



Contact:

Kevin D. Walsh
856-324-4461

kevinwalsh@fairsharehousing.org

Adam M. Gordon
856-577-7043

adamgordon@fairsharehousing.org

PROPOSED ASSEMBLY HOUSING LEGISLATION AS BAD AS S-1 Complex Fee Structure, Mandates for Half-Million Dollar Homes Leave Low- and Moderate-Income Families Out of the Equation

October 18, 2010 - A housing bill scheduled for introduction as soon as today is as bad as Senate bill S-1, which the Assembly rejected in June 2010. Under the new legislation, municipalities would possess unilateral control over housing affordable to low- and moderate-income families, seniors, and people with special needs and could choose to exclude it completely. However, municipalities would be given new requirements to build over 150,000 half-million dollar homes without making progress towards their starter home goals, a bizarre new Trenton mandate that neither fulfills the court decision voiding the state's housing policy just last week nor makes sense in the current market.

The Assembly bill, which is expected to be introduced by Assemblyman Jerry Green, represents the latest permutation of Sen. Raymond Lesniak's secretive, ever-changing, and strange proposals to overhaul the state's housing policy. It comes in the wake of a major court decision invalidating the Council on Affordable Housing's Third Round Rules just 10 days ago — a decision that the legislation ignores entirely. The new legislation would have the same impact on our state as S-1 because:

- Neither bill requires municipalities to actually provide opportunities for starter homes and apartments. The loopholes in the bill are so large that there is no requirement that any development in the state actually include starter homes for families earning under \$70,000 per year, lower-income seniors, or people with special needs.
- Both bills focus growth on South Jersey and exempt much of North Jersey. S-1 did so by considering whether housing was attached regardless of its cost; the new legislation does so by allocating required growth based on vacant land. These factors focus growth on South Jersey because it has more detached housing and has significantly more vacant land.
- Both bills encourage sprawl by failing to ensure that housing is developed near jobs and transit.

"We thought the Assembly had rejected S-1, but the Assembly bill has the same basic flaws as S-1 and looks a lot like the COAH rules that the courts held unconstitutional just ten days ago," Fair Share Housing Center Associate Director Kevin Walsh said. "The Assembly bill would allow growing, wealthy municipalities to do nothing except collect hundreds of millions of dollars in fees from developers, one-fifth of which they get to keep to pay their lawyers and planners in a bureaucratic scheme that makes COAH look like small potatoes. We need a better way of building and rehabbing starter homes in New Jersey, and will continue to work with Assemblyman Green and his colleagues to develop such a policy — but this bill isn't even close."

In addition to retaining many of the flaws of S-1, the new legislation:

- Forces most municipalities in New Jersey to zone for substantial numbers of new homes valued at \$500,000 based on strict mandates, while having no requirements for starter homes priced at \$200,000 or modest apartments, or supportive housing for people with special needs. An initial FSHC analysis finds that the bill forces municipalities to change their zoning to allow at least

County	Cost of Homes That Municipalities Must Zone For
Bergen	\$467,000-\$550,000
Gloucester	\$401,100-\$472,700
Middlesex	\$522,200-\$615,500
Ocean	\$451,600-\$532,200

150,000 new homes priced between \$400,000 and \$615,000, disproportionately in South Jersey, but does not promise municipalities any progress towards meeting their obligations to allow homes affordable to low- and moderate-income families in exchange.

- Includes a bizarre scheme that allows developers to pay municipalities a two to three percent developer fee and build only market-rate housing, even when they have been granted significant density bonuses by municipalities on the premise of building homes at a wide range of price points. Developers will choose this fee every time because it is cheaper than providing actual units for lower-income families.
- Permits municipalities to decline to spend the housing fees they collect with no consequence to the municipalities for doing so. By declining to spend the fees, the municipalities can block all lower-income housing. At the same time, they can keep one-fifth of the funds for themselves, meaning that hundreds of millions of dollars would go to paying municipal lawyers and planners instead of building homes.

The Assembly Bill is available [here](#). Further analysis of the Assembly housing bill, including a detailed explanation of its provisions, will be available here: <http://fairsharehousing.org/blog>.

Fair Share Housing Center, founded in 1975, is based in Cherry Hill. It is the only public interest organization devoted entirely to defending the housing rights of New Jersey's poor through implementing the Mount Laurel doctrine, which requires that each municipality provide its fair share of housing affordable to low- and moderate-income people. ###