



Testimony on S3170/A4445 (Singleton/McKnight/Atkins)

Senate Community and Urban Affairs, December 5, 2024

Good morning, Chairman Singleton and members of the committee. My name is Matthew Hersh, policy and advocacy director at the Housing and Community Development Network of NJ and I am proud to be here today representing nearly 300 community development corporations, individuals and other organizations that support the creation of affordable homes, economic opportunities, and strong communities. The Network is also the state's largest, funded HUD-certified housing counseling intermediary serving NJ exclusively.

We are here to ensure that one of the state's most powerful neighborhood revitalization programs can continue to foster equitable community development in neighborhoods around the state.

That program is the Neighborhood Revitalization Tax Credit (NRTC) program. The NRTC program is one of the state's most successful public-private programs for community development and neighborhood change, leveraging \$5-\$7 for every dollar invested. The program invests in the revitalization of New Jersey's distressed neighborhoods by allowing business entities to receive a 100 percent state tax credit for investments made in neighborhood revitalization activities undertaken by nonprofit community development organizations with approved NRTC plans.

The NRTC program, which the Network helped to create in 2002, is among the state's most successful tax-credit programs because it intentionally requires an approved neighborhood plan devised with community stakeholders. The program is currently oversubscribed and underfunded, according to the state Department of Community Affairs, and the current \$15 million program cap restricts its potential. It should be tripled just to match the applicant pool of pre-qualified applicants.

For example, The City of New Brunswick has two NRTC-designated neighborhoods, Unity Square and Esperanza, where revitalization efforts are led by the nonprofit Network members Catholic Charities-Diocese of Metuchen and New Brunswick Tomorrow, respectively. These initiatives, and the NRTC investments they attract, have yielded tremendously impactful results that have benefited the individual neighborhoods and New Brunswick as a whole.

With NRTC funding, Catholic Charities was able to partner with the city to transform a vacant firehouse into the Unity Square Community Center. The Center now serves as a social service hub, including New Brunswick's only Client Choice food pantry and the site of the city's Code Blue shelter.

New Brunswick Tomorrow, working in the more recently designated NRTC neighborhood of Esperanza, has used NRTC funding to advance the development of affordable housing for first-time, low-income homebuyers and formerly homeless individuals, as well as offer grants for local businesses to undertake storefront improvements.

The NRTC program also has the added benefit of encouraging businesses to devote additional resources and attention to our neighborhoods. Once again, in New Brunswick, Johnson & Johnson, PNC Bank, banks of many sizes, and are among the businesses that have invested in New Brunswick's NRTC projects.

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Unfortunately, despite the positive results of the program in New Brunswick and the 19 other municipalities with NRTC neighborhoods throughout the state, the current \$15 million allocation is limiting the impact of the program. The program has become oversubscribed, meaning that worthwhile projects and interested business investors are being turned away. This year, for the first time since NRTC designation, Catholic Charities-Diocese of Metuchen in Unity Square was not funded for its critical revitalization work in Unity Square. Rising costs and inflation are also eating away at the value of the current allocation.

With NJ's fourth round of fair share housing obligations announced, let's make sure that all available tools to build affordable homes are well resourced and supported.

Thank you for your consideration.

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