

# MOVING TOWARDS A MORE EQUITABLE NEW JERSEY: FAIR SHARE HOUSING CENTER'S BUDGET RECOMMENDATIONS FOR FISCAL YEAR 2024

New Jersey's longstanding history of residential segregation and its rising need for new affordable housing requires a targeted, well-funded response by the state. The preservation of current housing inventory and completion of already proposed developments, the expansion of anti-discriminatory enforcement capabilities, and the appropriation of funding for first-generation homeownership opportunities are all critical for the advancement of housing justice in New Jersey. Fair Share Housing Center is eager to see Governor Murphy and the Legislature commit to progress in the Fiscal Year 2024 budget.

## **PRESERVING AFFORDABLE HOMES AND COMPLETING PENDING DEVELOPMENTS**

Thousands of New Jersey's existing public and subsidized homes desperately need maintenance and repair. Without significant investment in these homes, current residents are at risk of becoming homeless. Thousands of public and assisted housing units have REAC Physical Inspection scores indicating that they require immediate reinvestment and replacement, with a disproportionate number in cities such as Newark and Hoboken. Up to 34,000 existing affordable homes are at risk of being converted to market rate housing or becoming unlivable due to a lack of maintenance. Additionally, thousands of new homes are on the brink of being built but they need additional funding to be completed.

As demand for housing in New Jersey rises, the ownership and rental markets continue to become more expensive. Without significant and purposeful investment in creating and preserving affordability, the growing demand for homes risks becoming an engine to further price-out low-income people, especially families of color. Fair Share Housing Center recommends the Fiscal Year 2024 budget include:

- \$500 million towards New Jersey's urban affordable housing inventory, prioritized to the most at risk homes of the 34,000 homes that could be lost in the next 5 to 10 years; and
- An additional \$60 million to replenish the Affordable Housing Production Fund (AHPF). This year, \$60 million from the initial appropriation of \$305 million to this fund was used to complete other projects that needed additional monies due to rising interest rates and supply chain issues. To hold true to the commitment of developing 3,300 new and 100% affordable homes, \$60 million must be appropriated to replenish this fund.

## EXPANSION OF ANTI-DISCRIMINATORY ENFORCEMENT

New Jersey is one of the most racially divided states in the nation, and access to housing continues to be one of the most preeminent issues within that divide. Tenant screening policies, which include an assessment of an individual's prior criminal history, past eviction filings, credit history, and source of income, create barriers that prohibit and often make it near impossible for Black and Brown residents to access safe, healthy, and affordable housing. Enforcement against housing discrimination is an important tool in combatting these issues, and New Jersey must build on its commitment to and investment in ending housing discrimination. To that end, Fair Share Housing Center recommends that the Fiscal Year 2024 budget include:

- \$20 million to the Division on Civil Rights for increased staffing to investigate and process claims under the Fair Chance in Housing Act; to increase statewide testing for issues like appraisal bias, criminal background checks, source of income, and other housing discrimination issues under the Law Against Discrimination; and to support the creation of an aggregated housing discrimination database to capture the pervasiveness and frequency of housing discrimination in New Jersey.

## FIRST-GENERATION HOMEOWNERSHIP

Homeownership is the primary way that individuals and families build generational wealth. In New Jersey, significant homeownership disparities between white people and Black and Brown people have primarily contributed to our state's massive racial wealth gap.

While New Jersey currently has a first-time homebuyer program, targeting a program to first-generation homebuyers will more acutely address racial disparities in homeownership. Any new program must also target gentrifying areas and other areas with growing appreciation to ensure that residents can own a home in their current communities and benefit from growing home equity.

Funding could also be used to support alternative forms of homeownership like land trusts and Section 8 homeownership programs currently operating in cities like Newark, and to support potential owners' move into homes created through the Mount Laurel process. Fair Share Housing Center recommends that the Fiscal Year 2024 budget include:

- \$25 million for an initial First-Generation Homeownership Pilot program; and
- \$5 million to establish a First-Generation Homeownership Savings program, as is proposed in pending legislation sponsored by Senator Singleton (Senate Bill 335).

As more and more New Jerseyans struggle to find a safe place to sleep at night, we must do everything we can to safeguard affordable housing for all. If implemented, these funding recommendations will go a long way towards ensuring that all New Jerseyans have a safe, healthy, and affordable place to call home, while also creating more inclusive communities throughout our state.

