

New Jersey's New Affordable Housing Legislation

An Overview Presented by:
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Presented to:
Borough of Haworth



New Affordable Housing Legislation

- Originally introduced on January 9, 2024
- Passed both houses on March 18, 2024
- Signed by Governor Murphy on March 20, 2024
- Key Purposes:
 - Reforms municipal responsibilities concerning provision of affordable housing;
 - Abolishes Council on Affordable Housing;
 - Establishes and funds Affordable Housing Dispute Resolution Program

[Second Reprint]
ASSEMBLY, No. 4
STATE OF NEW JERSEY
221st LEGISLATURE
INTRODUCED JANUARY 9, 2024

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SYNOPSIS
Reforms municipal responsibilities concerning provision of affordable housing; abolishes COAH; appropriates \$16 million.

CURRENT VERSION OF TEXT
As reported by the Senate Budget and Appropriations Committee on March 11, 2024, with amendments.

(Sponsorship Updated As Of: 3/18/2024)

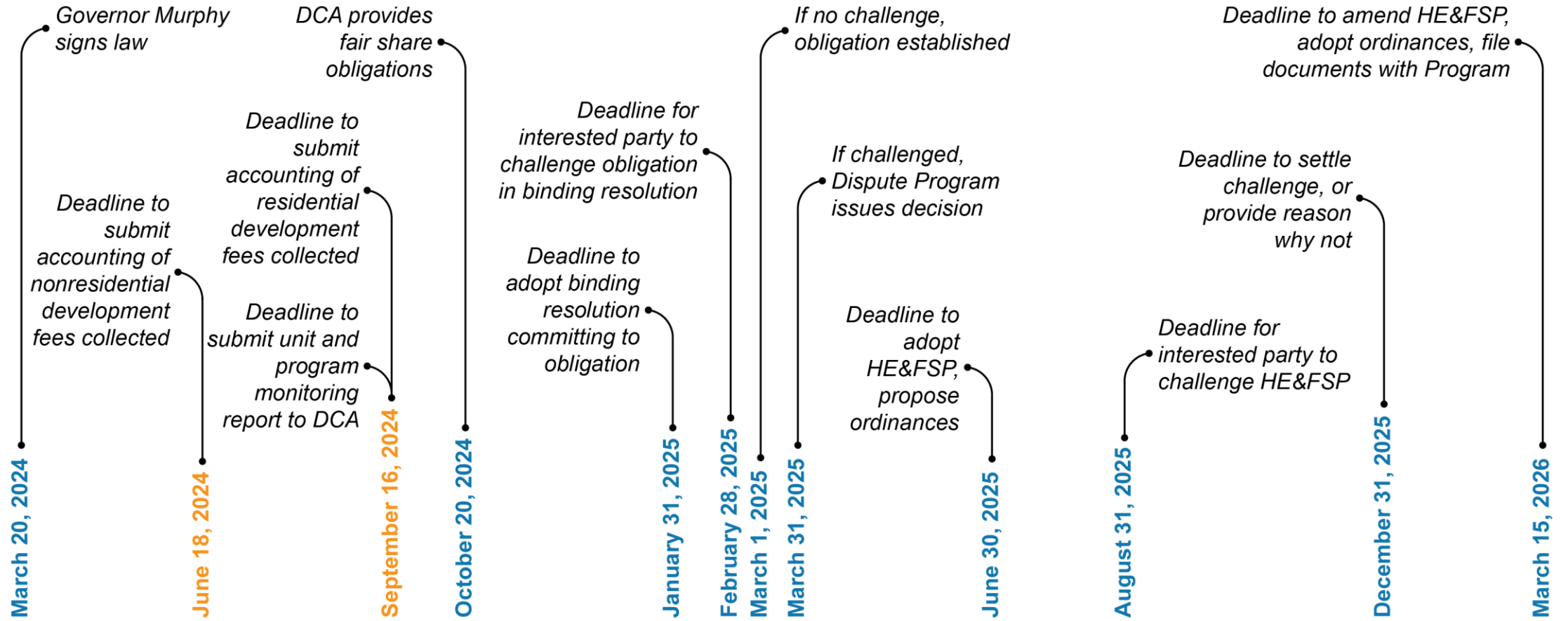


Old vs. New Legislation – Key Differences

Subject	Old Legislation	New Legislation
Senior Cap	25 Percent	30 Percent
Rental Bonus Credits	Available (One Unit)	Not Available
Deadlines	Individualized	Statewide Deadlines
Calculation of Prospective Need (1)	Not Established by Law	Established by Law
Calculation of Prospective Need (2)	No Regard to State + Regional Plans	Considers State + Regional Plans
Dispute Resolution	Relied on Courts	Establishes Specific Program
Fulfillment of Unmet Need	Must Enact General Mechanisms	Plan to Accommodate 25 Percent
Vacant Land Adjustment	Presumptive Density \geq 6 Units/Acre	Based on “Appropriate Standards”



Key Dates in New Legislation



Fair Share Obligation

Present Need

- Total Obligation
 - TBD

Round 1 + 2

- Total Obligation
 - 64 Units
- RDP
 - Zero (0) Units
- Unmet Need
 - 64 Units

Round 3

- Total Obligation
 - 223 Units
- RDP
 - 46 Units Provided
- Unmet Need
 - 177 Units

Round 4

- Total Obligation
 - TBD

Adjustment of Obligation

Vacant Land Adjustment

- Reduction of obligation based on lack of vacant land
- Permissible exclusions of land from consideration as vacant land:
 - Lands owned by a local government that adopted a resolution authorizing use of land for a purpose other than housing by January 1, 1997
 - Lands dedicated by easement or otherwise for conservation, park lands, or open space when controlled by a county, municipality, or non-profit entity and identified for such purpose in the municipal master plan
 - Contiguous lands that would accommodate fewer than five housing units based on appropriate standards



Adjustment of Obligation

Vacant Land Adjustment

- Permissible exclusions of land from consideration as vacant land:
 - Sites on State or National registers of historic places as of filing of the housing element
 - Preserved agricultural lands
 - Sites designated for active recreation when designated in the municipal master plan
 - Environmentally sensitive lands where development is prohibited by State or federal agency



Adjustment of Obligation

Vacant Land Adjustment

- In calculating realistic development potential of vacant developable land, assumed density to be based on “appropriate standards”
- Must identify parcels likely to redevelop during current round
 - Sufficient to accommodate 25 percent of adjusted obligation (unmet need)
 - Adopt zoning or redevelopment plans to facilitate redevelopment
- New legislation permits use of adjustments adopted by the Council on Affordable Housing, unless contradicted by statute or binding court decisions



Compliance Mechanisms

Bonus Credits

- Bonus credit caps
 - 25 percent of prospective need
 - 10 percent of age-restricted units
- Other restrictions
 - Maximum of one type of bonus credit per unit
 - No rental bonus credit



Compliance Mechanisms

Bonus Credits

- One bonus credit
 - Supportive housing units
 - Special needs housing units
 - Market-to-affordable units
 - Units in municipally-sponsored 100-percent affordable housing developments



Compliance Mechanisms

Bonus Credits

- One-half bonus credit
 - Units resulting from partnership with non-profit housing developer
 - Units within one-half mile of a bus, rail, light rail, or ferry station
 - Age-restricted units
 - Three-bedroom units above minimum requirement
 - Redevelopment of retail, office or commercial space
 - Municipally-sponsored extension of affordability controls on rental units
 - Very low-income units above minimum requirement



Next Steps

- Form an Affordable Housing Subcommittee
 - Start to plan response to total Fair Share Obligation
- Examine vacant land and local density characteristics
 - Basis for Vacant Land Adjustment
 - Check obligation calculated by Department of Community Affairs (DCA)
 - Basis for potential dispute of DCA obligation

