



MEMORANDUM

To: Assembly Commerce and Economic Development Committee Members
From: Nicholas Kikis, VP of Legislative & Regulatory Affairs
Date: June 2, 2016
Re: NJAA Opposition to A-328 (Singleton)

On behalf of the New Jersey Apartment Association (NJAA), and our members who own, develop, and manage safe, clean, and affordable rental housing to over a million New Jersey residents, we respectfully oppose **A-328**, which would modify provisions of the Grow New Jersey Assistance (GROW) program and the Economic Redevelopment and Growth Grant (ERG) program to require, amongst other things, that participating businesses pay prevailing wage rates to building maintenance, custodial, and security workers. We ask you to vote “**NO**” when it comes before the Assembly Commerce and Economic Development Committee on June 2, 2016.

This bill would stifle the reinvestment that is transforming distressed areas into economically viable and desirable places within our State’s communities. Furthermore, the increased costs associated with these mandates would put upward pressure on housing costs.

The GROW and ERG programs incentivized significant reinvestment in our urban centers, helped retain and attract businesses to New Jersey, and supported the development of apartment communities that would otherwise have been unfeasible. Imposing costly mandates on businesses that utilize these programs reduces the effectiveness of the state’s most critical economic development tools and would discourage private sector economic development in New Jersey.

Moreover, it is important to recognize that the ERG program has incentivized the construction of affordable housing for both low- and moderate-income households, while producing new market rate units in urban centers that could otherwise not support such development. As New Jersey continues to face a critical shortage of below market-rate housing that is affordable to low- and moderate-income households, we should avoid imposing new mandates that would drive up the cost of construction, increase the cost of housing, and create a disinvestment toward investment.

As such, we ask you to vote “No” when A-328 comes before the Assembly Commerce and Economic Development Committee. If you have any questions or would like to discuss this further, please do not hesitate to contact me at 732-992-0600 or at nicholas@njaa.com.

The New Jersey Apartment Association represents over 600 multi-family rental housing providers and allied industries throughout New Jersey. We are a statewide organization dedicated to maintaining, improving and building new and affordable rental housing that serves hundreds of thousands of New Jersey’s working families, young couples and seniors.