



MEMORANDUM

To: Members of the Assembly Housing Committee
From: Nicholas Kikis, Vice President of Legislative and Regulatory Affairs
Date: February 19, 2020
Re: **NJAA Testimony for AHO Public Hearing**

On behalf of the New Jersey Apartment Association (NJAA), and our members who own, develop, and manage over 215,000 units of both market rate and affordable rental housing, we thank you for the opportunity to testify today before the Assembly Housing Committee.

We understand that New Jersey faces significant challenges as it pertains to the availability of quality affordable housing, and we offer to serve as a resource as you work to address these critical issues. With prices for single-family houses averaging over \$300,000 statewide, apartments are the best option for affordable living for many New Jerseyans.

NJAA's membership, which consists of professionally managed apartment communities, has a vested interest in making the distinction between good and bad landlords. In keeping with that, NJAA worked with Senator Ruiz on comprehensive legislation to hold bad actors accountable. Specifically, Senator Ruiz's bill (S-1150), which was signed into law last year, established a multi-tiered inspection system that rewarded good actors and punished bad actors or slumlords. Under the new law, the best properties are given seven years between inspections, while a significant number of properties would continue to be inspected every five years, and the worst properties will be inspected every two years. NJAA supported this legislation, and joined Lt. Governor Shelia Y. Oliver at a bill signing ceremony in Trenton.

Additionally, our members spend hundreds of thousands of dollars each year on education for their workforce. NJAA directly provides education and professional development classes for the industry, holding 40 to 50 classes each year. These classes include national certifications for leasing staff, property managers, maintenance personnel, and portfolio managers, along with fair housing training at all levels within an organization from maintenance staff and leasing agents to executives. We also offer classes on timely topics, for example, we recently held a course on how to respond during an active shooter situation.

We recognize that a vast majority of bills aimed at addressing landlord-tenant issues are not targeted at good actors, and we appreciate that. However, well-intentioned legislation may create unintended consequences, and we ask that you use us a resource to help ensure that legislation is appropriately targeted.

Finally, we ask that you keep in mind that every mandate has a cost, and ultimately, these costs will drive up the cost of housing in New Jersey. These costs hinder both the development and preservation of market rate and affordable housing. More specifically, there is a limited amount of money that is available for affordable housing construction, management and operation. When costs are increased, absent increased funding, less affordable housing will be built, existing housing will deteriorate, and/or the cost of housing will continue to rise.

Again, we look forward to a continued dialogue on these and other housing policy issues. If you have any questions or if you would like to discuss further, please do not hesitate to contact us at 732-992-0600.