



Good evening, I'm Sofia Rosa, Housing Access Organizer at Latino Action Network Foundation. First and foremost, I want to thank the Wealth's Disparities Task Force and Governor Murphy for creating the opportunity for our voices to be heard around affordable housing in New Jersey.

Affordability around rental housing and the rise in prices in the housing market is a big problem in New Jersey. Many working poor families, particularly in communities of color, spend more than 50 percent of their earnings on housing. The situation appears to be worsening as rents skyrocket and families are threatened with homelessness. The pandemic and its aftermath created a perfect storm for renters, homeowners with little room to spare on mortgage payments, and first-time home buyers struggling to find a place they can afford. The migration of New Yorkers into New Jersey also increased demand for home purchases and sparked an increase in prices.

Another big issue in the housing affordability crisis is that there is not enough affordable housing in the state to meet needs. The lack of affordable housing in the past is still affecting our present, as there are more people looking for affordable housing in urban areas, but the demand is hard to meet, as often these listings have years-long waiting lists. More often, applicants of affordable housing are denied for not meeting the income requirements. From my personal experience in Jersey City, I have seen that these listings advertised as affordable housing have the same prices as these newly advertised "luxury housing" and have very

unattainable income requirements for folks looking for low-income housing. We must consider who is applying for these listings who in most cases are struggling to make ends meet.

In addition, New Jersey stands as the second highest foreclosure rate in the nation. There is a hemorrhaging of wealth disproportionately in black and latino neighborhoods. Corporate investors have a greater advantage due to having deeper pockets to spend at sheriff sales than families that are struggling to make ends meet. We need legislation that helps low-income buyers to purchase foreclosed homes by removing barriers during sheriff's sales and discourage big investors from flipping foreclosed homes.

After considering these issues, an initiative that can address the concern over affordable rental housing is the passage of rent control ordinances across New Jersey. Rent control can be an effective method of preserving affordable housing and preventing a statewide eviction crisis. Moreover, passage of legislation that would change the standards of creditworthiness for tenants seeking affordable housing subsidies. In addition, New Jersey needs legislation that would require developers to set aside 25 percent of all units built in New Jersey as low-and-moderate income housing. Finally, we urge Governor Murphy to sign without any further delays [A793/S1427]. This bill addresses the affordability housing crisis by benefiting family members and neighbors of those struggling to pay municipal taxes. It would soften, to some extent, the practice of investors who prey upon the

financially vulnerable and stabilize struggling neighborhoods. Let's make New Jersey Affordable for generations to come.

Excerpts from the Latino Action Network Foundation's policy report released in July 2022, *Affordable Housing: A National Crisis Fueled by the Coronavirus*, was used this testimony.