Supportive Housing Association of New Jersey

2026 Policy Recommendations for Governor-elect Mikie Sherrill and Lt. Governor-elect Dale Caldwell's Transition Team
Supportive Housing Association of NJ (SHA)

We call upon the incoming Sherrill/Caldwell Administration to work with state legislators, members of Congress, fellow advocates, SHA members, families, and consumers to address issues of funding and access for supportive housing and create solutions so that we can advance a strong and robust supportive housing industry. The following was submitted to the Sherrill / Caldwell administration in December 2025.

Supportive housing combines affordable housing with support services that help people who face the most complex challenges to live with stability, autonomy, and dignity. This group includes but is not limited to people living with disabilities, those facing homelessness, veterans, low-income communities, domestic violence survivors, reentering individuals, and BIPOC and LGBTQIA+ communities. Supportive housing is an **innovative**, **evidence based**, and **data-driven** solution. According to the National Low Income Housing Coalition's New Jersey Housing Profile, only 31 rental homes are affordable and available for every 100 extremely low-income households in New Jersey. Additionally, the Center for Independent Living reports that "The poverty rate for people with disabilities in NJ is 17.2%, compared to 7.8% for those without disabilities."

Affordability is a top priority in making supportive housing accessible for those who need it most. For many this is a matter of survival, and we cannot leave anyone behind. A healthy, successful supportive housing industry is built upon three pillars:

1. **Capital funding for construction or renovation;**
2. **Sufficient service-operating dollars; and**
3. **Access to flexible supportive services.**

A system built upon these pillars maximizes the ability for individuals with special needs to obtain and/or remain in their homes successfully, with the greatest control and choice over their lives. According to the Center for Independent Living, **"Approximately 1 in 4 adults in New Jersey live with a disability, a rate that has remained stable since 2011."** Public and private players should partner to meet current and future demand for capital, operations and services. **Given the proposed changes in federal HUD funding under the current administration, it is critical that state officials work with those at the county and municipal level to identify resources that can be set aside to help fill gaps and limit the impact on people losing their homes.**

Policy Recommendations

1. Capital Funding for Construction or Renovation

• **Stop Diversions from, Fully Fund, and Expand the Affordable Housing Trust Fund.** The AHTF is the major, dedicated source of funding for affordable homes in NJ, including for individuals with special needs. Additionally, substantial changes need to be made to adjust the AHFT to make it more flexible.

• Facilitate synergy between the state agencies such as ways to combine capital operating and servicing funding to finance affordable and supportive housing.

• **Champion and fully enforce A4/S50**, ensuring that we move forward with transformational affordable housing developments already in the pipeline.

• **Expand housing funding by reserving at least 50% of the mansion tax** for urgent housing needs, including preserving existing affordable housing and stopping evictions.

• **Continue to fund the Special Needs Housing Trust Fund** (SNHTF) through the AHTF. PL 2021, c.126 is the legislation that annually dedicates $20M in realty transfer fees, revenue collected, to the Special Needs Housing Trust Fund (SNHTF.) This funding should continue to be transferred annually to NJHMFA for the SNHTF as a dedicated revenue source. Since the SNHTF was revitalized, from 2018 – 2020, almost 650 supportive housing opportunities were created and from 2022-2024, almost 1,500 supportive housing opportunities were created, 130% higher than the preceding period.

• Partner with affordable housing advocates, municipalities, financial institutions, philanthropic organizations, families, and public housing authorities to accelerate the development of affordable homes statewide.

• **Increase the amount of barrier-free housing statewide** to accommodate an aging population and the many people with disabilities who live with mobility impairments.

• Provide waivers for fees for affordable housing initiatives.

• Allow capital subsidies to be used to fund major maintenance of existing facilities. Prior to shifting to fee for service, the NJ DHS Division of Developmental Disabilities (DDD) provided funding for major maintenance projects. The current expectation in the FFS system is for providers to utilize rent received from subsidies to fund maintenance.

• Discourage municipalities from using affordable housing funds for infrastructure projects not serving housing needs. Municipalities should not require offset improvements within these mandates and affordable housing should be exempt from these types of levies.

2. Ensure Adequate Service Operating Dollars

• **Resolve the critical issue of lack of housing vouchers.** Prioritize increases in rental vouchers and not changes to the Continuum of Care (CoC) Notice of Funding Opportunity (NOFO) that impacts tenants, developers and investors who layered CoC funding with Low Income Housing Tax Credits (LIHTC.) Prevent the termination of private market leases supported by rental assistance.

• **Prevent the efforts of the current federal administration to defund the U.S. Department of Housing and Urban Development's (HUD's)** permanent housing programs for people experiencing homelessness.

• **Prioritize state-only funding, State Rental Assistance or SRAPS and other state special needs vouchers** to create housing and rebalance the system through savings at the high-cost end of the continuum.

• Ensure that existing housing is maintained at affordable rates and that providers have adequate dollars for maintenance of infrastructure.

• Encourage government to streamline the housing development and service delivery process wherever possible.

3. Provide Access to Flexible Supportive Services

• **Protect and prevent cuts to Medicaid** for current and future seniors and people with disabilities. Promote the Medicaid Housing Supports Program under the 1115 waiver which allows for new approaches to address the housing needs of Medicaid members and work to extend the waiver. Allow providers to ease into Medicaid and fee-for-service systems of care.

• **Provide adequate technical assistance**, support and flexibility for agencies serving Olmstead populations and others living with challenging situations.

• Create a service system that serves many populations, reduces barriers, and increases systemic flexibility such as **building a housing locator system** that includes information related to specialized housing that has on-site supportive services.

• **Fund the continuation of DDD housing subsidie**s and consider the impact of HUD reductions to individuals residing in HUD funded rentals and provider managed group homes/supervised apartments.

• Promote the least-restrictive settings for Olmstead populations and all people with special needs.

In addition to the three pillars, it is critically important that NJ work to ensure equity

• Take steps to prevent state and local law enforcement from criminalizing people simply for being homeless. **NJ Counts 2025** found that 13,748 people were homeless across the state on a single night in late January of this year. This is an 8% increase in homelessness compared to the previous year.

• End chronic homelessness through housing first and rapid re-housing models that include Medicaid rate for pre- enrollment outreach, vouchers and dedicating transitional and shelter funds for permanent housing and services.

• Regulate rent in New Jersey. The high cost of rents pushes up Fair Market Rents (FMR.)