
Committee Meeting

of

ASSEMBLY HOUSING COMMITTEE

"The Committee will meet to receive testimony from invited guests and members of the public concerning municipal responsibilities to provide a fair share of the regional need for affordable housing, and the calculation of that need for the fourth round of Mount Laurel housing obligations, to begin in 2025. The hearing is intended to solicit feedback on the current court settlement-involved system used to determine affordable housing obligations and methods to meet those obligations, as compared to earlier processes involving the Council on Affordable Housing, with a goal of identifying ways to improve the equitable distribution, financing, and construction of affordable housing throughout the state"

LOCATION: Committee Room 11
State House Annex
Trenton, NJ

DATE: September 15, 2022
2:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Yvonne Lopez, Chair
Assemblywoman Angelica M. Jimenez, Vice Chair
Assemblywoman Annette Quijano
Assemblyman Benjie E. Wimberly
Assemblyman Robert D. Clifton
Assemblywoman Victoria A. Flynn
Assemblywoman Bethanne McCarthy Patrick



ALSO PRESENT:

Chris Jewett
Office of Legislative Services
Committee Aide

Sherwood Goodenough
Samuel Aloï
Assembly Majority
Committee Aides

Thea Sheridan
Assembly Republican
Committee Aide

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

Yvonne Lopez
Chair

Angelica M. Jimenez
Vice Chair

Annette Quijano
Benjie E. Wimberly
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NEW JERSEY STATE LEGISLATURE

ASSEMBLY HOUSING COMMITTEE

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REVISED COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY HOUSING COMMITTEE

FROM: ASSEMBLYWOMAN YVONNE LOPEZ, CHAIRWOMAN

SUBJECT: **COMMITTEE MEETING - SEPTEMBER 15, 2022**

The public may address comments and questions to Chris Jewett, Committee Aide, or make bill status and scheduling inquiries to Christine L. Hamilton, Secretary, at (609)847-3875, fax (609)633-1228, or e-mail: OLSAideAHO@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

***The Assembly Housing Committee will meet on Thursday, September 15, 2022 at 2:00 PM in Committee Room 11, 4th Floor, State House Annex, Trenton, New Jersey.**

***An individual interested in registering their position with the Committee may fill out the Registration Form located on the New Jersey Legislature Home Page under the applicable Committee heading. For those individuals who wish to testify, please check the box "Do you wish to testify?" on the Registration Form. The Registration Link will close at 3:00 PM, Wednesday, September 14, 2022. An individual is not required to pre-register in order to register their position with the Committee. Witness slips will be available in the Committee Room and written testimony will be accepted at the Committee Meeting.**

The committee will meet to receive testimony from invited guests and members of the public concerning municipal responsibilities to provide a fair share of the regional need for affordable housing, and the calculation of that need for the fourth round of Mount Laurel housing obligations, to begin in 2025. The hearing is intended to solicit feedback on the current court settlement-involved system used to determine affordable housing obligations and methods to meet those obligations, as compared to earlier processes involving the Council on Affordable Housing, with a goal of identifying ways to improve the equitable distribution, financing, and construction of affordable housing throughout the State.

(OVER)

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September 15, 2022

Issued 9/9/22

*Revised 9/14/22 – Room changed to Committee Room 11, 4th Floor and registration information added.

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For changes in schedule due to snow or other emergencies, see website <http://www.njleg.state.nj.us> or call 800-792-8630 (toll-free in NJ) or 609-847-3905.

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ASSEMBLYWOMAN YVONNE LOPEZ (Chair): Welcome, everyone.

Let's all rise for the Pledge of Allegiance, please.

(Pledge of Allegiance is recited)

Chris, can you do the roll call, please.

MR. JEWETT: Assemblywoman McCarthy Patrick.

ASSEMBLYWOMAN McCARTHY PATRICK: Here.

MR. JEWETT: Assemblywoman Flynn.

ASSEMBLYWOMAN FLYNN: Here.

MR. JEWETT: Assemblyman Clifton.

ASSEMBLYMAN CLIFTON: Here.

MR. JEWETT: Assemblyman Wimberly.

ASSEMBLYMAN WIMBERLY: Here.

MR. JEWETT: Assemblywoman Quijano.

ASSEMBLYWOMAN QUIJANO: Present.

MR. JEWETT: Vice-Chairwoman Jimenez.

ASSEMBLYWOMAN ANGELICA M. JIMENEZ (Vice-Chair): Here.

MR. JEWETT: And, Chairwoman Lopez.

ASSEMBLYWOMAN LOPEZ: Here.

MR. JEWETT: We have a quorum.

ASSEMBLYWOMAN LOPEZ: Thank you.

Good afternoon, everyone. I hope you all have enjoyed your summer vacation. I'm grateful for your attendance in today's hearing.

Over the course of this Committee's hearings, the issue of affordability has been top of mind and continues to be a priority for New

Jersey's renters and homeowners. The average rent across New Jersey has increased by nearly 33%, year over year, according to a recent *NewJersey.Com* article, and housing costs continue to remain high, pricing many individuals and families out.

Recognizing that we have an affordable-housing crisis in New Jersey, the topic of today's hearing will focus on the need for more affordable housing to be built, financed, and planned for throughout our state. Although the recent investment of \$305 million in Federal dollars will add over 3,000 affordable units to our housing stock, there are still thousands of units needed to meet a demand that will likely increase.

Ahead of the fourth round of Mount Laurel obligations, today's conversation is intended to solicit feedback on the current court settlement-involved system, the obligation system under the Council of Affordable Housing, and any other issues and policy opportunities to improve the equitable distribution, financing, and construction of affordable housing throughout the state.

This hearing is not intended to draw a rigid dichotomy between the affordable-housing processes used in the past and the present, but to instead find the best way to address this issue going forward. We have a robust witness list today, and I will be calling up witnesses in a panel style. Each panel witness will have 10 minutes, respectfully, to provide their testimony. Subsequent to testimony, I will invite members to ask questions. After our panel of witnesses have concluded, I will invite additional witnesses to testify for two minutes at a time. Please bear in mind that I will adjourn this meeting at 5:00 p.m. sharp, but rest assured that I will be holding

meetings with all of the witnesses present today to discuss these issues further.

Additionally, please submit copies of your written testimony, if available, to my office and to Sam Aloï, our Housing Committee Aide. Looking forward to a productive discussion today.

We will be calling witnesses as a panel style, starting with our mayors. Michael Cerra of New Jersey League of Municipalities; Mayor Janice Mironov, President of the New Jersey Conference of Mayors; Mayor Adrian Mapp, Plainfield; and Mayor Reed Gusciora of the New Jersey Association for Urban Mayors.

Mayor Mironov, you can go first. Thank you.

MAYOR JANICE MIRONOV: Sure, thank you.

So, on behalf of the New Jersey Conference of Mayors, and the New Jersey League of Municipalities, and other local elected officials, we express our appreciation to you, Chairwoman Lopez, and the members of the Assembly Housing Committee for having this hearing today and restarting what we hope is a meaningful and eventually productive review of the State laws and regulations governing affordable housing.

So, we have not submitted any statements in advance, and you will see that because of the broadness of the topic and our passion to discuss this, I will be touching on a number of subjects, and we will look forward, subsequent to the hearing, to submitting additional material and responding to any concerns, issues, and information that the Committee members may wish.

So, let me just indicate, so we are all starting on an important and basic premise, that from the outset we all should be able to read that

there is an important societal need that needs to be addressed, and that our objectives as mayors continues to be to seek solutions and tools to assist the State of New Jersey and local governments in meeting affordable-housing needs based on sound planning principles, while advancing a comprehensive statewide reasonable, achievable, and fully funded housing policy, which incorporates an administrative process as contemplated by the New Jersey Fair Housing Act.

So, just quickly -- I don't want to do the history of this, but obviously as recent years been contested the methodology and the manner of credits for municipalities so as to determine the number of units that towns are obligated to plan for. So, three years ago, in July of 2015, as a result of the inaction of the Council on Affordable Housing and its failure to meet under the prior administration and the ruling of the New Jersey Supreme Court in 2017, that refusal to meet rendered the agency basically as non-functional, non-existent, and established a deadline for municipalities to seek a declaratory judgment in the court in order to participate in the affordable-housing process. So, over 300 municipalities, in fact, voluntarily sought a judicial declaratory judgment to comply, and since that time a majority of those municipalities have entered into agreements as well.

But, I also want to note, it's noteworthy that prior to the court involvement under COAH, similarly, numbers of municipalities also participated and provided compliant plans. So, with that little bit of history, I think it's fair to say -- and with all due respect to the courts -- that the current court process, which is the only means right now for a municipality to voluntarily comply with the State-imposed affordable-housing obligations, has proven to be ineffective, inefficient, and very costly. Too much time and

too much money have been spent on lawyers and developers, as well as professional planners and others filing court documents instead of funding the production and support of affordable housing.

But, none of this should really surprise anyone, since the N.J. Supreme Court had continually invited the State Legislature and the Council on Affordable Housing to re-enter the playing field. To date, that has not occurred, and we are here today hoping that we can, together, revamp the process and that the Legislature and the administration will re-enter the playing field, with respect to planning for and providing affordable housing.

So, with that in mind, I am going to hit on a whole number of topics, and I apologize a little bit that I'm going to jump around a little bit to give you some of our ideas and thoughts and happy, again, to follow up on any of these.

So, first of all, we believe that it is very important that the Legislature work with the administration and stakeholders to create a viable administrative process and agency. COAH has often become a toxic word; we get it, maybe we don't want to go there, but we need to go somewhere. We need to have an administrative agency in process that is engaged in this subject, and can help oversee, monitor, and work with towns and other entities toward our united goal of producing and sustaining affordable housing in New Jersey.

Further, if and when we go forward with a re-evaluated program, one of the things that's very, very important to towns is to have a wide range of planning tools and flexible planning tools and compliance tools. So, I'm going to talk about a whole series of things. I'm just going to touch on it briefly, but again, happy to follow up. So, one of the things now is a

mandatory set-aside for a developer who wants to come in and do a project. So, we need to strengthen that; we need to provide better parameters so that the developer does not get to run the show on what they can and cannot economically provide. And, also, so towns have the option that if they agree that they don't have to do the units on-site. They can do them in another site, they can do them in another town under some kind of an agreement. As long as there is an agreement and a transparency to the process, that should be part of mandatory set-asides, that there's more options, more flexibility.

Age-restricted housing. So, our senior citizens seem to have sometimes been thrown under the bus a little in discussing affordable housing, in terms of there being limitations. And, maybe it doesn't sound right, but the reality is our senior citizens are our most vulnerable population. They have expanded dramatically, and, in fact, whenever there's a State program, they are automatically classified as low income. So, we need to make additional opportunities, we need to expand the ratios and percentages of senior-citizen housing that towns can get credited for.

Mobile homes. So, you may or may not know, I have one in my own town, almost a 200-unit mobile home park. Those were literally established to provide an accessible and affordable form of housing. We get no credits for any of that. So, there has to be a way to factor in other opportunities for affordable housing for our families and our seniors and our communities. So, we need to look at mobile home parks and how we can better incorporate those as a natural occurring form of affordable housing.

Which brings me to naturally occurring affordable housing as a general term. So, that was never taken into account when all of these various bureaucracies were set up. There are many towns that have never put in place

exclusionary housing; they've always provided opportunities, and if you actually went into their communities there were many units that are affordable and accessible, but they're not recognized, they don't get credit for them. So, we need to find a way to incorporate that. In fact, there was a bill, S1, many years ago, that actually did that, and it got derailed. But, it recognized the fact that rent-control provisions, mobile home parks, and other types of multi-family units actually provide affordable housing, and towns ought to get support and credit for those opportunities that they do provide.

So, we also want to see the introduction of some kind of county or state regional opportunity. So, we understand RCAs are not viewed in the most positive way. And, in many times, they didn't work, because there wasn't a transparency; the monies didn't necessarily go with accountability to producing housing. So, we've got a number of ideas how to introduce a partnership idea, but one of them is to set up a State housing bank so that, for example, if I decide that 10% of my obligation, I would like to have another flexible tool. I deposit a certain amount of money in this housing bank, and then another municipality that has a need can make an application with a specific plan as to how they're going to use the money. They would be having to account for that, but it would provide another funding source to direct housing in areas where it's really needed, and another compliance tool for towns.

Market to affordable. So, a lot of our current units, it would be cheaper and quicker if we could just convert them to affordable units. So, in our town, we actually came up with a program that had, actually, widespread support by the housing advocates as well where we took an existing apartment

complex and we entered into an agreement with the landlord and we paid a certain amount of money. He made certain changes, in some cases even three-bedroom units. He transformed those and deed-restricted them, so it was a new creative way to quickly be able to establish affordable units without having to build brand new units and to get those on the market quickly. So, those kinds of ideas should be entertained in compliance mechanisms and other areas, foreclosures. So, obviously, in places where we have units that are going into foreclosure, there ought to be funding in incentivizing that encourages towns to be involved with the State in transforming those into affordable units. They're there; they're not in a good place; it makes sense; and it's a good way to look at directing funding and another compliance tool for municipalities to be able to consider.

Another area is the expiring controls on existing affordable housing. We would like to have discussions on how to make those more flexible so that we can make some of these units more sustainable over a longer period of time that are in fact designated as affordable housing. I do want to say that as mayors, a lot of us would like to see the ability to have a residence preference, something that we would ask that you think about in the compliance mechanisms as well, and the special-needs program, I think, has also served very well in terms of supporting special-needs housing and also providing credits for towns.

I want to make a couple comments about funding. That's why I told you I'm going to be all over a little bit. So, on HMFA scoring -- so, we have worked with some of the nonprofit housing producers to try to advocate a more open manner in which projects are scored. For example, in my town, I had a project scored 100. In three years, I haven't been able to get it funded,

even though it's part of my affordable-housing settlement agreement, and, yet, everybody says they want to see units in our suburban communities, so, something has to be done to expand the scoring mechanism and the funding in the HMFA programs. The State Affordable Housing Trust Fund, respectfully to all of you legislators, we don't have a whole lot of idea what that money is used for. It's there; it's not very transparent. We don't know how to access it. It's clearly a source of funds that we would like to have available to support affordable housing. I mentioned the statewide housing bank as a good way to provide funding; it could be for urban areas as well, and do it in a transparent way, and then some of the incentivizing.

Another idea is, I know there's a lot of interest in workforce housing. First-time home buyers, and we should look at using some of the funding towards supporting those individuals, whether it's to underwrite down payments for new homes or to set up some kind of voucher system that would go with that individual, and then they could live where they wanted and would have the support and sufficient funds that they don't have now to be able to make those kind of investments.

Just a couple other quick things. Municipal immunity -- so, as mayors, we would like to have that tightened up. We feel like we are vulnerable well beyond the times we should be, even when we are participating in good faith in all these procedures, and we're moving forward with the production of affordable housing. So, we need to look at how towns are not so vulnerable to lawsuits by developers and by other interested parties if they are acting in good faith.

And, one other item I want to throw in. So, when we talk about any housing -- affordable housing, set-aside developments -- one of the issues

that arises for towns is they create additional burdens on the town. So, even if you're well-intended -- your roads, your sewer systems, your water systems, your schools -- so, there should be a mechanism whereby towns can recoup or charge developers formally for those kinds of important investments that are necessary to actually allow the production of additional affordable housing in their communities.

So, those are-- I could go on, but I'm going to wrap up at this point, and just say to you that, you know, we have an adage among us as mayors that there's no Democratic or Republican way to fix a pothole, and we feel that there's no Republican or Democratic way to fix the affordable-housing issue before us. We are asking all of you to be partners with us, and I think you'll find among the mayors -- both Republican and Democratic -- that we have a lot of commonality in our views, and hope that all of us can work together to fix what's clearly a broken system, not working well, and better use our resources and our funding in New Jersey to produce affordable housing and accomplish our common goal.

ASSEMBLYWOMAN LOPEZ: Thank you, Mayor Mironov. Thank you so much for your testimony and for your insight.

Now we're going to move over to Mayor Reed Gusciora.

MAYOR W. REED GUSCIORA: Thank you so much, Chair, for inviting us. This is an important -- oh, I forgot the red means go. It's been four short years since I've been here. I'm not looking for my job back, though.

I was one of the ones that voted in 2008 to end RCAs, because too many urban areas were the dumping ground for another suburban town's obligation, and we felt that it should be equally distributed. But, I like the

idea of Mayor Mironov's, of having a State housing bank, because we still -- we wouldn't be forced to take all of somebody's obligation. We could take some of it, and we still have to supply affordable housing still in the cities. But, I do also like the word flexibility. We want to build market-rate units, and I think that that should be part of the formula; we shouldn't just have to have affordable -- it should be a mixture so that we can continue to have a diverse city. We should be able to utilize the State housing bank monies for individual housing. Our city has about a thousand abandoned housing, and if we could use some of that money to renovate, rehabilitate the individual housing rather than focus on concentrated housing, then we could focus on the individual housing, offer first-time homeowners an opportunity to move into them. That would be great for the cities themselves.

The problem with RCAs, and the reason why we got rid of it, because they were too restrictive. They were overly regulated. So, there needs to be that flexibility so that if cities are taking advantage of the housing bank monies, we could create our own type of housing, continue to be diverse. One of the big challenges for developers taking chances on transitional-aid cities is they don't want to come in because they're worried about the crime; they don't know if they're going to fill that housing stock. But, with the housing bank dollars, we could make those incentives so we would be able to attract those developers to help us reimagine our city landscape.

So, I am all for flexibility. If you want to return to the RCAs, it should be flexible so that the cities have creative opportunities not only to do individual housing, but then to do larger-scale housing projects, provided that we could also put a mixture of market and affordable and moderate in there.

Thanks so much.

ASSEMBLYWOMAN LOPEZ: Thank you very much, Mayor.

Now we have Mayor Adrian Mapp from Plainfield.

MAYOR ADRIAN MAPP: Well, to the honorable Chair Lopez; Vice-Chair Jimenez, and members of the Assembly Housing Committee, I am Mayor Adrian O. Mapp from the great city of Plainfield, and I am the Vice Chair of the New Jersey Urban Mayors Association. And, so, I would like to read my testimony into the record, and I will leave a copy for your records as well.

So, on behalf of the New Jersey Urban Mayors Association, we appreciate the opportunity to comment on municipal responsibilities to provide a fair share of the regional need for affordable housing and a calculation of that need for the fourth round of Mount Laurel Housing Obligations to begin in 2025. Indeed, a critical milestone and the fulfillment of such responsibilities was the appropriation in fiscal year 2023 State budget of \$305 million in American Rescue Plan pandemic aid to support the Affordable Housing Production Fund, which is projected to bring to completion, by 2025, over 3,300 housing units across 43 developments, all of which are 100% affordable housing projects delineated in municipal settlements that have not been constructed.

If necessary, the Legislature and the Governor should consider appropriating additional funding in future years to sustain this effort to achieve 100% compliance with constitutionally mandated affordable-housing obligations in suburban communities. At the same time that we undertake these efforts in suburban communities, such efforts must not occur at the expense of ensuring an adequate supply of safe and affordable housing units in urban communities.

There remains much work to do in this space. As of last year, New Jersey was the sixth least affordable place to rent a modest two-bedroom apartment, and a person earning the minimum wage had to work 107 hours per week, year-round, to be able to do so. The New Jersey Aspire Program, carried out by the New Jersey Economic Development Authority, has been touted as one avenue by which to incentivize the creation of new affordable housing units in urban communities. The Aspire Program requires that in order to be eligible for an incentive award, a developer must reserve between 10-50% of newly-constructed residential units for occupancy by low- and low-moderate income residents with low-income housing tax credits or other projects in a qualified incentive track. Government-restricted municipality, or a municipality that is a municipal revitalization index (indiscernible) of at least 50 eligible for tax credits, up to \$60 million. By themselves, however, programs like New Jersey Aspire will not be sufficiently -- or sufficient, I should say -- to address the overarching need to secure an adequate supply of affordable housing in urban communities, and this need cannot be completed in a vacuum.

To create safe and nurturing urban communities in which to live, work, and play, communities in which low- and moderate-income housing and market-rate housing coexists, we should consider the following: Work together at every level and across every (indiscernible) of government, with industry partners and community organizations, that effectuate a large-scale mobilization and deployment of resources into urban and underserved communities; maintain efforts to rehabilitate abandoned and blighted properties; availing ourselves of opportunities to convert such properties into very low-, low-, and moderate-income housing whenever possible while

continuing to require that appropriate proportions of new residential development projects be designated as affordable units; sustain efforts to revitalize central business districts and valuable public spaces in urban and underserved communities; continue to advocate for full funding of schools in Abbott Districts and other underfunded districts; fully leverage and improve existing modes of public transportation by aggressively pursuing Federal dollars on the Infrastructure Investment and Jobs Act; implement evidence-based strategies to ensure the successful reintegration of our re-entry population. Expand access to physical and mental healthcare and alleviate homelessness, food insecurity, poverty, and violence; give due consideration to international wealth-creation models like placing publicly owned assets in urban well funds. And, we imagine busy highways that hamper the potential for economic growth in urban communities into pedestrian-centered boulevards, and showcase the crown jewels of those communities.

In the context of any discussion surrounding the extent to which suburban communities are in compliance with constitutionally mandated affordable-housing obligations, we must not omit the need to contend with decades of this investment in urban communities, from which we are still recovering. Doing so will be for the benefit of all New Jerseyans.

Thank you Chair Lopez, Vice-Chair Jimenez, and members of the Assembly Housing Committee for inviting the New Jersey Urban Mayors to add our voices to this exigent conversation through testimony before the Committee this afternoon. I think we can all agree that affordable housing is one of the major crises that's facing our state, and we all need to come together to provide affordable solutions to this very distressing problem so

that the quality of life for all of our people can be elevated to a place where it needs to be.

The New Jersey Urban Mayors was established in 1991, and is comprised of 32 urban and rural municipalities. It is dedicated to working with State and Federal lawmakers and officials to develop appropriate and effective public policy measures that benefit the state's urban centers and to help lawmakers understand how public policy affects New Jersey's municipalities. The New Jersey Urban Mayors serves its members through regular meetings and annual conferences, which keeps them informed on issues affecting their ability to provide adequate services to their residents; assist its members in interpreting legislation and state policy; and works with the Office of the Governor to assist in defining a statewide urban policy agenda. And, if you require any further assistance or would like to share any pertinent information with the New Jersey Urban Mayors members, please don't hesitate to contact Tenisha Malcolm, Director of Urban Mayors Policy Center, which is located at the John Watson Institute for Urban Policy and Research at Kean University.

Thank you, thank you, thank you.

ASSEMBLYWOMAN LOPEZ: Thank you so much, Mayor Mapp, for your testimony.

And, last we have Michael Cerra with the New Jersey League of Municipalities.

M I C H A E L C E R R A: Good afternoon, Madam Chair, members of the Assembly Housing Committee. It's been a number of years since I had the pleasure of addressing you, and a lot has changed in that period of time, but it's good to see you again, and I appreciate the opportunity for the

League, for the Conference of Mayors and the Urban Mayors, to present testimony to you on this top priority for both the State and for our municipalities.

I think you've heard from municipalities across the state, and some of the ideas and suggestions that represent your thoughts from suburban municipalities, urban municipalities, as well as rural, and the complexity of the issue that we're dealing with. Complexity really does demand flexibility, and I think local governments, municipal governments, need flexibility both from the administration and from the Legislature in order to address this need. I think Mayor Mironov's comments about naturally occurring affordable housing and housing that is by its very nature affordable in this community, I think has to be part of the equation. I think some of the funding that the mayors are talking about should be as well.

I will keep my comments brief, and try to sum up, but I would like to make an arching statement that I think represents the sentiment of the municipal perspective on this. I've been League Director of two years, but I've been at this, in the Legislature, for 20 -- probably longer than I would care to admit. I'm sort of an eyewitness to what went wrong through those years. And, I don't want to relive the history, but we know how we got here, and we know why COAH stopped functioning, why the courts gave the opportunity for the declaratory judgements. And, for years, we have argued that while we appreciated that the Supreme Court did not expose every municipality, potentially, to build this remedy litigation and provided a means to comply voluntarily. That might have been the best option at the time, but it's not the best option, and it is critical -- critical -- to give

municipalities an administrative option -- an alternative to the courts. The court process has proven to be inefficient, ineffective, and costly.

Whether it be called COAH; if you give it a different name, there has to be an option. That was the intent of the Fair Housing Act, was to provide that option, and I would urge you to do so. The three branches of State government, both the courts, the Legislature, and the Executive, have prioritized this issue. It is a constitutional obligation. Then why is not the Legislature and the administration re-entering the playing field? COAH could be reappointed today. We think it should be. If you don't want to call it COAH, it was a four-letter word, give it a different name. And, a lot has changed in the 40 years since the Fair Housing Act passed. We need to rethink this and how we approach it. We wouldn't approach it the same way as was approached then. But, we need that option.

The State -- for the State not to have a regulatory agency providing assistance in terms of the methodology and compliance to our local governments, I just can't see it going forward. I can understand the argument, once it was done -- I don't agree with it -- but I understood the argument, well, the courts are engaged in it and it's the court process now; we'll revisit it down the road. Again, I don't necessarily agree with it. But, as we approach the fourth round in 2025, I can't see an explanation any longer as to why we cannot give back to administrative option. I can tell you right now that in the Department of Community Affairs there is good staff members. Some of them are COAH veterans. Some of them are new staff, planners who are eager to work on this. They do good work; they're good people. The capacity is there -- probably would need to be expanded -- but the capacity is there.

So, if there is any arching message I can give you in addition to the tools and the flexibility and the driving of the complexity that municipalities across the state must address, it's for the administration and the Legislature to re-enter the playing field and to do so as timely a manner as possible so that the fourth round goes a lot smoother than this long and arduous third round.

With that, if you have any questions, again, I appreciate the opportunity to speak. We will follow up in writing with our testimony and statements as well, and please see the League as a resource on this issue going forward. I worked this issue for, again, longer than I care to admit. Along with the mayors here, and mayors across the state, we're ready to engage and work with you.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you, Mr. Serra.

So, I know that a few of our members have questions, but I'm going to begin with a question to the panel. And, if one person can answer this question, because we're probably going to be here until 10:00 p.m. tonight -- I'm only kidding.

So, what road do you see all three branches of government having over the affordable-housing settlement agreement process?

MR. CERRA: All three branches?

ASSEMBLYWOMAN LOPEZ: Just one of you can answer.

MR. CERRA: I mean, all three branches?

ASSEMBLYWOMAN LOPEZ: All three branches, yes.

MAYOR MIRONOV: So, I would be happy to.

So, the Fair Housing Act needs to be reworked to incorporate a lot of the ideas that we have discussed today in terms of coming up with how the methodology is going to be determined with expanding the opportunities and tools for authorizing the administration to do that. So, that needs to be part of it, and the agency. So, it's also incumbent upon the Legislature either to create a new agency or to ensure that their appointment is made.

So, I think those are the most important areas for the Legislature as well as -- so, I'm going to talk about the administration, but funding, and some of that goes into maybe fair housing opportunities, or again, providing funding and ideas for the administration to put in regulation. So, the administration needs to have an agency, either appoint COAH or work with you all to agree to enact and create a new agency. It needs to be a partner in providing much expanded tools and opportunities including -- and I was grateful to the Mayor of Trenton for his support of a state housing bank idea. All of those would have to be done either legislatively or administratively; some *have* to be done legislatively.

And, then the funding toward those opportunities. The courts are there as a last resort, as they always were. And, let me just say, as a mayor, I'm President of the Conference, I'm also the Chair of the Affordable Housing Committee in the League, that's why I kind of sit both places. We do understand there's a place for the courts and that those municipalities that are not willing to step up and recognize that all of us have an obligation to participate and to provide a fair share of affordable-housing opportunities in our communities. So, those people ultimately, I guess, will end up in the court, and that should be the only place that -- I hope nobody hits me -- that

should be the only place that the courts are involved, is where there is a player who is not participating and does not feel that they should be a stakeholder.

ASSEMBLYWOMAN LOPEZ: Thank you.

Any other questions from any of our members?

Rob.

ASSEMBLYMAN CLIFTON: First, I want to thank Mayor Mapp for what he said about not forgetting about the urban areas. You know, I have a millennial, and he doesn't want to live in the suburbs; he wants to live in a city, in an urban area where there's things to do and you can walk and there's public transportation. So, it's important that we work together and help our cities.

When I was a mayor back in the '90s, I lived in a very small town, little over a square mile. Very busy train station, two highways on either side, historic downtown where you could walk to shopping, everybody could walk to school -- perfect area for affordable housing, and we have a lot of it. But, I can remember as a mayor that I knew what my obligations were. In round three, did you know what your obligations were to provide?

How do you plan -- how did you plan under your third round to provide affordable housing if you didn't know what your target was?

MAYOR MAPP: Well, I do believe that each and every municipality probably knows what its obligations are. And, I think that we have a responsibility, whether we are urban or suburban, to undertake that responsibility; to shoulder that responsibility. And the RCA situation which ran into some issues over the years, and the idea of a housing bank, although it's a good one, I think that if we understand and recognize that we have an obligation to provide decent quality affordable housing, I think that we

should honor that obligation; and, a part of the challenge over the years has been in certain affluent municipalities' failure to recognize or to embrace the need to shoulder their obligations. And, so that was shifted to other urban centers, and, to the extent that there is a need in urban centers for affordable housing that we recognize and that we are aware of.

We need additional funding to be directed to our urban centers so that we could better take care of our obligation. But, that does not excuse the other communities from doing what's right, fair, and just -- and that is to shoulder their responsibilities.

ASSEMBLYMAN CLIFTON: I couldn't agree with you more. My district is very unique, so my hometown of Matawan is a small bedroom community, suburban; Old Bridge, also a large suburban. But, I also represent Upper Freehold, a town with no water, no sewer, small school district, no police force, not near hospitals, not near shopping, no public transportation. That's where I have an issue, because those are communities that really have -- are really in big trouble with these requirements, because, like you said, Mayor, they have to -- they're going to need a lot of developer help to build out these communities because otherwise the tax rates are going to explode.

So, RCAs done right, as you said, Mayor, are ways to help preserve our open space, our farmland, but also to provide housing.

Mayor.

MAYOR MIRONOV: Sure, and thank you for the question.

And, just to continue on Mayor Mapp's comments. I think it's fair to say towns did not know their numbers, and that may have been your experience as well; I know we did not. And, so what also happened is towns

were put in a very unenviable situation, because we were in the courts, we didn't know our numbers. We were being sued by organizations, by developers. So, you reach a point of which when do you try to, you know, kind of try to stop the bleeding? So, it cost a lot of money, we expended tons of money on lawyers, on planners.

And, if I could put a P.S. just so you understand the importance of an administrative agency before I finish my answer there, I had a situation in the process where we wanted to make a minor change to our plan -- nobody had a problem with it -- not the advocate groups, not the lawyers, not anybody. In the old days, I could have written a two-paragraph letter as mayor, copy everybody, and it would have been done. I had to have a lawyer make a motion to court; notice everybody. It cost us several thousand dollars for something that was a non-event. But, regarding the numbers, that's one of the things that is important that we come up legislatively with a methodology well in advance so that people can plan.

Now, you know, to Mayor Mapp's comment. So, I know my town is considered a diverse and open town with lots of housing opportunities, as you know, and, so, I am comfortable to make these statements. We continued with a number of different projects in my community that were providing opportunities. I do agree that that should occur in towns. But, at the same time, the towns do need to be able to have a finite idea of what the target is that they have to meet so that they can look at how to do that effectively and utilizing resources that shouldn't be off the property taxpayers of that municipality.

And, just on your last comment, while you're on it. Many of the numbers that were being put out were really extraordinary, and they didn't

recognize the reality of the town, that maybe they didn't have any land or they didn't have sewer; or they were farmland protected; or they were in the Pinelands. And, so, that needs to be a part of the methodology as well as just bringing the entire methodology up to date with the real numbers of our demographics, our job production, just all those things that we don't have in place right now.

ASSEMBLYMAN CLIFTON: Thank you, Mayor.

Thank you, Madam Chair.

ASSEMBLYWOMAN LOPEZ: Thank you.

MR. CERRA: Can I just add one other thing?

Your children can't afford New York or Philadelphia anymore. They can't afford Hoboken or Jersey City either. So, this is almost a perfect storm where the smaller urban areas of the state give us the money and we can have safe, affordable housing not only for your child, but that's why I think any housing bank should give us the flexibility, and we could even build market-rate housing. And, then also transform this abandoned housing into marketable affordable housing for first-time homeowners--

ASSEMBLYMAN CLIFTON: Mayor, I--

MR. CERRA: --It's a great opportunity for you guys to help shape the urban landscape of New Jersey.

ASSEMBLYMAN CLIFTON: Mayor, I drive out of Trenton on Route 1 and there's a mile or two of empty old factories that could be built by your citizens, housed by your citizens, create jobs there for your citizens, and you know, I think it's a great opportunity.

Thank you.

MR. CERRA: Thank you.

ASSEMBLYWOMAN LOPEZ: Any other questions from any of our members?

ASSEMBLYWOMAN QUIJANO: Reed, it's good to see you; Mayor Mapp, it's good to see you; Janice, it's good to see you, and of course it's always good to see the League of Municipalities.

Since everybody started talking about young people and stuff, I wanted to know, besides what was just mentioned as a recommendation, do you have any other recommendations on how to increase homeownership to disadvantaged populations and young people?

MAYOR MAPP: So, if I may take a stab at that, in terms of a piece of legislation that you've already passed, which is sitting on the Governor's desk, I think it is important that what you have done in terms of passing that legislation -- which I believe was sponsored by Assemblywoman Britnee Timberlake -- I think that's an opportunity to keep homeownership on the front burner and to make sure that generational wealth is protected and that people are not pushed out of their homes as a result of the current foreclosure crisis as well as the rules that apply that make it so easy for people to lose their homes.

So, I think that that piece of legislation ought to be signed, number one, but I think that we ought to look at ways to provide incentives for young people in particular who are struggling, who are saddled with college loans and who are just barely getting by, but who have young families and who have a need to be in decent, quality homes, in addition to creating rental units, I think that what you can do is create more incentives that would make it easier for young people who are now graduating from college who have just entered the workforce to be able to afford a home of their own.

And, there's something legislatively, I believe, that you can do to help facilitate home ownership amongst our young people in particular.

ASSEMBLYWOMAN QUIJANO: Thank you.

ASSEMBLYWOMAN JIMINEZ: Hello, everybody, it's great to see you here; Mayor Gusciora as well.

My question is, what is the average cost of litigation for a town under the current court-involved settlement agreement process, and how much of the cost is typically paid through the municipalities' Affordable Housing Trust Fund?

MAYOR MIRONOV: I'm going to defer to Mike, but just come in and indicate that the amounts are extraordinary. They're hundreds of thousands of dollars per town, because what you need to do, obviously, is you've got your attorney engaged, you need to have professionals, planners, and so forth engage well beyond what they would normally do as well as the additional staff time.

I know we had once tried to put together a total number, so I'm going to move over to Mike right now, but the numbers are extraordinary. And, you maybe wouldn't be surprised.

MR. CERRA: Thank you, Mayor.

The challenge with that is, it's all relative to the budget of the community and the size of the community, because a \$10,000 bill in a smaller community might have more of an impact than a \$30,000 bill in a medium-sized community. So, it's a relative term.

What we did find is that -- and I can't quote you, I can dig some information up, it's a little dated -- but we were finding that in cases in the tens of thousands of dollars in terms of legal costs, 50, 60, 70 -- when you

factor in staff costs, planning costs, engineering costs, the number can get even higher. So, it's a tough item to measure because it's hard to do an honest evaluation, do an apples to apples is difficult because of the relativity of it. But, needless to say, it's far more expensive than it should be.

MAYOR MIRONOV: And, just to throw in one other factor that some of you may be aware of, for towns that reach settlements, a large number of those towns had to pay additional monies over to the plaintiffs as part of reaching an agreement on what their plan would be, whether the plan was totally in line with what the municipality needed to do or not, so that was another very significant-- Those costs ran from \$25,000 to \$150,000 or so for each town. So, that was another expense, and, I think, also, the undercurrent of the question is that that was money that could have all been going to producing affordable housing, obviously.

MR. CERRA: Assemblywoman, I will follow up with you with more up-to-date (indiscernible).

ASSEMBLYWOMAN LOPEZ: Well, thank you everyone for your testimony today. We're going to move on to the next panel. Thank you very much.

MR. CERRA: Thank you much.

UNIDENTIFIED SPEAKER: Thank you so much, Chairman.

ASSEMBLYWOMAN LOPEZ: Thank you.

So, the next panel is James Williams of Fair Share Housing Center. Are you here? OK. Sofia Rosa of the Latino Action Network, Matt Hersh of the Housing Community Development Network of New Jersey, and Danielle Combs of the NAACP.

Thank you. So, who would like to start?

JAMES C. WILLIAMS IV: I guess that's me.

ASSEMBLYWOMAN LOPEZ: OK.

MR. WILLIAMS: Good afternoon, Chairwoman, members of the Committee. It is great to see everyone in person. I pray everyone maintained their health during a difficult time.

So, this is a very, very complex topic, and we've heard a lot so far, so I'll try my best to stay on my script and not be 100% responsive. So, one of the things that I want to highlight is how did we get here? And, that statement was reiterated over and over again -- how did we get here? And, I think before we address the third round or the second round I think, without making this a true history lesson, I think going back to the matriarch of this doctrine, Ethel Lawrence, you know, how did we get here in 1970 when she was being forced out of her town in Mount Laurel as a Black woman? So, that's how we got here.

So, before the rounds, before COAH, that's how we got here. That was the matriarch, she was the person that birthed this obligation. And, the State found it necessary to incorporate housing and what it felt was not a need, but a human right, a constitutional right, here in the state of New Jersey, putting us to the forefront of how we will address the affordable housing here in our state. So, we are the benchmark, we are the standard. When we speak to other states that are asking us, "How do we get something like Mount Laurel in our state? How do we get something like that kind of legislation in our state?" The question was asked, "How do we get the Legislature more involved? How do we get all three branches more involved?"

You work. To the tune of \$305 million. This Legislature made it an obligation; they made it a priority to put \$305 million into this process

and to build affordable housing. So, you had your opportunity, and that was your commitment. You stood up, you cast your vote, and you said, "The residents of this state deserve affordable housing." And, you did it. And, we'll have 3,500 more units in this state because of your courage, because of your dedication to the residents of the state.

Was COAH working? Over the 30 years that COAH existed, we spent -- we built roughly 70,000 affordable-housing units. Over the next 10 years, we'll build 50,000. That's what this process -- that's what this new process has allowed us to engage in. More production, more affordable housing. So, I'll go back: 70,000 units over 30 years; 50,000 units will be built over the next 10. That's progress. It wasn't easy; progress is never meant to be, but we got it done. We will have more and more New Jerseyans in housing all across the state.

When we think about what that progress looks like, we currently only have two municipalities that are currently unsettled. So, we're doing the work; we're getting it done; and that's not just fair share or advocates, but legislatures. That's mayors, that's individuals all across the state advocating, finding ways to get this done. Affordable housing is often not addressed to the particular topic that, once again, going back to the origin of what this is, and it deals with the segregation and the racial wealth gap that this state and this country are inextricably dealing with. When we think about how we got here-- And, once again, it goes before Ethel Lawrence, from slave shacks, to projects, to how we keep finding to use housing and wealth as a means to segregate our communities. And we see it -- it's evident in our school districts, and everyone here, there's been plenty and plenty of talk

about how we can make our school districts more integrated and these young people live in houses.

So, when we think about how housing is at the nexus, it is at the epicenter of how many of the things that many of you want to improve in your respective districts, housing is at the forefront; it's at the epicenter. So, I think there's a lot of things that we can talk about. There's been a lot of good actors when we talk about affordable housing and the progress that's been done here in the state. I want to give kudos to Robbinsville; South Orange has done an amazing job; Princeton has been a standard bearer. So, we've had good municipalities that have done great things, and there's more and more opportunities for innovation and progress as well. There's an office park bill that will look to really address some of the conversations that we've seen by the mayors -- how do we find ways to utilize some of the space that is currently being unutilized to actually bring housing into the conversation? So, we have an office park bill that has been introduced by Senator Singleton and leader Greenwald that could help to address the affordable housing stock here in the state.

So, once again, there are innovations; there are opportunities. Once we talk about building the housing, then we can kind of-- This isn't the committee, but also, you know, the access to the housing. I'd be remiss if I didn't give a warm and thankful shoutout to the former Chairman, Assemblyman Benjie Wimberly, who moved the Fair Chance in Housing Act, and we provided more and more access for people to have access to housing. So, as we build it, how do we get the appropriate people into this housing?

So, I think that this is an opportunity to start the conversation and not go backwards. I think it would be -- I hate to use irresponsible,

because that's a heavy-handed word, but it would be very, very dire for this state to retreat to a process that didn't work. We're in the middle of a housing crisis. We're in the middle of recovering from a global pandemic. People are still economically not made whole. So, why do we go back when we've already shown signs that we can continue progress and go forward?

So, I will stop there, as I have other colleagues that will reiterate their own points. But, thank you, Chairwoman, and thank you members of the Assembly.

ASSEMBLYWOMAN LOPEZ: Thank you very much, thank you.

Who would like to go next?

S O F I A R O S A L O P E Z: Good afternoon, everybody. My name is Sofia Rosa, I am a Housing Access Organizer at the Latino Action Network Foundation.

First and foremost, I would like to thank Chair Lopez for inviting us here today and voicing our concerns on issues that matter on affordable housing, and I would also like to extend my gratitude to the members of the Assembly Housing Committee for allowing this dialogue today.

We're here to talk about how the Mount Laurel Doctrine has changed over the years and how we are dealing with it today. Affordable housing in our state is crucial, considering that having a stable and healthy home can bring so many opportunities for individuals and their families, including better health, more financial freedom, independence, stability, and security that far too many New Jerseyans have a hard time achieving in the aftermath of a global pandemic.

Through the years, we have observed that the Mount Laurel Doctrine is a critical tool to address residential segregation in New Jersey. The Doctrine's landmark civil rights framework ensures that all New Jerseyans regardless of race or income have the freedom to choose where they live -- where they want to live. Residential segregation is fueled by exclusionary policies that aim to keep out low-income families and people of color from communities with better schools, improved infrastructure, and more opportunity to access jobs and resources. As indicated by national research, residential segregation by race and class is driven predominantly by exclusionary (indiscernible). Over time, demographic trends in New Jersey made housing segregation even more obvious, as Latino, African American, and Asian populations grew.

This isn't just an issue for people who live in cities like Newark or Trenton; it's an issue for anyone who lives in New Jersey. The truth is that where one lives is inextricably linked to almost all indicators of health, well-being, and overall success. And, we know this because studies have shown that your childhood ZIP code alone can largely determine your life outcomes. As a state, we also have some of the worst Black and Latino health and wealth disparities in the country. COVID-19 and its impact on Latino households in New Jersey only made these disparities more apparent. If we are serious about addressing racial justice in New Jersey, then affordable housing must be a priority.

Affordable housing is a win-win for families and communities. Housing provides the stability and resources needed to raise children and thrive in life. When a family has affordable housing, their children are more likely to graduate high school, attend college, and find jobs with higher wages.

One study of families that moved into an affordable-housing development in Mount Laurel showed that their mental health improved by 20% due to less stress and increased earnings. Another study conducted by HUD in the 1990s found that families who moved to lower poverty neighborhoods had significant improvements in physical and mental health.

New Jersey is facing a housing crisis. Our state needs more homes to meet the needs of our growing population. Between 2010 and 2020, New Jersey grew by 210,000 households. But, during that same period, according to the Department of Community Affairs, our housing stock only increased by 95,000 homes. Such a huge mismatch between population growth and creating new homes has played a critical role in driving up rents and home prices in the state. There has been a growth of population of Latino families in the state. The aftermath of COVID-19 was filled with a lot of uncertainty from many families that lost their jobs, homes, and their loved ones. A lot of families were evicted, homes foreclosed, and the damage was exacerbated by skyrocketing rents and home prices.

According to HUD, in New Jersey, 26% of all Hispanic and Latino households are paying more than 50% of their earnings, which HUD classified as extremely cost-burdened. There needs to be an expansion of opportunities for Hispanic and Latino residents to rent and buy at more affordable prices, that will allow them to spend more time with their families or build a business of their own.

In 2015, the enforcement of Mount Laurel Doctrine was sent back to the courts. Since then, we have seen a significant progress in New Jersey's affordable-housing crisis. But, there is more work to be done to expand these affordable-housing opportunities for struggling Black and

Latino households in New Jersey. The Mount Laurel Doctrine provides one of the strongest frameworks in the country for affordable housing. Given our state's hyper-segregated towns and significant racial disparities, we should be embracing this doctrine and the current process of enforcement as a solution to our many problems. Rather than permitting politically connected towns to evade their obligations in an endless process like what happened under the Council on Affordable Housing, we should embrace a process that has worked, holds parties accountable, and upholds fairness and the rule of law in the process.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you, Ms. Rosa.

Matt, if you would like to go next.

MATTHEW HERSH: Thank you, Chairwoman.

Good afternoon, everybody. Thank you so much for providing a space for this forum and for reaching out to the housing community to offer our thoughts, we really appreciate it.

My name is Matthew Hersh, I am the Director of Policy and Advocacy at the Housing and Community Development Network of New Jersey, and we represent nearly 300 community development corporations, individuals, and other organizations that support Mount Laurel and that support the creation of affordable homes, economic opportunities, and strong communities. We're also the state's largest funded HUD-certified housing counseling intermediary that serves New Jersey exclusively.

Along with our national partner, the National Low Income Housing Coalition -- and, I think Mayor Mapp sent in some of these statistics too -- we've released the annual Out of Reach Report. New Jersey's average

fair market rent is the seventh highest in the nation, and our own housing wage -- what you must earn per hour to afford an average two-bedroom market rental, is \$31.32. That's nearly two and a half times the minimum wage. And, we have one of the worst racial wealth gaps in the nation, which continues to keep Black and brown families from creating generational wealth through homeownership. I would suggest anybody interested in that look at the New Jersey Institute for Social Justice's recent report about homeownership matters.

We welcome the chance to discuss the historic impact that Mount Laurel has made on New Jersey communities, but the discussion that we should be having here in this room today is how to address the 200,000 rental-home shortage for extremely low-income renters statewide; stopping evictions and foreclosures; and making sure everybody has access to homeownership.

The court process currently in operation was established in 2015 after Governor Christie made good on his campaign promise to gut the Council on Affordable Housing. In the years since he made and kept that campaign promise, the State has taken important actions towards ensuring that towns live up to their housing obligations through efficient and transparent court process -- three of the political pressures that were used to ignore a town's unmet housing needs. I'm glad to report on just a few examples of this process working in communities around the state, and I would like to say a little something about the Affordable Housing Trust Fund, too.

Where our members have been actively involved in creating the homes and housing security New Jersey residents need, these are just some

samples, and there's a whole lot more I would be happy to provide to the Committee. In Edison, one of the state's largest municipalities -- and remember, it's Triple C housing and Catholic Charities contributed dozens of affordable homes that counted towards the township's third round obligation. In Hamilton, just up the road, our member, Project Freedom Inc., has built more than 100 affordable homes that count towards the municipality's obligation. Another member, HomeFront, is completing 42 affordable homes for the township. In Princeton, which James mentioned, network member Princeton Community Housing is the largest provider of low- and moderate-income housing. They own and manage several different affordable-home developments, and currently the Princeton community has and is moving forward on a project to create 80 new affordable family rental units, including 11 very-low-income units, 29 low-income units, and 40 moderate-income units.

Determining-- And those are just some samples. Determining municipal fair share obligations in the courts has resulted in the best, most efficient execution of affordable home development since Mount Laurel was decided. That's the result of some basic principles: Ending the concentration of poverty; providing an adequate number of homes to serve our lowest-income earners, regardless of what town they live in; and ensuring the stability necessary for families and particularly Black and brown families to have the ability to generate wealth. And, we had recommended similar legislation that dovetails with that ideal.

But, prior to the effecting of the fair court process that we have now -- and this isn't news -- politicians treated COAH like a political football. In this past spring, the Legislature gave non-compliant communities who

have continued to drag their feet instead of building the homes their residents and employees need, the resources to get the job done by adopting Governor Murphy's proposal to put \$305 million into the new Affordable Housing Production Fund. You've given these towns the funds that they said they needed. Unfortunately, these recalcitrant exclusionary communities will look for any excuse to avoid their legal and moral obligations that house New Jersey. Instead of getting the job done, they want to send everyone back to the drawing board, and even rebrand it in the same way and call it COAH, or call it something else -- but, I think our memories are too short to really-- Our memories are too long to forget the history here that led us to this point.

They got what they wanted, though. They eliminated COAH. In all three branches of government, the Governor, the court, and the Legislature, have all told them what needs to happen and given them the funds to succeed. Now, they want to change the rules of the game *again*, including suing to reconstitute COAH -- you may have seen the headline yesterday, that there are 12 towns that have sued the administration. It's just another delay tactic, and, frankly, it's troubling and insulting to working families, seniors, veterans, domestic violence survivors, people with disabilities and special needs, first responders -- all of whom struggle to find safe, affordable places to call home.

We've come so far since 2009, since 1985, with Mount Laurel, since Mount Laurel I and II. We understand what New Jersey's affordable-housing needs are, and we have a system now that is finally working well. Changing a system that is delivering better results is not what we need now. We have an unprecedented opportunity to help mitigate and undo systemic and institutional racism, which prevents Black and brown families from

access to safe, affordable homes. There are many obstacles to tear down, but, there are a lot more communities to build up, and, so, let's use the historic resources and deploy the tools that this Legislature has created to meet the critical moment that we are in so that we can actually house New Jersey.

And, I just wanted to mention one thing about the affordable-housing trust fund, I think there was a comment about where's the trust fund dollars, what do they do? Well, it's difficult to -- anybody in this room that's here with an interest in promoting affordable housing should be paying attention to the affordable-housing trust fund, and, back in March, just the most recent round, DCA announced nearly \$20 million in funding for 102 affordable rentals and homes. And, so, that is just from earlier this year. But, perhaps the most important reason why we may have lost track of where the affordable housing trust fund has gone, is because the very person who campaigned on gutting COAH also drained the Affordable Housing Trust Fund for a decade, and only recently has the State been able to reconstitute the Affordable Housing Trust Fund, recapitalize it, and put in the funds necessary to help towns meet these obligations.

And, I gave just a few examples and would be happy to give many, many more.

Thank you so much for your time.

ASSEMBLYWOMAN LOPEZ: Thank you, Matt, for your testimony.

And, then we're going to have Danielle Combs of NAACP.

Thank you.

DANIELLE COMBS: Yes, good afternoon Chairwoman Lopez and members of the Committee, and thank you for the opportunity to testify

today. As mentioned, my name is Danielle Combs, and I am the Administrative Director for the NAACP New Jersey State Conference.

As you may know, both the southern Burlington County and the Camden County chapters of the NAACP were plaintiffs in the original Mount Laurel lawsuit. My history and connection to this doctrine runs deep, and our commitment to ending residential segregation in New Jersey remains steadfast. The Mount Laurel Doctrine is a critical tool to addressing segregation in New Jersey.

Segregation fuels racial disparities, and harms communities of color. We should be able to be focused on building inclusive communities, and the current affordable-housing process does just that. Affordable homes are being built in exclusively white towns for the very first time in our state's history. We have the current enforcement process to thank for that, and we shouldn't be entertaining and returning to a system that will reverse this progress. To date, more than 340 municipalities have affordable-housing settlement agreements and are on their way to building thousands of units of affordable housing for New Jerseyans. Affordable housing is critical to addressing the deep racial inequities in New Jersey, and we know that living in areas of higher opportunity, which will allow access to better schools, better jobs, and better healthcare, yields for better outcomes for everyone.

It is clear who is opposed to the current process, which is towns and municipalities who have done all that they can to avoid compliance with their constitutional obligations, and it's clear that this isn't about housing to them, it's about keeping low-income people of color out of their borders, and it is the same issue that our brothers and sisters fought for nearly 50 years ago. We cannot revert back to a process that didn't work. The ineffectiveness

of COAH is part of the reason we are currently experiencing such a severe housing crisis today.

Now, more than ever, New Jersey needs to focus on accelerating the development of affordable housing. Our families and communities depend on it, and we cannot go backwards; we must embrace a process that works.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you very much.

Mr. Williams, based on your testimony, what role do you see all three branches of government having over the affordable-housing settlement agreement process?

MR. WILLIAMS: That's a great question. So, I think there's opportunities for the Legislature to continue to introduce legislation that will be innovative and look to find diverse ways -- to find ways to bring affordable housing into municipalities. I know I mentioned it before, but the office park bill introduced by Leader Greenwald and Senator Singleton works to accomplish that. It's an innovative way of utilizing the land and the space that we have to bring affordable housing into some of these places.

Obviously, we can look at what the Governor just did in terms of allocating funds and making housing a priority. When we think about some of the social ills that have ravaged the state during COVID, housing can act as one of those safe havens -- before vaccines, before masks were instituted, we were all told to shelter in place, so housing became this multi-faceted structure that allowed New Jersey to stay healthy.

And, last, the Judiciary can continue to support the system that we currently have in place. I know there was a lot of talk about how difficult

and how expensive it is, but it was far more expensive to see New Jerseyans homeless; it was far more expensive for New Jerseyans to not have the ability to find safe and affordable housing. So, I think there's an opportunity for the Legislature to continue to introduce legislation that will find innovative and diverse ways to utilize our land and resources. The administration will continue to find ways to allocate dollars that will help the Legislature move those initiatives forward, and the judiciary can continue to support the process that we currently have and find ways to protect and really protect municipalities that are not currently meeting their obligation.

ASSEMBLYWOMAN LOPEZ: So, in our role for the fourth round, what do you see us doing for the fourth round?

MR. WILLIAMS: Wow. I'd have to-- Complex question, that's a lot. But, what could you do during the fourth round? I think one of the biggest things that we've heard is the creation of innovative funding streams to agree with the mayors before us of creating a state bank for housing could be a creative way that the Legislature could get involved to create a dedicated pot of money that could actually work to fix some of these issues.

So, I think that that's one way to agree with my colleagues that spoke before me, that the Legislature could be involved. And, I'd have to go back and reiterate my same points of introducing legislation like the office park bill, there's also an accessory dwelling unit bill that could act as ways for municipalities to incorporate affordable housing through innovative ways.

There are several pieces of legislation that I think this body could do to help to move that along and supporting upcoming administrations in terms of protecting Mount Laurel (indiscernible).

ASSEMBLYWOMAN LOPEZ: Thank you.

Any questions from any of our members?

ASSEMBLYMAN WIMBERLY: Chairwoman, you basically asked the question about the fourth round, and moving forward.

What do you foresee -- I mean this briefly, as far as move forward in that 2025? And that's for any of the panelists.

MR. WILLIAMS: I think one of the things going into the third round was what the mayors previously spoke about, the calculation of their obligations. How do we get that number, how do we ensure that all the municipalities know what that number looks like, so that we don't have a conversation of not knowing what that obligation looks like so that we won't have to have prolonged, very expensive litigation processes? So, I think that's a lesson learned from the third round that we can work on this as intensely enough early on, we could find out what these municipalities' obligations will be, and we can possibly forgo very long and expensive litigation processes where we can actually start to put shovels in the ground, as opposed to spending time in the courtroom.

ASSEMBLYMAN WIMBERLY: Yes, right on point.

Thank you.

ASSEMBLYWOMAN LOPEZ: Any other questions?

ASSEMBLYMAN CLIFTON: I have one.

Mr. Williams, on Assemblyman's question -- so, on the fourth round, you say, talking about as Mayor Mironov had mentioned about the cost of court and the litigation, and you talked about the calculating of the next round.

Who calculates? Who comes up with these numbers? Now, like I said, when I was a mayor in the '90s, DCA would tell us -- or the Council

on Affordable Housing would develop -- and we would know sort of what our numbers are. I asked a question of the mayors, that third round, how did you know what your numbers were to put a plan together? Who calculates the numbers?

MR. WILLIAMS: Can I defer to a colleague? I'm sorry.

ASSEMBLYMAN CLIFTON: Absolutely.

MR. WILLIAMS: This is one of our staff attorneys, and he was here for the third round.

ASSEMBLYWOMAN LOPEZ: Your name for the record, please.

J O S H U A B O W E R S, ESQ.: My name is Joshua Bowers, I'm a staff attorney with Fair Share Housing Center.

What was the question? I'm sorry.

ASSEMBLYMAN CLIFTON: Who calculated the third round, and who is going to calculate the fourth round? What group? Is it the Department of Community Affairs, is it -- who calculates it?

MR. BOWERS: In the third round, these numbers were calculated and obviously there were a number of different experts that offered testimony and offered expert reports on how the methodology was supposed to work. And, ultimately, those numbers were ultimately negotiated as part of negotiated agreements between -- largely between Fair Share Housing Center and the different municipalities.

ASSEMBLYMAN CLIFTON: OK, so, Fair Share Housing comes up with a number.

MR. BOWERS: No, the numbers were -- there were calculations that were done, certainly Fair Share Housing Center has an expert, the League

of Municipalities and the different municipalities hired their own expert, and, in some cases, the court actually hired an expert as well. And, between those different folks, we were able to sort of get a universe of what the numbers were and then ultimately settled upon what I think were fair calculations of the obligations.

ASSEMBLYMAN CLIFTON: So, I guess my question is, then, how does Fair Share Housing become the group? Was there legislation passed by the Legislature and signed by the Governor that authorized you to come up with numbers? How does Fair Share Housing become the--

MR. BOWERS: We're litigants in a case. So, the Supreme Court, in its decision in Mount Laurel IV, instructed all of the towns to file their declaratory judgments within a certain period of time. They did that, and what the Supreme Court also instructed was that the municipalities had to provide notice of those cases to Fair Share Housing Center and other interested parties. And, so, ultimately, we became litigants in a case and so that was the basis for why we were sort of having our own expert calculate numbers. But, the towns had their own expert as well.

ASSEMBLYMAN CLIFTON: All right, so I guess my question to the panel would be -- because we all know what the cost of litigation is, as a former mayor, I know what litigation would be -- wouldn't it be better, not -- as you said, we don't want to go back -- but, wouldn't it behoove everyone to have a State agency review the state, where buildable land is; where there are disparities; where there needs to be affordable housing, so that the mayors know and have a State agency, approved by the Legislature, signed by the Governor, authorizing a State agency to say, "These are our numbers," as opposed to having municipalities having to go in and litigate something

because a group that's not authorized by the Government has a number, says, "This is what your number for Town X should be," and the mayor of Town X says, "Well, no," and you litigate it? Wouldn't it be better if the State Government sat down; looked at available land; looked at farmland; looked at open space; looked at wetlands; and said, "This is our number, this is what we need to get to, and these are where these should be built," and avoid litigation and municipalities having to spend thousands and thousands of dollars to litigate?

MR. WILLIAMS: I would agree. The unfortunate piece is we've had some municipalities that litigated their affordable-housing obligations as a number of zero. So, if everyone was as forthright and would come forth with the appropriate number, I think that could do away with a lot of the things you're discussing.

But, when you have a constitutional obligation and a town comes forth and litigates a number of zero--

ASSEMBLYMAN CLIFTON: But, if a State agency -- if the Legislature passed a statewide affordable-housing plan and said, "These are the units we need to build, these are the towns we're going to build them in," then a town -- I mean, they could sue, but they're not going to win.

That's my thing. It's just, you've had litigation with 300 municipalities. I can't imagine what the legal fees for those municipalities were. And, like you said, you've gotten towns to get down to zero. This doesn't seem to be a much better system than COAH was, if you have towns that are not building anything and just walking away from the process.

I just think it would be more efficient if the State of New Jersey created a regional plan and said, "These are our numbers," and we went

forward from there so that every municipality knows what their obligations are, and if there are-- Like I said, I represent a mix of towns. The one I live in, I've got an apartment complex 100 feet from my house that's been there forever, and it's mixed, it's racially diverse, it's some Section 8 housing, it's some at market rate. So, it's a mix, and that's the way it is, and nobody has an issue with it.

But, I also represent, like I said, Upper Freehold, who doesn't have water; doesn't have sewer; doesn't have a police department; doesn't have emergency services; has no business district. So, I mean, wouldn't a State agency be able to sit down and look at appropriateness and look at what we need as opposed to municipalities spending thousands of dollars on litigation and like, to your point, coming out with zero obligation?

MR. BOWERS: I just want to clarify one thing. What Mr. Williams said, that one of the things that was driving the cost of the litigation is that several hundred towns were taking the position that they had a zero obligation. That's what actually happened in this process. We had a bunch of towns saying, "We have no obligation at all, and, so, we shouldn't have to do anything." And, that was one of the things that was causing the litigation to play out. The process that you're describing -- we had that. We had that. Let's look at what actually happened with COAH from the beginning until the end.

COAH started in 1986. It worked -- "worked" -- for 12 years, until 1999. Between 1999 and 2015, COAH didn't do that. And, we are still here today, 2022, they still haven't done it. COAH has been not working for longer than it actually worked. The process that you're describing was already in place. Do you know how many towns actually got through this

supposedly great COAH process in the third round, when they were before COAH? Sixty-eight, it was 68. In 15 years, they got 68 towns through the process. Do you know how many towns got through the court process to actual compliance? Three hundred and forty. If we want to talk about what process is actually producing results to actually get towns to the end, where they're getting immunity and they're getting repose, the court process actually got towns all the way through the process.

And, so, the idea that this COAH process was so great and was going to -- it was just so easy, you could just send in a two-page letter and they'll certify you, they'll do whatever. That's not true, 68 towns got through the third-round process before COAH in 15 years; we have 340 in seven years.

ASSEMBLYMAN CLIFTON: I'm just trying to figure out a way that municipalities save money in litigation costs and we have a fair system.

MR. BOWERS: That's what Mr. Williams is talking about when he says we can't go back. We can't go back to that.

ASSEMBLYMAN CLIFTON: And, I'm not saying we go back to COAH, I'm saying we go back to some type of organization that has the backing of the State Government. Fair Share Housing isn't-- Like you said, you're a litigant. You come up with a number, but it's not based on the State, we're the State -- the State authorizes.

MR. WILLIAMS: So, just to that point, I think if every municipality came to the table with a fair and just intent, I think we could get to that point. But let's have an honest conversation; that's not what happens. Some do look to skirt their obligations; some do look to completely avoid their obligations. So, I think the idea of a State agency, in theory, is

great, and I think the current system we have where three independent parties bring that number together and it's coalesced is where we got to, because everyone couldn't come to the table with a real number or an obligation that they plan to fulfill.

So, this is where we are. So, I think to your point, Assemblyman, if everyone came to the table the way that you say you advocate for affordable housing in your municipalities, then maybe all 340-some odd municipalities would have their affordable-housing obligation, but that's not the case, so we have bad actors, and that's the honest truth. We have many bad actors in the state. So, this is the process that was put in place, because we couldn't create a generalized system that would allow everyone to operate with integrity to meet their constitutional obligation, so here we are.

ASSEMBLYMAN CLIFTON: OK. Thank you.

MR. WILLIAMS: Thank you.

ASSEMBLYWOMAN LOPEZ: Any other questions from any members? (no response)

We're good? OK.

ASSEMBLYWOMAN FLYNN: I just want to add one point, I guess get clarity because-- Are you still-- So, I think we've come back -- are you still advocating in favor of judicial remedy, or would you be OK for the Legislature to just draft a remedy that creates-- We could call it some other four-letter word, as someone already said, an administrative agency remedy. I mean, within DCA, for that matter, at this point. Because I don't know if we can continue down this road. I mean, Mount Laurel is a little younger than me, but it's gone on for a long time, to your point.

But, I don't know if the court system -- especially the court system post-COVID, is down judges, we have a huge backlog -- I don't know if judicial is the option that you're all advocating for, I don't think it's going to be the option it has been for you all prior to COVID, because of all the post-COVID issues the judicial branch has to deal with now, trying to get through a backlog of criminal cases, and family court cases, and all the like.

So, that's why I think we need a real good remedy or-- I mean, I would advocate in favor of an administrative remedy based on everything that you're saying. I understand COAH didn't work for you all in the past, but we have to have hope in something in the future that, based on some of the issues that the mayors brought up, a fresh look at how we get to that number so that we could move forward.

That's my thoughts. And, I think we need clarity from you all to help us draft that legislation. Or, do you want the Legislature to do it? I don't know if you want us to sit down and start coming up with numbers. I wouldn't. But I don't know, it has to be one of us, and that's my plea to you. You can just listen to me and move forward and come back with that type of information, but that's what I would be looking for as a legislator, figuring out how can we move forward. But, in the back of my head I'm thinking the judiciary is probably not the right place at this moment in time.

MR. WILLIAMS: I'll say this as my end point. I would love it if we didn't have to sue people to meet a constitutional obligation. I would love it if civil rights were at the forefront of every municipality's standard. That would make all of our jobs that much easier. I think that that's, if I--

ASSEMBLYWOMAN FLYNN: I agree.

MR. WILLIAMS: If I can end with that, that's where we are in the equation, is that we are the thing that moves people to meet that constitutional obligation--

ASSEMBLYWOMAN FLYNN: Look, I'm a lawyer, I'm all in favor of suing.

MR. WILLIAMS: Yes. (laughter)

And if--

ASSEMBLYWOMAN FLYNN: But, I'm saying, I'm trying to give a reality check to, we have a problem, I think we all agree -- bipartisan-wise -- we all agree there is a problem; we want to address the problem. We've got to figure out the quickest way, the promptest way, to address your issues to do it. And, I almost feel like if we had that administrative remedy with the support of the Legislature, supporting the Executive Branch in developing that type of plan, we won't need the judicial remedy.

And, I think maybe the last few rounds have given some of the municipalities that you might be concerned about, sir, some pause before getting pulled into court on these cases going forward.

I don't want to assume everyone who runs for office is a bad actor, but I understand your frustration, totally.

MR. WILLIAMS: And, we're always a fan of progress, but until the progress is met, Fair Share will be here, right, that's my -- the only thing that I can say. Until that progress, that initiative, that willingness to move hearts and minds, to move into a fair and equitable state, Fair Share Housing, like any other civil rights organization, will stand for the people. That's where we are.

So, if municipalities can do it without us, great. Until that happens, we're here.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you very much for this very robust discussion. (laughter)

OK, so we're going to call up panel three now. So, Dave Brogan with the New Jersey Apartment Association, are you here? Jeff Kolakowski from the New Jersey Builder's Association, and Christiana Palmer of Community Investment Strategies, Inc.

Jeff, you can begin.

JEFFREY KOLAKOWSKI: Thank you, Madam Chair, members of the Committee, for the opportunity to address you today.

I have to say, I did enjoy the summer break, but I'm glad that you guys are back in session because this is a weighty, important topic that needs your attention. It's a long overdue discussion in our state, and I'm so glad that you're getting ahead of it and starting this dialogue early because it's going to take a while to get any kind of policy in place.

This is extremely complex, and there's many layers to affordable housing policy, and it's going to be really tough to be succinct and comprehensive at the same time. This issue has a long history in our state, but only made it to the courts in 1975 when the Supreme Court first declared that towns are prohibited from using their zoning powers to exclude low- and moderate-income individuals. At its fourth, the Mount Laurel Doctrine says that if a town doesn't have enough affordable housing, it must provide a realistic opportunity for the production of affordable housing within its borders.

And, here we are talking about affordable-housing policy, what affordable-housing policy will look like 50 years after the first Supreme Court decision. And, you have to ask yourself, “Why are we here?” And, it’s because some towns still have not fulfilled their constitutional obligation to provide affordable housing within their boundaries. Some towns have been proactive. I don’t mean to make generalizations; some welcome growth and new residents into their communities. But, other towns don’t, and they succumb to these antiquated notions and nimbyism that just keeps people out of their community. The resistance to providing affordable-housing opportunities in certain areas has resulted in New Jersey being one of the most segregated states in the nation, and this is after a 50-year battle through the courts, the Legislature, and administrative agencies.

So, about seven years ago, the Supreme Court was again asked to enter the fray, because we had a dysfunctional State agency. And, that case is commonly referred to as Mount Laurel IV. Approximately 340 towns entered that process willingly, actively participated by filing DOJ actions; and, after seven years of litigation, we saw less than a handful lose their immunity. And, there’s been only a handful of builder remedy suits that have occurred in seven years. But the vast majority of towns came to the table and settled. And, we now have housing plans in place. This process, according to the Supreme Court, was supposed to take six months. It took seven years. It took a lot longer than we expected. But, as previous testifiers testified to, we at least have plans in place right now, and, we have shovels starting to go in the ground. Again, it took a long time to get here, and we don’t have many shovels in the ground, but we have plans to get a lot more shovels in the ground in the near future.

So, do we think, as an association, as an industry, we should stray from the court-appointed process? No. New Jersey's archaic reliance on home rule is one of the reasons why we're in this process. The land-use process here in New Jersey is already highly politicized, and under the Fair Housing Act, we coupled that with another political body, COAH. And, when we're talking about ensuring constitutional rights and safe and affordable housing and educational opportunities, we think the proper forum for that is the courts. Now, is the current court process perfect? Absolutely not. And, that's why we have some suggestions for you, and I wish Assemblyman Clifton was still here, because I think it goes to addressing several of the issues that he raised from previous panels.

So, here's our three suggestions in a nutshell: We would like the process and the outcome of the process to be more transparent, including the posting of affordable-housing settlements on municipal websites. We need the process to be more efficient. And, we believe it can and will be. You've got to remember that the third round, it consisted of a 25-year period, and we are kind of past the hard part of remedying the 15 years of inaction or dysfunctionality by COAH. We also now have the necessary judicial blueprints in place so that the fourth round, which is only a 10-year period, can be done in a more expeditious fashion. However, we do need strict deadlines for the commencement as well as the resolution of fourth-round declaratory judgment actions that lead to housing opportunities more quickly.

And, lastly, the last recommendation we have is we don't need 17 vicinages and 17 different judges handling these matters. We think a more appropriate number is somewhere around three, which was the

situation following the Mount Laurel II decision, when the Supreme Court assigned three Superior Court judges to handle all Mount Laurel litigation. We think it makes sense to have specialists handle this, since it is complex, and to ensure compliance. It also makes sense to have the obligation methodology to be established by a specialist or a group of specialists, since that is what occurred during the third round when, essentially, one judge -- Judge Mary Jacobson -- was the one judge to have a trial, and established a methodology there that was basically the basis of the methodology that we've used throughout the entire state and the rest of the affordable-housing settlements that were entered into.

But, the Mount Laurel process is only part of the equation, and we have other pieces of the puzzle that we need to solve, so, I just want to touch on two. First is land here in New Jersey. We're running out of land, particularly in North Jersey, and we have to be smarter and more creative with how we use our land. Remember where we're at. We're 200,000 units behind on our affordable-housing obligations. Our population is growing. According to the recent Census, I think we went up almost 9% in population. We have monumental land-use policies that's going to take away additional developable land in this state in the form of the Governor's Protecting Against Climate Threats regulation. It's really going to change where we look to develop. It's inconsistent with the State plan where we've been trying to drive growth.

And, so, what we really need to do is decide where and how we're going to grow. And, we have many initiatives pending before the Legislature that will help solving that problem. Previously mentioned, Assembly Majority Leader Greenwald's Stranded Asset Bill, that's a really creative

solution, that could be really monumental in repurposing these stranded assets and putting them on the tax rolls. But, there's other creative things that we have to look at. Previously mentioned, the accessory dwelling units. We need to look at parking standards within our towns. We need to look at where we're locating our density, and we should be taking advantage of existing environmental and transportation infrastructure by making sure that we're putting -- we have appropriate density around where our transportation assets are. We have to look at surface parking lots, and we have to look at other land opportunities.

And, one I'll note is, Madam Chairwoman, you had a bill -- a law -- a couple years ago that required New Jersey Transit to take an inventory of its property to see what potential there were for redevelopment opportunities there. I think we could do so much more in that space. I think that the entire State Government should be given the charge to look at their inventory of assets. I can think of the Department of Transportation assets, or maybe the Department of Military and Veterans Affairs. We have old armories and things that could be ripe targets for redevelopment and housing opportunities within the state. And, I'll tell you that these conversations are happening throughout the nation. We're not the only ones that are starting to have this, but we have to do more of it.

And, the other thing I just wanted to touch on was cost and affordability. Sure, you can -- you already know that the rent is too damn high in New Jersey and that prices are too high. In the last year alone, the price of the average home in New Jersey went up \$100,000. In one year, the average home went up \$100,000. And we've looked to policies like Majority Leader Greenwald's homebuyer incentive that will help people afford houses.

But, I would say that's really a Band-Aid, and that's really only a (indiscernible) symptom and not the underlying disease, which is the high cost of housing.

The most significant contributing factor to New Jersey's housing-affordability crisis, without a doubt, is our lack of supply. It's simple supply and demand. We don't have enough supply, so the prices are really high. But there's other things that are driving the cost and driving the prices up. Our land-use approval process is extremely long and costly, and it's estimated that up to 35% of the cost of housing comes from unnecessary government regulation. And, so, when the home-building industry is up here talking about excessive cost, they think that I'm just concerned about protecting our profits. But, make no mistake about it -- everything you do, all the policies, all the mandates that come down the pike, are, ultimately, passed along to the consumers and are reflected in the cost of housing.

As the Assembly Housing Committee, I urge you to be conscious of these issues as you continue this dialogue and look to solve the continually worsening housing crisis here in New Jersey. I also today ask you to take notice of the various sides of this debate. My members were responsible for the vast majority of the new units that will be constructed during the fourth round, and we are waiting with shovels in our hands to build our way out of this problem. To create jobs and economic growth and give residents access to safe, efficient, and affordable housing.

On the other side, you have a select but loud lobby of individuals that continue to hold pitchforks in their hands and continue to protest and obstruct the creation of an affordable, stable, and diverse housing market here in New Jersey. Just look at the *Bergen Record* articles from this past week of

examples of how certain groups and towns will go to great lengths to stop progress. Housing is a basic necessity, just like food and water. No person should struggle with finding adequate shelter. Where you live and your cost of housing has a profound impact on your life, including access to educational and job opportunities. For far too long, too many residents have been shackled by our high housing costs, and we need a multi-faceted approach to address the long-term systemic issues that have led to our current predicament.

I wish I could go on and on. I can see I've been on red, I greatly appreciate the extra couple minutes. I welcome continued dialogue on this.

Thank you for the opportunity to testify, I'd be happy to answer any of the Committee's questions.

ASSEMBLYWOMAN LOPEZ: Thank you very much for your testimony.

Christiana, next.

CHRISTIANA FOGGIO - PALMER: Thank you so much, Madam Chair, and the Committee for having this hearing.

I didn't want to waste time in repeating so much of what you've heard today, but I definitely have a different perspective than maybe some of the previous speakers. I was the Chair of COAH -- please don't throw anything at me; I was the Executive Director of the HMFA; I was the Chair of the State Planning Commission; and now I'm an affordable-housing developer. So, I think members of both of the groups that sit next to me-- I worked for the mayors that have appeared before you, and I was the municipal official that negotiated the first RCA in the state.

So, I've been here a while, like 32 years, and I think we've learned lessons in all of it. And, there is no doubt -- and I say this with respect -- that Fair Share moved the needle. There is no, you know, getting away from the fact of how many units are now going to come in. But, there was good work done at COAH during the years I was there. But, I want to give you an example, because I know-- I have the bruises and scars of the RCA dialogue. But, I do want to give you an example of that first RCA. It was done in New Brunswick, it was on a border area of light industrial and old residential. It was a New Jersey Transit bus garage -- very similar to what Jeff was saying in looking at state assets. We were able to negotiate purchasing it as a municipality, and we, at that time, got \$26,500 from Warren Township to build townhouses on that lot. We also participated in the Balanced Housing Fund, which was the fund that was created under the first Fair Housing Act.

Those townhouses, and, in the negotiations -- because the sponsor of the Fair Housing Act was John Lynch, who was also the Mayor of New Brunswick at the time. And, so, when this was being negotiated, we said there has to be something for urban communities. And, so, I know that the RCA has been looked at as a way to buy out from suburban, but you need to know that the legislative intent for urban legislators at the time was, "Can we find money that we can reinvest back into our towns?"

So, with this story of this little townhouse project, we also were able to only have a 10-year restriction on the ownership. Because we all believed that allowing people to actually participate in economic real estate investment was important for the people that were willing to go into a neighborhood at that time. You did not want to live in New Brunswick. Now, they're living in a thriving community. But, they were early pioneers,

and I think it's great that they got the opportunity to participate. But, for that RCA, none of those low-income people probably would have ever had the opportunity to live then in New Brunswick, or now.

So, as we look at the lessons, I think there are good and bad lessons throughout the history that we have now penned for ourselves. And, as the Legislature, I think there are opportunities to look for administrative remedies instead of the courts. As an urban planner, I just don't think we should be planning housing in a courtroom. And, depending on who is sitting in the chairs in the different regions, maybe a completely different approach to what we think should happen from the statewide perspective.

And, to that point, in the Roberts Bill, A500, when this really started to, you know, the blank hit the fan, a housing commission was authorized as part of the legislation. I will let you know, I was named the first Chair -- because I like chairs -- first Chair of the Housing Commission. We met *many* people that are represented here, had seats around the table in that commission. Unfortunately, Governor Christie didn't feel that that was a process that they wanted to continue and therefore made no additional appointments to the commission. But, that commission is a vehicle available to the Legislature today. You could look at it, you could change the membership, you could reauthorize it. Its whole purpose was to grapple with the issues that you've heard again today before you.

More importantly, as part of that legislation, that commission was charged with coming to you on an annual basis and reporting the state of housing in New Jersey. This is the way we actually get our arms around it -- not coming back every five, eight, six years, but a constant finger on the pulse of what's happening in our marketplace. When I hear some of the

comments, we're still trying to fit into metrics that were established in the 1980s which were a completely different housing market than we face today. The Assemblyman talked about the need, now, to actually accommodate people who want to live in urban New Jersey, which was *not* the case in 1986.

So, I think we have a unique opportunity to have a tremendous amount of failures to learn from, and some recent successes to learn from, that will really, I think, give us an opportunity to try to take the best of all of it. You know, the costs are going to be the costs. I was surprised that Jeff didn't mention the new stormwater rules. As a developer of affordable housing, I have three deals ready to go, and municipalities that signed on, and money from the state, and we're not going to get through the DEP rules. So, we have a lot of constituencies that this particular topic has to have at the table.

So, I would really encourage the Legislature to go back and look at this commission and give some credence to those voices to come up with something that is meaningful. I think we have to really recognize that some of the metrics in terms of transportation to jobs may not be really realistic at this point, because people are doing their jobs at their dining room table. So, are those the realistic ones that we want to consider, or should it have as much weight as it has had in the past?

Another option, which was really never considered, is preservation. The State will be losing close to 10,000 affordable units. It is, you know -- de-restrictions do help, but it's not the be-all and end-all, and we should have a vehicle -- meaning funding -- in order to step back in, reposition those units, so that we recapture some units but we also make them quality units that we recapture.

So, those were some of my comments today, Madam Chair. I'd be happy to answer questions, but I really do appreciate that this Committee has decided to really give us all an opportunity to start really discussing this again.

ASSEMBLYWOMAN LOPEZ: And, I appreciate your testimony, Christiana, thank you so very much.

Dave Brogan.

D A V I D H. B R O G A N: Thank you, Madam Chairwoman, I appreciate the opportunity to testify today.

My testimony kind of encapsulates and bookends what was said here, and ironically, we didn't even talk prior to the meeting. But, again, my name is David Brogan, I am Executive Director and CEO of New Jersey Apartment Association. With me today is Nick Kikis, who is Vice President of Government Affairs.

First of all, I do want to commend you and the Committee for talking about this issue. We're not going to solve the problem today, but starting the dialogue is extremely important. And, clearly, as kind of everyone has said, we're dealing with two crises right now, right? We're dealing with an affordable-housing crisis, and we're dealing with a housing-affordability crisis. And, as we talk about the development of affordable housing, we really need to understand how affordable housing is developed, right? The funding that goes behind it. And, there are three major funding sources.

One is low-income housing tax credits, which are issued by the Federal Government to the states, and then the states allocate those on a competitive basis. Those tax credits end up funding about 70% of the cost of construction of those properties. The second funding source is the

Affordable Housing Trust Fund, or what's now called the Affordable Housing Production Fund. Other people who testified talked about the \$300-335 million that the Governor allocated to develop somewhere in the neighborhood of what's hoped to be about 3,300-3,500 units. And then we've got inclusionary development, which is a lot of what we're talking about today, where you have a market-rate development that includes an affordable component in there.

The short answer to developing more affordable housing is the need for resources; is the need for more money. Inclusionary development simply won't meet the demand that is out there. Jeff talked about the 200,000 units, you know, and I think that's probably an adequate number. We are never going to meet that number with inclusionary developments.

The second issue I would like to bring up is one that was just brought up, and that is preservation of affordable housing. You don't want a situation where you have a bucket, and you're pouring water in the top of that bucket, and it's coming out of the bottom of that bucket. What Chris said in terms of providing grants to maintain, repair, and improve the existing housing stock are absolutely critical if you're going to take a comprehensive approach to affordable housing. Beyond that, in terms of what the State does to assist people in meeting their housing needs, as it pertains to paying rent, we're got two main programs, right: The Section 8 program, which is also called the Housing Choice Voucher Program. And, under that program, it really helps very low-income families, the disabled, and the elderly. And, the tenant pays 30% of their income toward rent and the government pays the rest. We also have SRAP, the State Rental Assistance Program, and that

mirrors the Federal program, but that's state dollars, and that's only for New Jersey residents.

So, the quickest way you can help people who are in need of housing or in need of assistance for housing is to fund SRAP at a higher level. And, then when we talk about housing affordability, I think one of the things that Jeff and Chris said is we need to refrain from passing mandates that drive up costs. Chris (indiscernible) mentioned the stormwater rules; I'll mention a different rule: the new boiler rule. That rule, being issued by the DEP right now, was done last December and requires owners to replace their boilers with 1 million BTU to 5 million BTU -- that's about a 40-unit to 200-unit building -- from gas to electric.

First of all, not only is the cost of the transition from gas to electric prohibitively expensive, the DEP itself said it was going to cost 400 to 500% more in operating costs. We're sitting here today trying to come up with ways dealing with affordability, and now you've got a rule that was not given any legislative authority. And, I will say, we're part of a 31-member coalition who issued a letter on Monday, and Eric (indiscernible) has been leading the charge on this doing a great job. The letter goes over what that rule does. But, we are urging you to get involved in that process; engage on that process. This was done without legislative authority, and, honestly, you should have a say in this process.

The second thing that drives up costs are material mandates. We've seen bills from the concrete industry that are saying, "Listen, we need to go to concrete and steel instead of wood." Prior to the exorbitant inflation that we're all experiencing right now, the increased cost from going from wood to concrete was 30%. And you know that number is higher now. So,

when you see bills like that come across your desk, take a second look and say, “Hey, listen, when these affordable-housing projects are built, they’re built on razor-thin margins.” And when you’re talking about a 400-500% operating increase or a 30% material increase, those projects aren’t going to get built.

And then, lastly, we need to limit the fees at the local level -- the fees and mandates at the local level. As a housing provider, you have a five-year inspection through DCA, you pay a fee, there’s a registration fee as well. Some municipalities start tacking on fees one after the other. There’s registration fees; there are inspection fees; and then there’s multiple inspections. There’s an inspection for your hot water heater; there’s an inspection at a turn. All of these fees layered one on top of each other start driving up the cost of housing, and that hurts everybody.

Also, just from a broader perspective in terms of the housing that’s necessary for average New Jerseyans, you have to keep the small landlords in mind. I know a number of you have been called by your small landlords with the difficulties that they faced during the pandemic. But, just understand that small landlords who operate four units or less provide approximately 50% of the rental housing in the State of New Jersey. So, you know, we really need to keep them as part of the mix here.

Lastly, I would just ask you to understand that landlords don’t operate in a vacuum. We are dealing with the same inflationary pressures that you and I are dealing with personally and what everyone else -- what every other business out there is dealing with. So, we’re seeing labor costs go up by 5-10%; we’re seeing appliance costs go up by 20%. We’re seeing energy costs go up by 25%, and clearly taxes are going up.

So, in short, we can talk about COAH, we can talk about inclusionary zoning and those things, but, also, you have to prioritize both the production and the preservation of affordable housing, coupled with limiting the mandates that end up driving up the cost of housing.

With that, I'd be more than happy to answer any questions. Thank you, Madam Chair, and thank you again for bringing this topic up. It's very important.

ASSEMBLYWOMAN LOPEZ: Absolutely, it is very important.

I have a question for each of you, the same question. I'm going to start with Jeff.

Jeff, so, what recommendation do you have to create a better system of determining affordable housing obligations?

MR. KOLAKOWSKI: So, I gave you three specific examples in my testimony.

Again, you need to be more transparent. You need to be more efficient. We need to have plans in place as soon as possible so we can get to building. And, we need to reduce the amount of judges, and we need to have specialists there to make sure we have an efficient process.

And, I'll just add that I kind of agree with what Mr. Williams said from Fair Share. The Legislature and the Governor's role is to provide complementary policies that help facilitate the construction of not only affordable housing units, but market-rate units. What's often lost in the mix is the contributions that market-rate housing units make to the supply issue, which help drive down the prices. Today's market rate units are tomorrow's affordable units, and we need to keep that in mind. That this isn't just about de-restricting affordable-housing units, because, again, we have the obligation

to create diverse housing opportunities throughout the states, and that includes what is commonly referred to as workforce or middle-income housing. Those individuals also struggle with finding affordable-housing opportunities.

ASSEMBLYWOMAN LOPEZ: Thank you.

Christiana.

MS. FOGLIO-PALMER: I, again, would point to this Housing Commission, and I think one of the failures of the COAH process-- COAH was drafted by the Legislature; there was a task force. It was the year I got out of college. I participated as a staff member of the Legislature. But, there was no teeth after that. And it was like, OK, we got that done, and then everybody washed their hands.

So, I understand why people feel COAH was not as effective as it could be. But, if it starts with the Legislature -- and by you having this hearing, we can see it probably is going to start with the Legislature, again -- but, there always has to be that ability to go to court and hold people accountable, and that means timelines and real performance. And, that's how you keep the judiciary engaged, I agree with Jeff that it should be-- It used to be called the Mount Laurel czars or the three Mount Laurel judges, everybody knew who they were.

And, the other big issue David mentioned from a labor perspective, and I know that some of the mayors in the back will know, there are no planning masters right now. So, I can't imagine what the fourth round will be as we relied on this industry to be mediators, and there really are very few because most have retired and there really isn't a whole new crew that understand all of the history that flows behind. So, I think we have to, one,

start with the Legislature; two, get the Governor to continue the commitment of funding through the state agencies; three, put some teeth in it this time so that the courts don't -- they can be engaged at any time, when they're (indiscernible).

ASSEMBLYWOMAN LOPEZ: Thank you, thank you so much.
And, David.

MR. BROGAN: I'm going to give Nick some airtime on this one.

NICHOLAS J. KIKIS: I thought I was going to sit silently here.
(laughter)

MS. FOGLIO-PALMER: I thought you were here for your good looks. (laughter)

MR. KIKIS: Thank you.

So, you know, I certainly agree with the concept of the housing commission, and the idea of making sure that there is a strong dialogue that involves everyone, to try to bring all stakeholders together and really try to do that hard work of discussion that you've really begun today with this hearing.

But, I also think it's important to understand the question of context of the system that we have out here, right? The court has said there's an affirmative obligation to proactively zone for the construction of affordable housing, and COAH was a legislative-created approach to getting to that point. And, I think if we forget the impetus behind this, of kind of the mandate to get to a point where we have reasonable guarantees of the opportunities to construct affordable housing, we create numbers that are flat. And, it's important to really develop these numbers kind of towards that

central agreed-upon goal of getting to that realistic opportunity there, that the court has said our constitution guarantees.

ASSEMBLYWOMAN LOPEZ: Thank you, thank you so very much.

Any members have any questions?

Angie.

ASSEMBLYWOMAN JIMINEZ: Thank you, gentleman.

How does the affordable-housing approval process ultimately impact the cost and quality of development?

Anybody.

MS. FOGLIO-PALMER: As an affordable housing developer, I've built 3,800 units, all meeting settlement agreements. The approval process is the same for us as it is for any of the market-rate developers.

So, just to give you an example, this past year we put in three applications for low-income housing tax credits that David mentioned for three communities meeting the Mount Laurel obligation. For the affordable-housing developer, that application process for funding from the State agency costs about \$500,000 per application. So, that's \$1.5 million that an affordable-housing developer has to put up at risk before they even know if they're going to get funding for affordable housing.

Now, I've been in the business a long time, and I'm able to have that level of capital. But, if we are also trying to support women-owned companies like mine, and people of color participating in this process, it's very difficult to put \$1.5 million at risk to try to get these projects approved. And, usually the town's money will come in a little bit, but they also don't want their money at risk, either.

So, the cost of affordable-housing approvals, Assemblywoman, is really, really high and very difficult. And, it has barrier to entry for other people to even participate in producing those units, and I think that's why my comments, I was really advocating that some of this really needs to-- We look at preservation as one of our key strategies going forward. We can't -- none of us in the industry, can afford the cost of what it takes right now to build a unit.

ASSEMBLYWOMAN LOPEZ: Any other?

ASSEMBLYWOMAN FLYNN: I have a question in terms of post-pandemic.

How has-- In this world, I don't know if your testimony would be different, I'm assuming things. Would your testimony be different about what we should be doing pre-pandemic to post-pandemic, based on where you are all standing in the industry? If you could just let me know how your industry is doing post-pandemic, that would be helpful for us to draft the appropriate legislation.

UNIDENTIFIED SPEAKER: I'll do it.

MS. FOGLIO-PALMER: I'd like to say I'm a little smarter after the pandemic.

ASSEMBLYWOMAN FLYNN: Yes, OK. Some people--

MS. FOGLIO-PALMER: But I think-- I'll tell you the biggest lesson, and I think it's important to all the reasons why we're building affordable housing was to see the gaps in the market or the provision of housing, even for people that had housing. Just -- food insecurity levels. I mean, housing is just really the first level here. Just getting broadband to our residents, interfacing with school districts. Basically, landlords don't really

interface with school districts, and all of a sudden we're trying to get tablets to residents that live in low-income housing.

So, I think pre-pandemic I always thought we were just dealing with bricks and sticks, and I think in the pandemic, the wake-up call was to really understand we're dealing with people and we are trying to create a stable environment for children to live and a good environment for them to learn and for them to participate in these communities. And, that was the true lesson for me in the pandemic.

MR. BROGAN: From a broader perspective, I think that the industry is kind of in a recovery mode right now. The pandemic and the eviction moratorium had a significant impact on our industry. We understood the need for the eviction moratorium at the time. You had a global pandemic; you didn't want people to be homeless. But, at the same time, it did have significant impact for the smaller landlords who invested their whole life savings, who had tenants who were not paying; they were devastated. For the larger landlords who had both capital budgets and operating budgets, maybe they were able to move money from the capital budgets, and those budgets are important, right? They're paying for new roofs; they're paying for (indiscernible); and they're paying for upgrades. But, moving money from the capital budgets to the operating budgets to get through those two years.

But, let me just say this. You're going to hear a lot about evictions going forward -- and I will come full circle on this -- but, you're going to hear a lot about evictions going forward, but you have to understand that evictions are the only -- it's the only legal mechanism that we have to attempt to compel a tenant to pay for the rent that they owe or regain possession for

that unit. And, to put that in perspective, if you were a small landlord, this is what it felt like. It felt like you, being my employee during the pandemic, then the government coming in and saying, “OK, Vicky, you have to work for David for 18 months. You’re not going to get paid for 18 months, but you’re going to have to pay taxes on that money that you’re not getting paid, and then the only way you can recoup your salary is by going to court and suing me for that salary.” That’s what it felt like for landlords during the pandemic.

Also, in a state where there is a tremendous amount of protections for people who provide services, do work, provide goods, wage-an-hour, for example. If you are my employee and you work a 2,000 year for me, if I don’t pay you for one hour, I can be hit with a wage-an-hour violation; I can be hit with double damages -- honestly, I can be put in jail. We have tenants, honestly, who haven’t paid rent in 30 months. That’s 30 different violations if you were to compare it to a wage-an-hour violation. I think that the industry throughout the pandemic, by some tenant advocates, have been characterized in a very negative light. But, I think that you need to look at us, especially in the context of what we’re talking about today, right? You have to look at the industry as a partner.

And, the fact of the matter is government can’t build housing by itself. It can’t operate housing by itself. It can’t maintain housing by itself. So, you need us as partners, and we want to be those partners. And, honestly, you can’t be pro-housing and anti-landlord. You can be pro-housing and anti-bad landlord; you can be pro-housing and anti-slumlord, and we’ll sit there and stand right beside you on those issues, on the bad landlords and the slumlords that are out there. But, look at us as partners. And, when you look

at us as partners, and you tie this all into everything that we're talking about today, you look at the industry as a partner; you focus on production; you focus on preservation; and you focus on not pushing mandates that drive up the cost of housing; and that's when you move the needle on affordable housing and housing affordability.

MS. FOGLIO-PALMER: Jeff, I know you're going to speak, but I just wanted to underscore one of the things that David said.

And, as an affordable-housing developer, the programs that came out under (indiscernible) to help people pay us were fabulous. However, we couldn't get people to go and apply.

And, so, as we look at recovery programs, having some, also, teeth in our responsibility for individuals who are giving the landlord the ability to apply directly whether the resident signs the application or not. And, the reason that we heard was because a lot of them were really not impacted by the pandemic from an employment or income standpoint.

So, they did not want to sign something that could be falsifying information. And, let's be honest -- I mean, it's paperwork, it's a pain in the neck, and nobody likes to do that. So, we didn't make it easy. But, that was also an eye-opening thing for landlords, because you did step up, government did step up to provide us with money, but we could not get residents to really embrace the program.

Sorry, Jeff.

MR. KOLAKOWSKI: No, no worries.

Just getting back to your question about the impact and where we found ourselves at after the pandemic, I would say that the one silver lining from the pandemic, from a housing perspective, is that everybody

appreciated their house more. It not only became our house, but it became our office; and it became our schools, in certain -- it was so much an integral part of what we all had to endure for two years.

You could look at what happened with the increased demand that we saw with people getting out of the two major metropolitan areas that we're surrounded by, and you can say that might have been a benefit for the industry, because we saw prices go up 30% there. But, that wasn't good for business. We still can't produce the middle-income housing that we so desperately need in this state, and while the prices went up 30% at the higher levels, our cost went up even more because of supply-chain issues that we're still dealing with today.

We're still, again, it's getting worse. Interest rates are going up; that impacts affordability. Inflation is going up, that impacts affordability. So, we're in a worse position than we were before the pandemic. And, I would say thinking about it from an individual standpoint, from the people -- the consumers of housing, they all sustained economic harm during the pandemic, too. Like, the landlords are trying to recover; individuals are starting to recover. They lost their jobs; they lost income. They are in a worse position to be consumers of housing now after the pandemic than they were before. It's gotten worse in a lot of different ways.

ASSEMBLYWOMAN LOPEZ: Thank you.

So, Jeff, I have a question for you. Can you explain the Jacobson formula for calculations in more detail? How were the calculations altered?

MR. KOLAKOWSKI: Well, that goes back to what Chris was saying, there was this kind of cottage industry of professionals that really understood that.

I cannot possibly unpack it for you; I didn't really understand it. There was so much data and information that went into it to derive it. I could speak to the process, though, which is Fair Share had their experts that said what the obligations shall be. The municipalities had their expert who said what the obligation should be. My industry, as an (indiscernible) to the Supreme Court case, had an expert that was part of the trial that Mary -- that Judge Jacobson ran.

And, what Judge Jacobson did is basically split the baby. She found the compromise; she found the middle ground, the sweet spot. She knew that every side knew they weren't getting what they wanted in that, that there was going to have to be a compromise, and that's what Judge Jacobson was able to achieve through a torturous, I think, 40-day trial involving experts and, you know, she drew the short straw when it came to that assignment. But, you know, she deserves a profile in courage, because she was the only one who did that and took on that obligation and did that yeoman's work to establish what, again, was used throughout the state as a methodology.

ASSEMBLYWOMAN LOPEZ: Thank you.

Thank you, the four of you, so much for, again, your insight, your expertise.

Jeff, Christiana, Dave, thank you all so very much for this.

ALL: Thank you.

ASSEMBLYWOMAN LOPEZ: You are very welcome; thank you.

So, now, we're going to bring up additional witnesses. We're going to do this four at a time, and two minutes for each testimony.

So we have Jody Stewart with New Jersey Organizing Project.
Are you here? (no response)

Ferlanda Nixon, with the African American Chamber of Commerce. Dan Antonellis, Region Nine Housing Corporation. Taiisa Kelly with Monarch Housing. And, Anthony Mercantante from Middletown Township.

So, just a reminder, you have two minutes each to read testimony.

Thank you.

F E R L A N D A F O X N I X O N, ESQ.: I'll start.

ASSEMBLYWOMAN LOPEZ: OK.

MS. NIXON: Good afternoon Madam Chair and Assembly members, Committee members.

I am Ferlanda Nixon, the Chief of Policy and External Affairs of the African American Chamber of Commerce in New Jersey. For more than 15 years, our chamber has been dedicated to economically empowering and sustaining New Jersey's African American communities, as well as advocating for legislation that positively impacts the livelihoods of New Jersey's Black residents.

So, consequently, on behalf of the chamber and President and CEO John Harmon, I implore you to consider continuing the enforcement of the Mount Laurel Doctrine due to current successful court settlement-involved process. There's no need to fix a process that is not broken, and has delivered significant and impactful results.

There is no doubt that the Mount Laurel Doctrine has improved the lives of New Jersey's Black citizens. The Doctrine has curved economic

discrimination against low-income individuals by the State and municipalities, and the exercise of their land-use powers. In addition to better housing, the Doctrine also has improved employment, health, and education opportunities for Black families, as well as help to ameliorate their public-policy concerns -- I'm sorry, public safety concerns -- and issues of environmental justice. All of these result in economic booms for New Jersey's Black residents, and it goes without saying that economic gains for New Jersey's Black communities are economic gains for all of New Jersey's communities.

So, enforcing the Mount Laurel Doctrine via the courts -- it works. So, please, let's keep it that way.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you very much.

T A I I S A K E L L Y: Good afternoon, Chairwoman Lopez, and Committee members.

I am Taiisa Kelly, CEO of Monarch Housing Associates, an organization focused on developing and implementing plans to end homelessness and supporting the development of affordable and supportive housing throughout New Jersey.

I am here to express my support for the continued use of the court process for the enforcement of the Mount Laurel Doctrine. New Jersey ranks the seventh most expensive -- has the seventh most expensive rental market in the country. Based on a gap report produced by the National Low Income Housing Coalition, New Jersey has a current shortage of about 275,000 homes affordable to households at 50% of area median income.

This means that for every 100 households earning \$58,000 or less, there are only 45 homes available to them.

We see the impact of this mismatch of the housing stock and the number of people who are experiencing homelessness in the state. In 2021, there were about 14,000 households that touched homeless services -- the homeless service system, with three times more households entering homelessness than exiting to housing. A large part of the reason for the slow rate of exits to stable homes is because of the lack of affordable housing available.

Taking a step back and looking at the purpose of the Mount Laurel Doctrine, which was rooted in addressing economic and racial segregation, we see that the limited progress and scaling of affordable housing continues to perpetuate inequities and inequitable outcomes for communities of color. Looking at who experiences homelessness in the state, we see that Black and African American residents are disproportionately impacted, making up about 13% of the state population, and representing about 50 to 55% of the population experiencing homelessness.

This has been a consistent trend that we cannot begin to address until we begin to significantly increase the stock of affordable housing. Addressing that crisis requires every community in our state to create their adequate supply of affordable housing for low- and very low-income households. Unfortunately, not every community holds this view that diversity is a positive thing. And, despite the laws requiring that, the Council on Affordable Housing, an administrative process that has been used in the past, has been used by some of those communities to subvert the opportunities to create diverse housing opportunities.

So, with the use of the court systems, we've seen significant increase in the number of communities that have had their housing plans reviewed and approved. It is a process that is working, and we need to continue to make sure that we use that process to ensure that we have more affordable housing opportunities available, and we can significantly increase the stock in a quick manner.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you very much.

DANIEL ANTONELLIS: Hello, everyone, thank you.

My name is Dan Antonellis. I am from Region Nine UAW Housing Corp. I'm a board member of the Housing Community Development Network, and of New Jersey Citizen Action.

I just wanted to take a minute to talk about some history. Back in 1970, the UAW represented nearly 600,000 -- 6,000 -- workers at the Ford Mahwah plant. They were, a majority of these people were women and men of color, and no one lived anywhere near the plant. It was a problem for the workers, it was a problem for Ford. Ford spent lots of time and energy putting together ride-sharing coordination, turnover, training plans, and it was one of the main reasons why, within a decade of then, Ford ended up closing -- the first auto plant in New Jersey to close. Thousands and thousands of good-paying jobs were lost to New Jersey residents because of issues with exclusionary zoning.

In 1970, the UAW formed this nonprofit corporation to attempt to build good quality workforce housing, and we partnered with other advocates to challenge what we now know is exclusionary zoning. We took these steps in the courts, and we all know where we are now with Mount

Laurel. And UAW-sponsored workforce housing, housing for retirees, and throughout the late '70s, '80s, and '90s, we acquired land and we developed; and we own and operate 10 communities comprising over 1,100 affordable apartments in New Jersey.

I am here today to tell you that we were not able to do any development after the year 2000. For all the reasons everyone talked about today, development was completely and methodically stalled. However, in the past four or five years, we have been able to begin to do work. We currently have three communities in Hunterdon County and in Somerset County that are working with us to address the fair share obligations. Some are going beyond their obligations. We were able to get the Mount Laurel process to work. We are working on two applications with the state; the Affordable Housing Trust Fund that's also worked with us.

For the first time, we are hopeful. We are just asking at the end of the day that we have a process that works. We're happy with the process we have now. Everyone deserves a safe and affordable place to call home, and I would like to think that we all agree on that, and we don't want to derail something that's working.

Thank you. Thank you, all.

ASSEMBLYWOMAN LOPEZ: Thank you, sir.

ANTHONY MERCANTANTE: Thank you for the opportunity to speak to you about this.

I'm going to-- First, I'd like to say it's been a long time and too long that this topic hasn't been discussed publicly. So, I appreciate the opportunity to do that, and that you're willing to subject yourselves to this.

I've been doing this for a long time, probably longer than most people in this room. I started working on my first housing plan in 1989. I am the township administrator of Middletown Township, but prior to that I was the planning director for more than 20 years and wrote a number of housing plans, not just for my municipality but for others as well as a consultant. And, I've built every type of housing you can imagine. I've built single-family housing, rental housing, apartments, condominiums, accessory apartments -- probably more accessory apartments than any municipality in the state. And, I've built special-needs housing, group homes -- everything you can imagine. I've worked with many of the people in this room, with Chris Palmer, somebody I've worked with a lot. And, if there's anybody else besides me you should listen to in this room it's her, I can tell you that.

But, what I want to talk about now is a little bit different. Getting through all that, I've built hundreds and hundreds of housing units. Somebody mentioned that there were only 68 municipalities in New Jersey that had their third-round certification -- we're one of them. And, so, we've not shirked our obligation; we've developed affordable housing that we were obliged to do. And, it was difficult at times; it was painful at times. You know, you have to face up to angry people who think you shouldn't be doing this, but we didn't back down, we didn't shy away, we did it.

But, I'm going to read this, because I want to save some time. I'm not here talking as a housing advocate, or an advocate for any specific group or entity. I'm here as a municipal official. I'm here to talk about where the rubber meets the road, where you actually have to implement the plan and carry it out. The reality of implementing plans and creating affordable

housing, not fighting about it -- that's the issue. We've spent decades fighting about it, and we've not accomplished everything we should accomplish.

The realities of this is that out there now -- and you've seen today -- there's a massive, what can only be described as industry, involved in this fight. We know it's a contentious issue; we know it's complicated; we know it's controversial. There are people whose livelihoods depend on it remaining controversial and contentious, and so their viewpoint on this may not always be as crystal clear as it ought to be. So, I think that's an issue you need to be concerned with. I think there needs to be concern about, if you're talking about developing rules, if you're talking about developing a program, those who are financially going to gain from a fight may not necessarily be the ones to always listen to. I'm not saying they don't have a viewpoint; they certainly do, and I think everyone here is sincere about their viewpoints. But, I think when casting -- when looking at new regulations, we ought to look at avoiding the fight, because that's really where this becomes expensive.

You think about this, that it's been 38 years since the Fair Housing Act. It's been 47 years since the Mount Laurel decision. And, look at how many millions of dollars we've spent on lawsuits. It's never stopped since day one. Think of how much money is spent on lawyers and experts and testimony, and how much money could have gone towards the actual creation of decent, affordable, and sensible housing, and putting a safe roof over peoples' homes. It's just -- it's not a good system.

So, why has this happened? And, I'm going to read the rest of this. There's many reasons. Probably the biggest reason is the Legislature and various governors have failed to address the issue in a sensible, comprehensive manner. We all know that the COAH -- I'm not going to

describe it, but we all know about it -- it withered away and died under the previous administration, but rather than face the issue, it has been allowed to languish in the judiciary ever since. So, what that says to me is that because this issue is controversial and uncomfortable, and certainly difficult to solve, let's have the courts and judges be the bad guys. All can be blamed on them, they don't have to run free election, and the problem never is solved.

As troubled as the COAH years were -- and they were troubled, and I spent a lot of time working with the Council on Affordable Housing on many things -- I do believe that was a better system than we have now. I'm not suggesting we go back to that system, by the way, I'm suggesting that we need a whole new system. But it's still better than what we face today.

I think it's rather embarrassing that the State of New Jersey's entire housing policy is left to the courts to implement, to carry out. How are they qualified to do that? Well, they rely on those paid attorneys and various other experts to advise them. That's not the right way to handle this. Also, it has been mentioned, we have a huge backlog in the judiciary. Let's take affordable housing off of their plates.

The current system is doomed to fail, and the main victims of this failure would be the very people we are purporting to be trying to help: those in need and deserving of safe, decent, and affordable housing. The people making a really good living off of this never-ending fight will continue to thrive. The proof that this system will fail is evidenced by the fact that we're sitting here today, 38 years after the Fair Housing Act, and 47 years after the first Mount Laurel decision--

ASSEMBLYWOMAN LOPEZ: Mr. Mercantante, thank you. If you could wrap this up, it would be great. You've had two minutes.

MR. MERCANTANTE: I'm going to submit this in writing, because there's a lot more.

ASSEMBLYWOMAN LOPEZ: Yes, please, if you submitted that, it would be wonderful.

MR. MERCANTANTE: So, let me just wrap it up, OK.

We need to be more creative, more thoughtful about helping the people and families that need help. We also need to be clear on just who it is we're trying to help, because that is not clear right now. When we talk about those who need affordable housing, exactly who are we talking about? Because there are a lot of different levels there.

One thing that is certain is we will not build our way out of this problem with new construction. Besides the fact that it's environmentally illogical and even damaging, it's also minimally beneficial. It's also the thing that creates the most public controversy and outcry, the very thing that has caused the State to avoid doing the right thing and developing a sound, comprehensive housing policy in the first place.

So, if we don't change what we're doing, we're bound to continue to fail.

ASSEMBLYWOMAN LOPEZ: Thank you, thank you very much. Thank you.

We're going to call up the next four witnesses. Diane Riley with the Supportive Housing Association of New Jersey. OK. Lori Leonard with Habitat for Humanity, South Central New Jersey.

AUDIENCE MEMBER: She left, but I've got her testimony with me.

ASSEMBLYWOMAN LOPEZ: If you could bring it up, thank you.

OK. Racquel Henry, Salvation and Social Justice. Bishop Rubin, Community Refuge Church. Marleen Collins, Catholic Charities. Tracy Rogers, Asbury Park Affordable Housing Alliance. Antoinette Miles, Working Families. Jose Valdez, New Jersey Harm Reduction Coalition. Elizabeth DeCoursey, Morris Habitat for Humanity.

Again, each of you have two minutes, so please try to cap your testimony to two minutes, thank you.

You can begin.

UNIDENTIFIED SPEAKER: Thank you, Chairwoman.

I would like to say right now that we look at-- I'm a person that does (indiscernible)

ASSEMBLYWOMAN LOPEZ: Please speak a little louder?

UNIDENTIFIED SPEAKER: Can you hear me?

ASSEMBLYWOMAN LOPEZ: Yes.

UNIDENTIFIED SPEAKER: I like to look at things chronologically. Right now, Mount Laurel law was put in to help with discrimination. And, in that process, we went through first round and second round. And, we know the second round, we had a limited amount of municipalities that actually went through the process where only out of 60,138, only 167 actually completed the process. When we look at 2000-2015 when we were un-enforced through COAH, we had none. Then, we come into 2015-2019, where we get almost 304 municipalities that have met and agreed to their settlement.

Why? Because we have an organization like Fair Share that actually went through the municipal court process and held people to their required obligations. When we do this, we see people meeting their obligations comes at a time when people are running away and running scared and not doing what they are legally obligated to do. Right now, I live in Asbury Park. Right now, we saw our obligations -- which, we did not have one -- we pushed our town to actually create an inclusionary zone. Which, our rent was going up, people were pushed out. In the 2020 Census, Asbury Park lost 39% of African Americans. A town that was heavily populated with almost 54% of African Americans. What happened there was the fact that when we saw rents and people being pushed out, there was nobody to be there to support it.

We also put that Asbury Park, we pushed the city council to put in rent control. These are things that, we believe, if you really want to get something, you hold people accountable and make their actions accountable. Right now, the RCA project, which was under COAH, was mismanaged and we lost 150 units of obligation of affordable housing that was under RCA. So, when we go back to an organization and structure that didn't work, we see we don't accomplish anything.

So, let's try to do something where we are going in the right track, and look forward to keeping that going.

Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you, thank you so much.

ANTOINETTE MILES: Good afternoon. I will certainly keep my comments brief, as I realize we are getting quite close to 5:00 p.m. But good afternoon, nevertheless, Chairwoman, Vice Chair, Committee members.

My name is Antoinette Miles, I am the Political Director for New Jersey Working Families. We're a statewide organization that works in coalition with many advocacy groups across the state -- many who you've heard from already -- and we work very closely with them to advance social and racial justice causes.

Let me start out by stating that we fundamentally believe that in order to build a racially and socially equitable society here in New Jersey, we must have access to quality, accessible, and affordable housing. And, as a state, we made progress, I think. Many of the speakers have acknowledged that before. However, New Jersey is still a hyper-segregated state, and we are a long way from our state living up to its constitutional duty and promise to provide affordable housing.

I need not to recount the very long history of the Mount Laurel decisions and subsequent litigation, which others have done so well, but what we know is that in the decades since that litigation, municipalities have dragged their feet at the expense of underserved communities, especially Black and brown and Latinx, disabled, and aging populations. Affluent communities fight tooth and nail to circumvent the law, and, in order to keep these communities out, they do so.

And, so, I think that many of us would say, "Well, isn't that all in the past?" And, surely we think that we have gotten to a place where we've had some municipalities meet their fair share obligations. Nope. We have a dozen towns, at this moment, who are filing a lawsuit to turn back the clock to where towns didn't move forward on affordable housing. And, I worry that if we do turn back the clock to some form of legislative oversight, that many of these towns will now have an excuse to throw up their hands once

again to government bureaucracy and say that “we are unable to meet our obligations.”

And, so, I say that to say that the court process that we have so far is fair, and it is flexible, and I’ve seen it working. I’ve seen it working right in my hometown county of Burlington County where I’m from, and I grew up not too far away from Mount Laurel, right in Willingboro Township, and I’ve seen it work in Moorestown, New Jersey, which is not too far away, right next to Mount Laurel. And, I’ve seen that town embrace the court process and use flexibility where they can. And, in fact, I know Moorestown is very much lacking in open space; however, they’re being innovative, as they should, and using vacant commercial properties and retail properties to bring affordable housing into the municipality anyway.

And, I believe that the steps that the Legislature has taken, like investing \$300 million to create the Affordable Housing Production Fund and other pieces of legislation, have been fundamental ways that this legislative body has aided our state in making much-needed progress to meet these obligations.

So, to close, I just want to end with a personal anecdote. Like I said, I’m from Burlington County originally, and I actually met the family of Ethel Lawrence in a previous occupational capacity. And, I spoke to them-- And, Ethel Lawrence, if you don’t know, is the champion of the affordable housing in the Mount Laurel cases. And, in speaking to them, I said, “How can we as a state continue to further continue her legacy and honor what she stood for in making sure that Black residents have access to affordable housing?”

ASSEMBLYWOMAN LOPEZ: Antoinette.

MS. MILES: Yes.

ASSEMBLYWOMAN LOPEZ: We need to move on, I'm sorry.

MS. MILES: Can I just finish my last sentence? This is literally my last sentence. Thank you so much, Madam Chair.

So, I asked them that, and they conveyed to me that what we need to do is to continue to fight and use the legal system to make sure that no one has to go through what she went through.

Thank you so much.

ASSEMBLYWOMAN LOPEZ: Thank you.

J O S E V A L D E Z: Thank you, Madam Chair; thank you Assembly council.

My name is Jose Valdez, I am from the New Jersey Harm Reduction Coalition. I am speaking as their Engagement and Communication Specialist.

We are coming in here to-- I don't want to necessarily reiterate what everyone else is saying, but it seems as though there is definitely a culmination of words that are being spoken here that are really, like, resounding. Of course, New Jersey Harm Reduction Coalition of course is there. The Mount Laurel Doctrine is a critical tool for us in addressing residential segregation in New Jersey. We're seeing that a lot inside of our work that we're doing for the homeless people in New Brunswick, and how the slow pace that has been taken over time has affected both the community, both in the Latino world and in the Black world.

It's been a lot, having to see and understand how these changes have affected, happen to grow up or become a better person, essentially, and that's really what it comes down to. It's these affordabilities, for any family,

especially as a Latino family, would be resounding over the years, and has never really come to light because all of the restrictions that have happened over the years. And, it's been said over in every single context, so, I'm not trying to push this forward, of course, but in the end we are in support of having to grab the Mount Laurel Doctrine and treat that as the strongest framework for us, and we want to continue to stand behind that.

ASSEMBLYWOMAN LOPEZ: Thank you, Mr. Valdez.

Thank you.

ELIZABETH DeCOURSEY: Thank you.

My name is Liz DeCoursey, I'm with Morris Habitat for Humanity. I am the COO and I am the Vice President of Real Estate, and for the past 17 years it has been my primary job to identify and acquire the properties where we build affordable homes. Habitat for Humanity only does home ownership, so we don't do rental, but we do have 17 affiliates across the state, and, combined, we have built hundreds of affordable homes. We leverage trust-fund dollars, we leverage other government and HUD funds, and volunteers and sponsorships.

And, I can tell you over the past 17 years, it has gotten easier since it went to the court system. There were two times where I received lots of calls from municipalities. The first time was in the summer of 2012, when Governor Christie wanted to take all the trust-fund dollars to help balance the budget unless you have committed projects. So, we entered into a lot of contracts that summer to commit funds from trust funds, and then, more recently, once people were engaging into their settlement agreements, they needed to have viable projects with viable partners.

So, we offer ourselves as a solution to municipalities, and for the most part we have had great success, but there are still many municipalities that won't participate. They just weren't interested in participating and providing any type of affordable housing, even though we're home ownership and that's usually the easiest sell, because they're people who engage and become part of the community.

Madam Chair, you had asked some of the panelists some things that could be done to help. And, being a developer, and a small developer compared to prior people testifying, there are certain things that do cost us a lot of money. And, one of them is there's a 100% ADA requirement for affordable units, and that's not applicable to any market-rate units. And, that drives up the cost quite a bit. Where I am, we have topography issues, there's a lot of hills and steep slopes, and we can't find accessible routes and we have to walk away from some projects. One duplex, we put an elevator in. That's not cost effective, but it was required to get the units in.

If there was some way of streamlining zoning approvals for affordable projects -- especially 100% affordable -- we do go through the same process, and it does cost an exorbitant amount of money, even if you're just doing a single-family home to get variances to get the buildings built. If we didn't have to pay property taxes on the properties that were pending to be built, some of them were even in settlement agreements. Once we own them, we have to start paying property taxes because they're not considered being used for the intent yet. So, that costs us money. And, if there was some relief with having to pay prevailing wage on larger projects for 100% affordable projects (indiscernible)

ASSEMBLYWOMAN LOPEZ: Thank you, thank you for your testimony.

MS. DeCOURSEY: Thank you.

ASSEMBLYWOMAN LOPEZ: Thank you very much.

OK, so we have the last panel of four coming up. Jeffrey Surenian with Surenian, Edwards and Nolan LLC. Liz DeCoursey, Habitat--

MR. JEWETT: She just spoke.

ASSEMBLYWOMAN LOPEZ: I'm sorry. OK.

Lori Leonard, Habitat South Central.

MR. JEWETT: She actually -- we have testimony.

ASSEMBLYWOMAN LOPEZ: Oh, she's not here. OK.

Reverend Sara Lilja, Lutherans Engaging Advocacy Ministry.

Ok.

Matt Mleczko, and Vito Gallo.

OK. Awesome. We're done.

Again, you each have two minutes each, because we are going to close at 5:00 p.m.

Thank you.

J E F F R E Y S U R E N I A N, ESQ.: OK, my name is Jeff Surenian. I have been practicing in this area for affordable housing as a lawyer for almost 40 years, so, I think I might have longevity compared to everyone in the room.

I clerked for Judge Serpentelli, who was called a Mount Laurel czar in 1983. So, I've been there before the Fair Housing Act was signed into law, I was there after the Fair Housing Act was signed into law, and I lectured to COAH when they first were created. I submitted comments actively in

rounds one, two, and three. I was there when COAH was shut down, and the courts took over in Mount Laurel IV. I argued before the Supreme Court on Mount Laurel IV. So, I've been at this for a long time; I've seen this from every dimension; and I understand the struggle that you have before you today.

The Legislature and subcommittees much like this grapple with the identical issues that you're grappling with now in the wake of Mount Laurel II when a decision by Judge Serpentelli called AMG v. Warren. And, they struggled with these questions. And, their solution was, we're going to create a bipartisan -- and it was very important that it be bipartisan, because it's not a Democrat problem or a Republican problem; it's for all New Jerseyans -- so we're going to create a bipartisan entity that is going to have voices of all the major stakeholders and municipalities and nonprofits, developers, and this balance board is going to implement the policies established by our Legislature when it signed the Fair Housing Act into law in 1985, July 2, 1985.

Right now, as Mike Cerra said, today, you could reconstitute COAH and they could get to work. They're uniquely qualified to do this. They hear from everyone. They hear from nonprofits; they hear from municipalities; they hear from developers. And, they have institutional knowledge, and with that institutional knowledge they can refine the manner in which the policies of the Legislature are implemented.

A question was raised, how do things get resolved in court? I litigated the case in front of Judge Jacobson, the Fair Share Methodology case, for 40 days. That's not the way to do this. The way to do this is for a State agency to create it so everyone knows what their number is, and that's what

COAH does. It establishes rules. What's my number, what's on the menu of compliance technique? That's their job, so that at any point a municipality, if it chooses to, can comply or not comply and take its chances and be dragged into court.

All this stuff about they're political and they sway left or right -- that's not true. They have a body of regulations. They have plans; the plans satisfy their regulations; they approve it. They don't satisfy it; they deny the application for approval. That's the way it works, and it costs a lot less, and it moves things along more quickly.

There was a claim about, "Well, for 16 years they didn't do anything" by Fair Share Housing Center, ironically. They didn't do anything because every time they adopted regulation, the regulations were challenged, so they never got to the finish line. But they came 5-4 -- their approach to the Fair Share methodology was one vote away from being the law of the land. There wouldn't have been all that delay if that court had ruled the other way.

The other issues that had been raised with COAH doing its job is that, you know, someone said there's all these towns that came in that said their obligation was zero. We've represented 48 municipalities that we filed DOJ actions on. Not one municipality did we take the position that it was zero. And, it doesn't matter; we could take whatever position we want. But, if there's a body that decides the regulation in lieu of having a 40-day trial, we'd comply with that obligation. We either satisfy the rules or not.

That was a much more intelligent way of dealing with this than what we experienced in the wake of Mount Laurel IV, where here we are before 15 judges, eight of those judges never had a Mount Laurel case. They

got the short straws. They weren't suited for this. They didn't want this. They were thrust into this role. They're not suited for the role. COAH is designed for the role. 2013 decision, Supreme Court abolition case. Well, Fair Share Housing Center -- what was successful, the court said in that case, "We have the spotting. The Legislature very carefully crafted this entity to have all voices represented. They're the body that should be doing this." So, when Governor Christie tried to absorb COAH into the DCA, the Supreme Court said, "You can't do that, we would lose the value of having this diverse body with a balanced process to try to come to the correct conclusions."

So, I strongly advocate that you do what Mike Cerra said, "Tomorrow." You reconstitute COAH, and you let them do their job. And, if there's better ways -- I'm not saying there's not better ways to do this, but the best way to do that is to have it presented to them. If the Legislation -- if the Fair Housing Act doesn't allow them to do something that makes sense, then adopt legislation.

ASSEMBLYWOMAN LOPEZ: Thank you, Mr. Surenian, thank you.

And, thank you for your passion. (laughter)

MR. SURENIAN: (indiscernible)

V I T O G A L L O: I am Vito Gallo. I should just explain who I am, because I'm a citizen of course, but I've been working in the field of public housing for 45 years, mostly in civil service, most exclusively in the suburbs. Housing Authority Executive Director, retired in 2005; was the Dean of the Public Housing Authority of Directors; 37 years as the Public Housing Authority Director. I've been a part-time lecturer at the Bloustein School of

Planning and Public Policy. I've taught a course entitled -- if you're of interest -- "The Evolution of Housing Policy in America."

So, I've given a good deal of thought to this. I've helped -- I've co-authored part of a Together North Jersey study, it was a \$10 million study program that Rutgers coordinated, and I co-authored the study on the Fair Housing Equity Assessment for Northern New Jersey. And, full disclosure, I was the APA Housing Chair who filed an amicus brief before the court where, as Jeff argued, as I recall, was sitting in the (indiscernible) Supreme Court chamber at that time. So, I've given a lot of thought to housing -- especially in the suburbs.

I am here to testify to the success of the court-supervised administration of the Fair Housing Act of 1985. It's important to understand what has been accomplished since 2005, and to put it in a broader context. 141,500 multi-family building permits have been approved during the seven years, from 2015-2021; 141,000. Now, not every unit gets built; it's a building permit. But it's an indication of the process that worked, that at least got them to an approval of the building permit. And, the reality is during those seven years, from 2015 on, for every one unit of single-family housing which was permitted, two units of multi-family housing was permitted. So, you had roughly 20,000 units each year, on average, being approved, multi-family housing, during the period since 2015 where the court was there.

Not every unit was, obviously, related to the court process. Hudson County had a lot of housing built, Jersey City in particular, but a good deal of housing was built. And much of that multi-family was inclusionary. So, you need to understand what's happening there. In the

same period, roughly 10,000 units were produced each year versus 20,000 in the single-family sector.

So, it raises a question in my mind as to what is happening here when the suburbs can't seem to produce single-family housing. And, yet, the COAH process through the courts has produced twice as much housing. Much of it, again, much of it through that process. So, clearly a severe shortfall problem here, and we're not going to solve the problem on the backs of the Mount Laurel process, because it's not equipped to handle all the needs that are involved. And, I can say one in particular, very low-income population. We talk about very low income, low income, and moderate income. The very low income is, according to the most recent studies, roughly \$31,000. That's the maximum for a very low-income household.

Those people cannot be housed through the Mount Laurel process; 13% of the housing is a formula for very low-income housing. That's 13% of 20%, so that's, what, one eighth of 20%, so it's about 2% of the very low-income population. So, you need to understand that when you're talking about very low-income housing, it isn't being done through the process. It probably will *never* be done through that process, because the private builders who are building this can't make money housing very low-income people, unless you put subsidy involved in it.

There's much more I could tell you. I know there's not much time; two minutes is kind of a catastrophe--

ASSEMBLYWOMAN LOPEZ: Yes, please, thank you.

MR. GALLO: --for some with 45 years of experience. But, I know this is an early part of the process. I would recommend that the

Assembly Housing Committee look very closely at why the suburbs are not producing single-family housing. It says something about the process.

ASSEMBLYWOMAN LOPEZ: OK, thank you very much; thank you.

OK, Matt, you're last.

MATTHEW MLECZKO: Thank you, Chairperson Lopez, and members of the Housing Assembly Committee. Thank you for allowing me to testify this afternoon.

My name is Matt Mleczko, I'm a Population Studies and Social Policy doctoral candidate at Princeton University. I am testifying as a resident of Princeton, and not on behalf of any organization today.

As a housing policy researcher, I can tell you that the evidence is abundantly clear, and has been for decades. Residential segregation generates enormous economic and social costs, and is central to creating and maintaining ethnic, racial, and socioeconomic inequities. It is also becoming increasingly clear that the practice of exclusionary zoning by many municipalities has been and continues to be one of the most effective means of achieving segregation.

And, unfortunately, New Jersey stands out in this regard. The Mount Laurel Doctrine is a bright spot in our otherwise sordid history of housing policy. It's one of the most prominent and ambitious examples of fair housing efforts across the country. But, we can only realize the promise of the Mount Laurel Doctrine if we take seriously the problems that motivated it and implement and enforce its provisions.

You have plenty of evidence that the process prior to 2015 under COAH became an abject failure, and that the current process is finally

producing results. Returning back to an old (indiscernible) process under COAH is unwarranted, and would likely re-enable the kind of obstruction and exclusion that the Mount Laurel Doctrine is supposed to prevent.

These are not exaggerated fears, as the recent emergence of obstructionist groups in Washington should demonstrate. Despite what some may argue, the current judicial process aligns with smart birth principles -- for instance, by enabling redevelopment of underutilized or vacant properties, it also gives municipalities flexibility in reaching their Fair Share obligations. What it doesn't allow is municipal veto power of any and all affordable housing, which is the point. And, I want to make clear, we can uphold the Mount Laurel Doctrine, and also revitalize and redevelop in our struggling, disadvantaged municipalities. It's not either/or, it's both/and.

I want to emphasize and end on the note that the issue of housing injustice is an entirely solvable problem, but in our case today it starts by not making the problem worse. I strongly advise this Committee to maintain the implementation and enforcement of the Mount Laurel Doctrine through a judicial process that has been proven to work. Doing so will not only ensure that desperately needed affordable housing continues to be developed and distributed equitably across New Jersey, but it will also make New Jersey a national leader in addressing the housing crisis in a just and effective way.

Thank you again for the opportunity to speak.

ASSEMBLYWOMAN LOPEZ: And, thank you very much.

And, thank you to everyone who came out to testify today and thank you to my Committee members for your patience.

So, I look forward to having further discussions on this topic.

So, meeting adjourned.

(MEETING CONCLUDED)