



**Testimony: Interagency Council on Homelessness Public Hearing
Tuesday, March 25, 2014**

Good afternoon and thank you for providing the opportunity to comment on state homeless policy. My name is Arnold Cohen and I am the Senior Policy Coordinator of the Housing and Community Development Network of New Jersey. **The Network** is the statewide association of more than 250 housing and community development corporations, individuals and other organizations that support the creation of housing and economic opportunities for low- and moderate-income New Jerseyans. Many of our members are working to address homeless in their communities.

Many people will testify on specific ways to address the issue but I want to take a broader view of the issue. A key element to address homelessness is to provide someone with a home. While we realize that this is not always possible and may not work for everyone, much more can be done in this area. I am sure most of you saw the Sunday NY Times editorial on “Sequestration and the Homeless”, which concluded:

“As if all that wasn’t enough, according to a new report from the Government Accountability Office, federal housing officials have estimated that sequestration cuts to homeless assistance grants “led states and localities to remove 60,000 formerly homeless persons from housing and emergency shelter programs.”

All this comes at a time when record numbers of families have been caught in the squeeze between rising rents and falling wages — and are at greater risk of homelessness. In other words, this is the worst possible time for Congress to let affordable housing programs go begging.”

In New Jersey, Jersey City Housing Authority has 200 vouchers that will go unused because of budget cuts. Monday the National Low Income Housing Coalition released its “Out of Reach” report which once again shows that NJ is the fourth most state in the nation for rental housing.

The needs are even greater after Hurricane Sandy which increased the demand for rental housing while decreasing the supply. The result has been increased rents which makes it harder for someone to leave homelessness.

I want to share the following ways we think the Interagency Council should be advocating that State and Federal government provide the resources for more housing.

- **Invest in NJ, Provide Capital Funding:** Under previous administrations, the "New Jersey Affordable Housing Trust Fund" (formerly called the Balanced Housing Fund)

was used mainly for capital to create new homes New Jerseyans could afford. The Trust Fund which is supported by a portion of the New Jersey Realty Transfer Tax) generated \$40 - \$100 million for this purpose, depending on the state of the economy. Under Governor Christie, the Trust Fund has primarily been used to fund the State Rental Assistance Program (SRAP). Previous administrations used the General Fund to finance approximately half of SRAP. The Trust Fund should be restored to its intended purpose, to create capital projects. There is a tremendous need for the homes and jobs that would be created using this fund as intended. Community developers and private sector investors have projects that could begin immediately if funding was available. A portion of the homes created would be available to the homeless.

- **Increase NJ's State Rental Assistance Program:** The number of available SRAP vouchers has declined over the past two year, - from nearly 5,000 in FY11 to 4,000 in FY13. In addition the proposed 2015 state budget cuts SRAP by \$2.5 million. It calls this a budget trend! How can there be a budget trend that show a decrease to this greatly needed. Program? This program is critical to address the housing needs of the homeless so that they can afford a home. The SRAPs should be both project based so they can be coupled with capital to produce new homes and tenant based so they can be used anywhere in the state. The number of SRAPs must be increased and funded from either a dedicated fund other than the Affordable Housing Trust Fund or the general fund to address its growing need.
- **Restore Capacity Grants:** Under previous administrations, the "New Jersey Affordable Housing Trust Fund" provided about \$5 million in grants to build the capacity of the non-profit housing industry. These mission-driven groups work to revitalize areas where market developers rarely go, doing far more than building homes for people who are not served by the private sector. Their work helps to stabilize families and should be supported.
- **Expand the number of Counties with Homeless Trust Funds.** Currently eight Counties have Homeless Trust Funds. In 2011 they collect over \$1.2 million to help fund programs to end homelessness. The Council should encourage other Counties to create these Trust Funds.
- **Support the National Housing Trust Fund (NHTF).** In 2008 President Bush signed into law a bill that would create a permanent source of new funding dedicated to creating homes for extremely low income households. There needs to be a source of money to fund this program. The Council should support efforts to ensure that the original funding source, a portion of the profits of Fannie Mae and Freddie Mac, now fund the NHTF. It should also support efforts to use the savings from any reform of the mortgage interest deduction as the source of funding.

We very much appreciate your holding this hearing today and fully support your efforts to help end homelessness in New Jersey

Thank you for your time today.

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