

Housing Alliance Of Morris County



Welcome to the Housing Alliance of Morris County, Spring 2018,
eNews Edition

HOUSING Alliance Members

Chair

Interfaith Food Pantry
Russ Hall
973.538.8049
www.mcifp.org

Vice Chair

Morris Habitat for Humanity
Blair Schleicher Bravo
973.891.1934
www.morrishabitat.org

Treasurer

Peapack-Gladstone Bank
Maggie Volk, Vice President
908.719.6541
www.pgbank.com

Secretary

Open

MEMBERS

Member Organizations:
([Click here](#)) for contact
information)

Community Hope, Inc.

Family Promise of Morris
County

Homeless Solutions, Inc.

Housing Partnership

Interfaith Food Pantry

Jersey Battered Women's
Service Inc.

Lakeland Bank

Madison Affordable Housing
Corp.

Mental Health Association of
Morris County

Morris County Affordable
Housing Corp.

Morris County Community
Development

Morris Co Continuum of Care

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Housing Matters

What Does "Affordable" Really Mean?

The usual concept of "affordable" is a housing cost that is no greater than 30% of family income. But does this tell the whole story? The idea of "affordability" is more complicated than it would seem at first glance, impacting many different people and organizations.

THE FAMILIES: In Morris County total living costs are estimated to be between \$45,000 and \$75,000 a year, depending on family size and configuration. For a moderate-income family (65% to 80% of "Area Median Income" (AMI), which in Morris County is about \$94,000), 30% of family income generally leaves sufficient income to cover other living costs. However, for an extremely-low or very-low income family (less than 50% of AMI), even very small rents can take away the ability to cover the cost of living.

Morris County Fair Housing Committee
Morris Habitat for Humanity, Inc.
Morris United for Healthy Living (MUHL)
NewBridge Services, Inc.
Our House, Inc.
Peapack Gladstone Bank
The Rose House

Morris County Five Year Consolidated Plan and Morris County / Parsippany 2016 Annual Action Plans

[2016 Morris County Annual Action Plan](#)

[2016 Parsippany Annual Action Plan](#)

[Analysis of Impediments to Fair Housing Choice](#)

THE PROVIDERS: Making homes affordable to very-low income folks also puts a severe financial strain on providers - private or government - of affordable homes. For example, Public Housing Authorities or other agencies can provide low-income families with Housing Choice Vouchers (HCV) - an HCV is used to provide a landlord with the difference between 30% of the renter family income and the "Fair Market Rate" (FMR), a HUD-established maximum rent that varies by apartment size and local rental market. These agencies have a fixed budget to be applied to funding the FMR/rent differential. Therefore, the more HCV's provided to very/extremely-low income families, the fewer the number of total HCV's that can be provided.



THE BUILDERS: If, instead of providing HCV's, an agency actually builds affordable rental units, the agency may need a very high up-front subsidy to reduce the cost of the original debt and for operating expenses to maintain the building. This is especially true if the agency rents to predominantly very-low income families. As a practical matter, such subsidies, either as an outright grant or a low-income tax credit bond issue, have been decreasing over the past 20 years, and are under even more downward pressure from proposed reductions in the HUD budget.

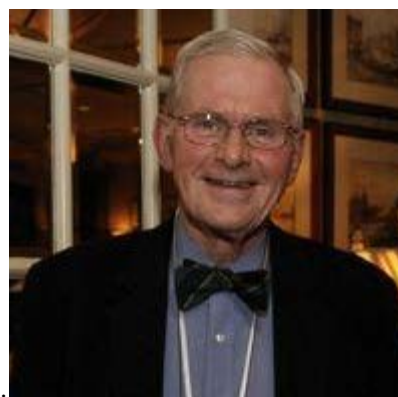
Since cash flow shortages can occur, many agency/builders of affordable rental units seek tenants that already hold an HCV. This ensures that family rental payments plus HCV payments fully cover the operating gap - assuming that FMR's are set at a level consistent with normal operating costs. BUT, using HCV's in conjunction with affordable rental units means that two sources of subsidy are required to ensure affordability to both the renter and the owner. Thus, the situation is further complicated.



Russ Hall Blair Schleicher Bravo
Chair Vice Chair
Housing Alliance of Morris County

In Memoriam

Phil Van Kirk Remembered: It is with deep sadness that we report the recent passing of Phil Van Kirk, a founding member of the Housing Alliance of Morris County, board member of Morris Habitat for Humanity, former board member of Homeless Solutions and United Way of Northern NJ, and a strong advocate for and developer of affordable homes.



Phil's approach to advocacy was based as much on quantitative analysis as it was on the underlying moral issues.

Phil's analytical work in the late 1990's through the 2000's demonstrated the strong local economic multiplier effect of new affordable home construction and served as a foundation for much of the Housing Alliance's community advocacy.

His willingness and ability to put his concerns into action was as important as his strong advocacy. Phil was the driving force behind the creation of 24 units of affordable rental apartments in Harding, known as the Farm in Harding.

Phil Van Kirk was the exemplar of a committed, highly-competent community volunteer. Morris County is a better place because of his life. He will be missed.

Build a Thriving New Jersey

As part of the gubernatorial change-over process, an "Affordable Housing Transition Team" was created. Among its recommendations was that the Housing and Community Development Network of New Jersey's "Build a Thriving New Jersey" (BTNJ) action plan be implemented, both for social and economic benefits.

Economic Benefit: BTNJ is based on the premise that NJ has the ability to create and maintain homes that are affordable for residents who need them. And that creating affordable homes will stimulate the revitalization of downtowns, strengthen existing neighborhoods,



attract owners and renters of all ages, and expand opportunities for mixed-income, multi-racial communities. An investment in affordable homes will generate a positive return, and be a stimulus to our economy that will benefit us all. A recent national study found that building 100 multi-family homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year. Thus, HCDNNJ believes that the Murphy Administration can help both our state economy and our residents thrive by championing the following policies and programs:

Produce more affordable homes for lower income families and improve neighborhoods where they live. NJ needs 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. Substantial research conducted in recent years demonstrates the links between stable, affordable homes and positive outcomes for families and children. When families pay more for housing than they can afford, every other part of a household budget suffers.

New Jersey's rental market is one of the most expensive in the nation, consistently ranking as one of the least affordable places for people to rent. According to the National Low-Income Housing Coalition's annual "Out of Reach" report, NJ was the sixth least affordable place for renters last year. Using 2017 data, in order to afford a modest two-bedroom home in the Garden State, a family must earn an hourly wage of \$27.31, far more than the state's average hourly wage of \$17.86 or the \$8.00 minimum wage.

At the **mean wage**, an individual **would have to work 60 hours a week or 1.5 jobs to afford a two-bedroom apartment at fair market rent (FMR)**. At the 2017 **minimum wage** a New Jersey resident would have to work **129 hours per week or 3.2 full jobs a week to afford a two bedroom at FMR**. To READ MORE [click here](#).

Landscape: The Hard Face of Reality - The Impact of "Tax Reform" on the Safety Net

If you're a **young professional** seeking an affordable apartment, a **young family** searching for a first home or a **low income** family looking for any type of an affordable home, your search has been made increasingly more difficult by an economic recovery (for some) that has **increased the demand for housing**, particularly in desirable urban locations, causing rents to increase at a much faster rate than incomes. At the other end of the life continuum, if you're a "**downsizing senior**" in Morris County on a fixed income, with modest equity in your home, you may not be able to find an affordable place to live.

In either event, your life has been made difficult by market forces.

However, **if you are homeless**, disabled or have an extremely low or no income, the market, while complicating to your life, really doesn't make that large a difference: **you still need help from federal and state safety net programs**, even if rents were not spiraling out of control. Until recently, safety net programs such as Housing Choice Vouchers, Housing Trust Funds, SNAP (Food Stamps) and Medicaid, while very conservatively funded, were still seen as necessary for the well being of a significant segment of the population. That view, originally held by most government leaders, has changed significantly. There is now a consensus among government majority leaders that the safety net - except for the most severely afflicted - discourages its beneficiaries from seeking gainful employment that would provide for their support. **The new "Tax Reform Program" reflects that view.**

However, according to most advocates for a continued government role in providing support to those negatively impacted by either poor health or long-term structural economic change, the new "Tax Reform Program" will, sooner or later, **result in significant under funding and restructuring of current safety net programs** (see the "Articles of Interest" below).

Housing Alliance and Morris County Continuum of Care members - human services non- profits on the front lines of the efforts to provide affordable and supportive homes, healthy food and medical care to our county's at risk population - have already been (housing/medical care) or will be (nutrition) negatively impacted by cuts to key federal and state safety net programs. **It is, frankly, the height of folly to believe that the private non-profit sector can, without a government partnership, meet the needs of a growing disadvantaged population - even with the extremely generous private support enjoyed in Morris County, one of the wealthiest counties in the country.**



If you agree, this is a time to make your voice heard.

Articles of Interest:

A Place to Call Home - The Case for Increased Federal Investments in Affordable Housing.

"A comprehensive set of solutions to end housing insecurity in America includes: preserving and rehabilitating our nation's existing affordable housing stock; increasing investment in the production of affordable housing for low income families; and expanding rental assistance and other housing programs that help make housing affordable. Underlying all these solutions is the need to increase federal investment in affordable housing."

[Click here to read the article.](#)

[Monarch Housing Summary of 2017 Harvard Housing Study:](#)

Harvard Rental Housing Study Highlights High Level of Cost Burdens for Lowest Income Households



The Gap: A Shortage of Affordable Homes: The National Low Income Housing Coalition released its report [The](#)



[Gap: A Shortage of Affordable Homes](#), which finds a shortage of 7.2 million affordable and available rental homes for extremely low income (ELI) renter households, those with incomes at or below the poverty level or 30% of their area median income.

The Affordable Housing Crisis Is About to Get Worse:

"Unless Congress rescues the federal tax credit program, that finances nearly all affordable housing built in America, a quarter million fewer affordable units will be built over the next 10 years, deepening an already serious crisis."

[NY Times: Affordable Housing Crisis](#)



Housing Alliance Members Current Projects

Several Housing Alliance member agencies have plans to build or are building new affordable homes. If the necessary support (see Housing Matters above) is forthcoming, many of the new homes will be made available to homeless families.



Homeless Solutions, Inc.:

23 Abbett Avenue, Morristown: Two family house (2BR) units under construction. Homeless households with vouchers will be prioritized.

86-88 MLK, Morristown/Morris Twp.: 8 apartments, 2 each of 1BR, 2BR, 3BR and 4BRs units Construction start scheduled for spring. The 3 and 4 BR units will come with project-based

vouchers. All eight units will target homeless households.

Madison Affordable Housing Corporation:

Madison Affordable Housing Corporation just purchased a 4-unit house (one 2-bedroom unit and 3 three 1-bedroom units) at 30 Central Avenue, Madison. Funding from the state affordable housing trust fund is being sought. If received, priority will be given to homeless families.



Morris Habitat for Humanity, Inc.:

10 Willow Street, Morristown: Completion of duplex (2BR and 3BR) for affordable homeownership. Spring 2018.

27 Monmouth Road, Dover: Spring start of single family (3BR) home for homeownership.

Randall Ave., Mine Hill: Spring start of 4 single family homes for homeownership in "Blitz Build" to be completed by fall 2018.

121 Main Street, Succasunna: Spring start of 12 units, 8 (2 BR) and 4 (3 BR) for homeownership.

206 Sussex Ave., Andover: Spring completion of single family (4 BR) home for homeownership.

Ongoing Home Repair and Aging in Place programs: Home repair, safety audits, accessibility and energy efficiency improvements for low- income homeowners in Morris County.

Wharton Rehabilitation Program: short-term projects dedicated to repairing homes of those in

Wharton who, due to a combination of financial hardship, age, and disability, cannot do the work.

Morris Habitat for Humanity works to provide services to the entire community through collaborating, planning and participating in Neighborhood Clean-up Days, Community Forums and Streetscaping activities.



Our House, Inc.:

On February 1, 2018 Our House, Inc. opened its 18th group home, located on a residential street in Basking Ridge.

The "Dalziel Home", named after a generous local family, is an ADA-compliant, four-bedroom, two-bath ranch with 24-hour on site supervision that will be home to four adults with developmental disabilities

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Housing Alliance of Morris County | PO Box 138 Morris Plains NJ 07950

morrishachair@gmail.com