



**Lowering the Cost of
HOUSING**

JOSH
FOR JERSEY
★ **GOVERNOR** ★

Josh's "Lower Costs Plan for Jersey"

III. LOWER THE COST OF HOUSING

OUR CHALLENGE

Let's face it: Housing in New Jersey is just too damn expensive.

The average home in New Jersey sells for \$540,658. That's more than families making the average income in New Jersey can afford. Then, on top of that, the average Jersey homeowner pays \$10,000 or more each year in property taxes — and that amount keeps going up by several hundred dollars a year. That's why my "Tax Cut Plan" will lower property taxes by nearly 15 percent, provide an income tax rebate to renters, lower taxes for seniors, deliver a middle class tax cut, and match the lower property taxes of other states for those who move to New Jersey to help us grow.

In 2023, more than 50 percent of New Jersey families were cost-burdened, meaning they paid more than 30 percent of their income towards housing. Of low-income renter households, 74 percent in the state spend more than half of their income on housing, classifying them as severely cost-burdened.

More than one-quarter of Jersey families don't own their own home and the amount they're paying in rent have gone up astronomically in the last 10 years. Currently, the average two-bedroom apartment costs \$1,922 a month. That's a 53 percent increase in the last ten years and a 33 percent increase in the last five years.

We're short more than 200,000 units of affordable rental housing.

Although Governor Murphy has taken positive steps to increase the supply of housing that is more affordable in New Jersey, there is still more work to be done. Murphy has worked to streamline processes and increase the availability of lower-cost homes. I'll do even more.

MY RECORD

I've worked aggressively for years in Congress to make housing more affordable and more available for more Americans. I've:

- Led the way to support America's homeless veterans, leading an amendment that passed unanimously through the House to unlock new housing funding for veterans at the state level.
- Pushed to strengthen the Low-Income Housing Tax Credit (LIHTC) from 9 percent to 12.5 percent, boosting housing that's more affordable.
- Cosponsored the *Housing Supply and Affordability Act* to increase housing supply and affordability, prevent resident displacement, and reduce barriers to housing development.
- Cosponsored the *Fair and Equal Housing Act* to extend the protections of the *Fair Housing Act* to persons suffering discrimination on the basis of sex or sexual orientation.
- Cosponsored the *Protect Rural Renters Act* to provide rental assistance to tenants in multifamily rural housing projects.
- Cosponsored the *Affordable Housing Credit Improvement Act* to expand housing that's more affordable, boost credits for extremely low-income households, and prevent discrimination against domestic abuse survivors in rental housing.

AS YOUR GOVERNOR

I'll do even more as Governor. I'll make housing more affordable through three main steps: Lower taxes. Build more supply. Build it more quickly and affordably.

- **Cut Taxes for Homeowners and Renters.**
What's the biggest burden on New Jersey families? Our highest-in-the-nation property taxes. I've already released my comprehensive plan to provide tax relief to everyone who owns or buys a home in New Jersey:
 - I will cut property taxes for everyone in our state by nearly 15%, on average.
 - I'll provide a Renter's Rebate — a refundable income tax credit to renters of \$500 per year — to make housing more affordable specifically for those who rent.
 - My new "Move to Jersey" tax credit will make moving to and buying a home in New Jersey property tax-neutral.

- **Build More Supply, Especially in Abandoned Office Parks and Near Mass Transit.**
 - **Promote Urban Re-Development.** We need to facilitate the conversion of vacant or distressed commercial properties, and empty or dilapidated urban sites, into housing or mixed-use developments.
 - I will push for building more homes that are affordable, with mixed-use housing, at abandoned office parks and near mass transit.
 - I will push for legislation to create for transit-oriented development and redevelopment such as the conversion of vacant retail, office space, land, and commercial properties into high-density housing or mixed-use developments.
 - I'll identify and repurpose state-owned and municipal-owned land for housing that's more affordable, as was done in New York City. More housing that's affordable could then be developed on this land. In 2022, the Fair Share Housing Center identified 1,100 vacant parcels owned by the state.
 - **Create a New Housing Production Fund.** Currently, New Jersey has the "Affordable Housing Trust Fund Program." This fund offers financial assistance to municipalities, for-profit, and non-profit developers to accelerate the creation of housing that's affordable statewide. I want to expand this program, basing it off the Montgomery County, Maryland, program. By dedicating a relatively small amount of state dollars to seed the fund, we can unlock millions of dollars in private capital for affordable housing. The fund will provide developers with below-market interest rates and other "gap financing" necessary to start construction, which they repay with interest to reseed the fund for the next project. The public housing agency then retains majority ownership and control, ensuring long-term affordability and tenant protections.
 - **Expand the Reach of Our Low-Income Housing Tax Credits (LIHTC).** The housing finance field has evolved in recent years, but New Jersey hasn't kept pace as much as other states. I will modernize how we allocate tax-exempt LIHTC's to be more efficient and less bureaucratic.
 - I will encourage and support mixed developments that make our housing dollars go further by using market-rate housing to leverage affordable housing units. We need to adapt our LIHTC approach to float tax-exempt bonds only on the low-income portion of such mixed developments, so that we use our tax-exempt bond cap most efficiently.
 - **Encourage More Starter Homes.** We need to enable more young families to move in and move up in New Jersey. I will provide incentives for local governments selectively to reduce lot sizes to allow for the construction of starter homes for first-time homebuying families.
 - **Create Innovative, More Affordable Options for Moderate-Income Families.** I will seek to create new models for moderate-income housing development such as Hawaii's pilot program to develop leasehold homes aimed at providing

affordable housing. In that model, homebuyers own the structure but lease the land, making the cost of the home itself more affordable.

- **Build It More Quickly and Affordably.**

Project approvals and other bureaucratic requirements add massive delays and costs to building, reduce revenue, and drive up costs to the renter and owner. We need to cut the red tape and speed this up.

- **Accelerate Zoning Reform.** Zoning regulations and bureaucratic red tape increase building costs by adding complexity, delays, and additional expenses to the development process. These costs then get passed onto renters and buyers. These regulations also push smaller developers out of the market. New legislation signed by Gov. Murphy provides funding for those counties, cities, and towns that enact zoning changes that allow for more housing, like higher-density housing construction and mixed-income neighborhoods, and enacting flexible regulations to allow for new models of shared housing for young families.
- **Reduce Construction and Development Costs With “One-Stop Permitting” and “Red Carpet Treatment.”** Another factor driving housing prices higher is the cost of construction. I’ll pursue building code reforms to bring down the cost of housing without sacrificing safety.
 - New Jersey has enacted legislation to streamline the construction permitting process, but it has not been implemented across the entire state. I’ll set a deadline and provide funding to help lagging municipalities comply.
 - I’ll specifically require that all interested parties come to the table for one-shot at objections or modifications, and impose a “shot clock” for approval or denial within 60 days of all requests, for instance, relating to zoning, septic systems, watershed district review, or expansion of the metropolitan urban service area for a permit, license, or other governmental approval of an action. Texas currently utilizes such a “shot clock” system.
 - To further expedite the approval process, we will develop standardized, pre-approved designs for housing that’s more affordable.