



LEGISLATIVE TESTIMONY

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Assembly Community Development and Affairs Committee Testimony in Support of A793, the Community Wealth Preservation Program Thursday, February 3, 2022

Good morning, Chairperson Sumter, Vice-Chairperson Verrelli, and members of the Assembly Community Development and Affairs Committee. Thank you for the opportunity to testify today on the state's housing affordability crisis and housing instability.

My name is Matthew Hersh, Director of Policy and Advocacy the Housing and Community Development Network of New Jersey. The Network represents 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.

I am pleased to be here in support of A793 as we believe it plays an important part in addressing the state's affordability crisis and an enormous part addressing that crisis includes removing the systemic barriers that prevent people from accessing a home.

Just as the Legislature and advocates have worked to remove barriers related to criminal backgrounds, credit scores, and other chronic issues that have led to housing instability, establishing a Community Wealth Preservation Program adds a critical tool to not only allowing for additional access to a home, but also for building generational wealth.

How does it do this? A793 expands community-based access to residential properties sold at sheriff sale. The residency requirement ensures that not only is the property serving an immediate, existing need, but it also allows for this wealth-generating asset to stay in the community and provide financial security for the family living there. According to the NJ Institute for Social Justice, in 2019, Latino homeowners had an average net worth 40 times higher than Latino renters and Black and Latino families are far less likely to receive down payment assistance from their family, delaying transitions into homeownership.

This bill also allows for nonprofit community development corporations, who work deeply in our communities, to work with residents to make sure these assets stay locally owned and occupied. CDCs have the knowledge, capacity, and community connections to assist in

providing direct benefits to the community and it is very encouraging to know the Legislature understands how important it is to work with local stakeholders and providing housing stability.

Competition for quality, affordable homes is fierce everywhere because the housing market is out of balance. New Jersey has seen this happen in multiple cycles, after the Great Recession and then after Superstorm Sandy. This bill gives local residents a chance to expand generational wealth, particularly in Black and Brown communities. Families that own their homes are more economically stable and have the assets to create and expand businesses, send their children to college, or build a nest egg for a secure retirement. We strongly seek your support for A793 and thank you for allowing this bill to be heard and to move forward for the benefit of communities across NJ.

Matthew Hersh
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