August 30, 2019

Lt. Governor Sheila Y. Oliver  
Department of Community Affairs  
101 South Broad St., P.O. Box 800  
Trenton, 08625-0800

Dear Lieutenant Governor Oliver:

The Supportive Housing Association of New Jersey (SHA) is a statewide membership organization founded in 1998 and representing over 100 NJ organizations, mostly housing developers and supportive services providers all dedicated to creating permanent, affordable community housing with supportive services for people of low income with disabilities and other special needs. Robust development financing for capital as well as access to operating funding is critical to helping people with disabilities live in communities of their choice in homes they can afford.

SHA is grateful to Governor Murphy, Senate President Sweeney, Assembly Speaker Coughlin and members of the Legislature for their commitment to the Affordable Housing Trust Fund (AHTF). The absence of this fund dedicated to development over the last 10 years has inhibited the number of units that can be built and set aside to help people moving from institutions, struggling with mental health and addiction challenges and aging out of family residences and ready to move to independent living. We believe that this investment particularly at a time when municipalities are looking anew to opportunities to meet their affordable housing obligations will not only serve people well by improving their quality of life but have a positive impact on communities by improving the economy and creating jobs.

Recognizing that the AHTF is limited and therefore can best serve by leveraging opportunities and filling gaps in funding that exist, we offer the following recommendations:

- **Prioritize Supportive Housing:** A portion of the AHTF should be leveraged with other existing programs for supportive housing development. Supportive Housing which pairs affordable housing with on-site supportive services is a proven strategy to decrease a variety of expensive health and system services, enhance stability and recovery and create independence for people with disabilities. Supportive Housing is a smart investment.
The Supportive Housing Association of New Jersey

- **Invest in Smaller Developments**: The AHTF should support the creation of smaller developments of under 25 units. As noted, municipalities looking at a variety of opportunities to fulfill their obligations with projects of this density size and developers are currently constrained by their ability to finance such projects. In addition, while the AHTF should be used to maximize federal, private, state and municipal supported investments and other financing tools, a priority should be given to developments that are not eligible for Low-Income Housing Tax Credits. This will encourage both increased opportunity for non-profit developers and a wider variety of affordable housing development tailored to specific needs.

- **Provide Operating Support**: A portion of the funds collected through the AHTF should be used to provide operational support for non-profit developers. This will both ensure that small projects are viable and the neediest population served by supportive housing can maintain tenancy.

- **Pre-Development Funding**: Pre-development and acquisition financing is challenging for nonprofits. The AHTF could provide the flexibility to offset these costs.

- **Establish an Open Process for Funding**: We strongly urge the Department of Community Affairs to develop a transparent, streamlined, competitive process that invests these funds where they can be best used and gives an equal opportunity for mission driven developers to create supportive housing.

We look forward to working with the DCA and other stakeholders to continue to provide safe affordable homes and increased opportunities for people with special needs to live in communities throughout New Jersey. Thank you for your consideration.

Sincerely,

Diane Riley
Executive Director