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Affordable housing facing challenge

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NewBridge Services broke ground on its Evans Place special-needs housing project in Pequannock this week. But the organization's executive director said it's not clear there will be funds for such projects in the future.

Gov. Chris Christie has proposed reducing the commitment to the state's affordable housing trust fund in 2011 by \$32 million to help balance the state budget. The funds for the Affordable Housing Trust Fund are collected through a 2.5 percent real estate transfer fee collected when property sales are recorded.

"I support what the governor is trying to do to cut state spending and balance the budget, but this is going to hurt," NewBridge Executive Director Robert Parker said. "These funds support not only the development of low-income and special-needs housing, but support rental assistance programs. Evans Place is the kind of project that will suffer if the cuts to the trust fund are not replaced."

The Evans Place project is being built on the former site of NewBridge's headquarters. It calls for 11 units for individuals and families with special needs. It is being funded through the Morris County Division of Community Development, Pequannock Township's Affordable Housing Trust Fund, the Pequannock Township Senior Citizens Corp., the United Way of Morris County and the state's special-needs housing trust fund.

It's becoming increasingly common in Morris County to use multiple funding sources for such projects, Parker said. NewBridge and Rose House are using it to develop a 13-unit project.

Parker said the ability to tap the state trust fund in the past has made it possible to attract other funding. The Housing and Community Development Network of New Jersey — of which NewBridge, Homeless Solutions and other Morris nonprofit housing developers are members — said \$25 million in state affordable housing funds allowed housing developers to leverage \$100 million in other investments, and created 1,100 construction and other jobs. Those jobs produced \$72 million in income and paid \$1.6 million in state income taxes.

Over five years, because of the development of affordable housing, the state and towns will realize more than \$11 million in sales, income and property taxes, the agency said.

Elizabeth Hall, executive director of Homeless Solutions, said Thursday at a groundbreaking of an affordable housing project in Washington Township that the loss of the trust fund will hamper the ability of agencies like hers to even plan projects, because the money will not be there. Without affordable housing, the lower-income residents of the state could leave, but the jobs they perform will remain, perhaps unfilled, Hall said.

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