

“Social justice should be the underlying goal of all humanity.”

-Alan V. Lowenstein, Institute Founder



**TESTIMONY OF HARBANI AHUJA, ESQ.  
NEW JERSEY INSTITUTE FOR SOCIAL JUSTICE  
IN SUPPORT OF S1446  
NEW JERSEY SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE  
THURSDAY, JANUARY 25, 2024**

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**do social justice.**

Good Morning, Chair Singleton, Vice-Chair Stack and Senators:

My name is Harbani Ahuja, and I am a Senior Counsel in the Economic Justice Program at the New Jersey Institute for Social Justice (the “Institute”). Thank you for the opportunity to submit testimony in support of S1446, which makes modifications to the State’s down payment assistance program for first-generation and first-time homebuyers.

The Institute’s cutting-edge racial and social justice advocacy seeks to empower people of color by building reparative systems that create wealth, transform justice and harness democratic power – from the ground up – in New Jersey.

We applaud the New Jersey legislature for creating a first-generation down payment assistance program that aligns with and strengthens the state’s existing down payment assistance program. We are pleased to see program implementation getting underway<sup>1</sup> and support the pending legislation, which will aid the success of the newly established program.

Owning a home is the primary way that most families build wealth. Today, just 41.7% of Black New Jersey households own homes compared to 77.0% of white New Jersey households.<sup>2</sup> As set forth in the Institute’s report, *Black Homeownership Matters: Expanding Access to Housing Wealth for Black New Jerseyans*, disparities in both who owns a home and the financial benefits of homeownership contribute significantly to wealth inequality.<sup>3</sup> The state’s homeownership inequities have contributed substantially to New Jersey having one of the largest racial wealth gaps in the nation, with its white families holding \$322,500 at the median compared to only \$17,700 for the state’s Black families.<sup>4</sup>

A first-generation homeownership program is an important step in the right direction for expanding access to homeownership for families who do not have access to intergenerational wealth for homeownership and we commend

the legislation for establishing the state’s new program last year. Down payment assistance program designs with both income and first-generation program eligibility requirements – as the new State program includes – create a larger eligible pool of participants that are families of color, and Black families specifically, rather than program designs based on income alone.<sup>5</sup> Analysis from the Urban Institute also highlights that first-generation down payment assistance programs do a better job of closing disparities in wealth than first-time homebuyer programs.<sup>6</sup>

We support the committee amendments to the loan program’s definition of “first-generation homebuyer,” which was included in the previous iteration of this bill at the end of the last session, (S4200) that incorporates individuals who were emancipated youth, or were designated as homeless, unaccompanied youth. A study in New York City indicated that homelessness puts youth at risk for poor outcomes in areas including education, employment, physical and mental health, and justice system involvement – and housing stability is critical for youth to thrive and successfully transition to adulthood.<sup>7</sup> As these are vulnerable populations who could benefit significantly from down payment assistance, we recommend that these populations be added to the current bill as seen in the earlier version.

Furthermore, we support the amended language which allows the first-time homebuyers assistance to be increased up to \$20,000 as written in the current version of the bill.

Lastly, the state should ensure that funds for this program are as robust as possible, and that the investments reach those with the greatest need. We know that many families in New Jersey have a dream of homeownership. We would like to see substantial investments in first-generation homeownership in the state – still, with the high demand for these programs, demand will likely outpace supply quickly as we saw in California with a similar program.<sup>8</sup> Consistent and robust funding will be crucial for this incipient program to have long-lasting and meaningful impact on the state’s homeownership gap and wealth inequalities.

We thank you for consideration of the bill today and urge you to vote in favor of S1446.

Thank you.

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<sup>1</sup> The Road Home New Jersey, <https://www.nj.gov/dca/hmfa/roadhome/>

<sup>2</sup> LAURA SULLIVAN ET AL., N.J. INST. FOR SOC. JUST., THE TWO N.J.S BY THE NUMBERS: RACIAL WEALTH DISPARITIES IN THE GARDEN STATE (2023), [https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1679924762/Two\\_New\\_Jerseys\\_By\\_the\\_Numbers\\_Data\\_Brief\\_3.23.23-compressed.pdf?1679924762](https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1679924762/Two_New_Jerseys_By_the_Numbers_Data_Brief_3.23.23-compressed.pdf?1679924762)

<sup>3</sup> NICHOLE NELSON ET AL., N.J. INST. FOR SOC. JUST., BLACK HOMEOWNERSHIP MATTERS: (2022), [https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1651592853/Black\\_Homeownership\\_Matters\\_Report\\_5.3.22\\_web.pdf?1651592853](https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1651592853/Black_Homeownership_Matters_Report_5.3.22_web.pdf?1651592853).

<sup>4</sup> LAURA SULLIVAN ET AL., N.J. INST. FOR SOC. JUST., MAKING THE TWO N.J.S ONE: CLOSING THE \$300,000 RACIAL WEALTH GAP IN THE GARDEN STATE 8 (2022),

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[https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1645217098/Making\\_the\\_Two\\_New\\_Jerseys\\_One\\_2.15.22-compressed.pdf?1645217098](https://assets.nationbuilder.com/njisj/pages/689/attachments/original/1645217098/Making_the_Two_New_Jerseys_One_2.15.22-compressed.pdf?1645217098).

<sup>5</sup> NAT'L FAIR HOUSING ALLIANCE AND CTR. FOR RESPONSIBLE LENDING, FIRST GENERATION: CRITERIA FOR A TARGETED DOWN PAYMENT ASSISTANCE PROGRAM: A PROPOSAL 4 (May 21, 2021).

<sup>6</sup> Choi, *supra* note 4.

<sup>7</sup> NYC CENTER FOR INNOVATION THROUGH DATA INTELLIGENCE, HOUSING TRAJECTORIES OF TRANSITION-AGE YOUTH 9 (March 2017), <https://www.nyc.gov/assets/cidi/downloads/pdfs/housing-trajectories-of-transitionage-youth.pdf>.

<sup>8</sup> Hanh Truong, *California Already Ran Out of Money for First Time Buyer Program. Here Are Other Options*, THE SACRAMENTO BEE, <https://www.yahoo.com/lifestyle/california-already-ran-money-first-172350061.html> (April 11, 2023).