Date: 05/13/2010
Office Of The Governor

GOVERNOR CHRISTIE UNVEILS REALISTIC AND ACHIEVABLE MEASURES TO REFORM NEW JERSEY'S SYSTEM OF AFFORDABLE HOUSING

TRENTON, NJ -- Governor Chris Christie today outlined a realistic and achievable plan for affordable housing that creates a standards-based, municipally controlled system with minimal involvement from the State. New Jersey is facing dramatically different economic, demographic and social circumstances since the original Fair Housing Act was passed 25 years ago, which is why the current affordable housing system must be retired and replaced. Under the new system, the Council on Affordable Housing (COAH) and State-imposed housing obligations will be abolished and fair, affirmative, locally directed obligations to build low and moderate-income housing will be created.

As a result of the proposed changes, the rehabilitation of existing housing stock with be encouraged, a process largely neglected in the current system, and the affordable housing system will be moved away from state-controlled mandates and towards a locally-based system that focuses on future development. The Governor's proposal calls for a 10 percent affordable housing unit requirement in development projects greater than 10 units (i.e. 2 affordable units for a 20 unit development), and requires a payment to a municipal affordable housing trust fund for projects between 2 and 10 units. The Governor recommends provisions to give priority housing trust funding for projects that provide special needs housing.

"These new measures will help to fix a broken system by promoting sensible, predictable and achievable planning to implement change," said Governor Christie. "Affordable housing is a responsibility that must be naturally considered as part of normal development and local decision making. With strictly limited State involvement in the process, we are finally allowing for flexibility and customization that acknowledges our state's unique economic, community and housing needs."

In February, Governor Christie created a five-member Housing Opportunity Task Force chaired by former Senator Marcia Karrow to examine the State's existing approach to affordable housing and present recommendations to fulfill New Jersey's constitutional obligations in a manner consistent with sound planning and economic growth. In addition, the Legislature is actively considering reforms to affordable housing through legislation sponsored in the Senate by Senators Raymond Lesniak (D-20), Christopher "Kip" Bateman (R-16) and Jeff Van Drew (D-1) and in the Assembly by Assemblymen Vincent Prieto (D-32) and David Rible (R-11).

"I look forward to working with members of the legislature to adopt a reform plan that empowers municipalities with the flexibility to meet their affordable housing obligations based on the unique situations, circumstances and needs of their respective communities," added Governor Christie.

Under Governor Christie's plan, municipalities will have an increased role in determining their affordable housing needs.

* Municipalities will be required to conduct an inventory of existing affordable housing to determine what housing must be rehabilitated.

* The municipality must then formulate a plan to accomplish the rehabilitation.

New affordable housing construction will be tied to future housing development.

* Depending on the size of the residential development, affordable housing must be provided either on-site, off-site, or through a payment to the municipality's affordable housing trust fund in lieu of actual construction.

* Municipalities would be able to use funds in their affordable housing trust funds to support housing rehabilitation within their own municipality or in other municipalities which have significant rehabilitation needs but limited resources.

* Special needs housing will be given priority for both development and funding.

Also under the proposed plan, the current 2.5% commercial development fee would be repealed, which will help encourage economic growth.

With regard to zoning, municipalities seeking to comply must demonstrate that undeveloped residentially-zoned land and redevelopment will accommodate the affordable housing requirement. A municipality seeking protection from legal challenges and court-imposed remedies must develop and adopt a housing element as part of their municipal master plan.

State involvement in the new process will be substantially reduced.

* State affordable housing quotas will be abolished

* The Department of Community Affairs' (DCA) will file municipally approved housing plans and make them publicly available.

* If challenged, the Department of Community Affairs will conduct a review of municipal plans, which is limited to a determination that the plan is factually accurate and consistent with the law.

* The DCA will continue to administer the State Affordable Housing Trust Fund.

Six months after the enactment of proposed legislation, the Fair Housing Act will be repealed and COAH will be abolished. Affordable housing plan certifications granted by COAH will remain in effect and are afforded the continued legal protections until the certifications expire. Municipalities with pending certification requests are permitted to pursue those certifications or may withdraw and develop new plans consistent with the new proposed law.

"Governor Christie and I recognize the affordable housing needs that many people in the state have," said DCA Acting Commissioner Lori Grifa. "Unfortunately, the Council on Affordable Housing has often times been more burden than benefit to the point that New Jersey as a whole has fallen far short of its affordable housing goals," "The Governor's new affordable housing plan is a fresh approach that gives more control and flexibility to local governments while limiting state involvement. Ultimately, this plan will result in more affordable housing units being built in communities across the state."