



LEGISLATURE RUSHING BILL THROUGH
TO SUBSIDIZE LUXURY CONDOS IN JERSEY CITY, HOBOKEN

*Sites of Ten Most Expensive Condos in Jersey City,
Costing Up to \$1.6 Million, All Included*

June 27, 2011 - Trenton, NJ - With four days left before the Legislature breaks for the summer, one of the most controversial and costly bills up for debate - first considered just last Thursday - would provide up to \$150 million in state subsidies for luxury condominiums. The subsidies would be allowed in just nine municipalities in the state, including the Gold Coast's Hoboken and Jersey City.

"While hard-working New Jerseyans pay more and more in property taxes, the Legislature is considering granting \$150 million in tax breaks for million-dollar condominiums," Fair Share Housing Center Associate Director Kevin Walsh said.

The proposed legislation, S2972, has as its main sponsor Sen. Raymond Lesniak (D-Union), who has drawn controversy over the past year for a number of legislative proposals regarding housing policy. The bill came to light for the first time late Friday, as an amendment to an existing bill. The legislation would eliminate a requirement that the "Urban Hub Tax Credit" only be used for developments including apartments and condominiums affordable to middle-class families, and instead place no price limit on developments that could be built with the \$150 million in state subsidies. With only four days left before the Legislature's summer break, the full Senate could take up the bill as soon as today. An identical bill was introduced in the Assembly on Thursday to allow the legislation to pass by June 30.

Although seven other municipalities are eligible to receive the subsidies, Hoboken and Jersey City are expected to benefit the most because of their strong real estate markets. Selected cities with weaker real estate markets, such as Newark and Camden, in theory are eligible. But those cities, which could use the credits to build middle-class homes, are expected to receive significantly less than their wealthier counterparts. And other cities such as Perth Amboy and Passaic are excluded altogether.

"What's good for Sen. Lesniak's law firm clients like Hoboken is not necessarily good for the taxpayers of New Jersey," Walsh added. "A \$150 million state subsidy that could have been used for every single one of the [Gold Coast Real Estate Blog's Ten Most Expensive Condominiums in Jersey City](#) does not pass the smell test."

Walsh noted that the legislation, which was not even available to the public until approximately 24 hours after it was voted on in committee last Thursday, is one of three pieces of legislation being considered without public input this week to reduce housing opportunities for working families, seniors, and people with special needs to live near jobs and transit. The other two are:

- S2974 (also being sponsored by Lesniak) which would permanently repeal the state's non-residential development fee, a prime source of funding for housing choices. The bill text is not even available online four days before the end of the session.

- The state's budget in which Gov. Christie has proposed to divert funding from the state's Affordable Housing Trust Fund and provide zero funding from that fund for construction or renovation of homes affordable to families, seniors, and people with special needs. It is not clear yet whether the Democrats' alternative budget will treat this fund differently.

"If the various legislation being considered passes this week, the state will be taking money away from working families, seniors, and people with special needs throughout suburban, rural, and urban New Jersey," Walsh said. "It's not fair to ask middle class homeowners to subsidize building luxury condos in Hoboken."

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.

An earlier version of this press release contained an inadvertent error. It stated that Paterson would not be eligible for any Urban Hub Tax Credits. Paterson is in fact eligible. However, we believe that cities like Paterson, Camden, and Newark would receive fewer tax credits than Hoboken and Jersey City due to the stronger market in Hoboken and Jersey City and the \$150 million total cap on tax credits. Fair Share Housing Center regrets the error. The corrected version is above.

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