts in your districts:

- Chair Pintor Marin – right on Fairmount Avenue, the Urban League of Essex County Opportunity Corporation is developing 8 affordable for-sale new homes (each with a rental apartment) for families in Newark, thanks to the AHTF;
- Assemblyman Spearman - Camden Lutheran Housing, Inc. is using \$6M from the AHTF to acquire and construct homeowner units located on Borton Street in Camden and Parkside Business & Community In Partnership, Inc: \$2.3M to Rehab 1 and construct 9 single family homeowner units located at various sites in Camden.
- Assemblywoman Reynolds-Jackson - Homes by TLC, Inc. received \$3.2M from the AHTF to Acquire vacant land and construct 3 two-unit rental buildings located in Ewing Township and \$3.5M to create 11 affordable homes in 3-bedroom townhouse-style units in Ewing Township.
- Assemblywoman Dunn – Morris Habitat for Humanity: single-family homes for homeownership on Valley View Drive in Rockaway; Morris Habitat for Humanity has done considerable efforts in your district
- Assemblywoman Lopez - Morris Habitat for Humanity: single-family homes on Pearl Place

National Low Income Housing Coalition (NLIHC) released “The Gap: A Shortage of Affordable Homes,” reporting that New Jersey has only 31 affordable homes for every 100 extremely low-income renter households.

NJ has just begun to make progress in addressing our affordable home crisis. There is much more work to do to HouseNJ. Between draconian federal budget cuts and a proposed raid on NJ’s Affordable Housing Trust Fund, there will be no resources to build the homes our communities need.

Our members know to navigate the complexity of affordable housing finance, they understand where funding resources come from, and they have to couple subsidies from a variety of sources to build just one affordable home. The AHTF is critical in not only providing essential funds, but it also creates those connections with host municipalities that we absolutely need to have successful housing outcomes. This is the investment we need in our communities and it is crucial we close the housing gap to make sure everyone has a safe place to call home.

Respectfully submitted,

Matthew Hersh
Vice President of Policy and Advocacy
Housing and Community Development Network of NJ