

An aerial photograph of a city, likely Los Angeles, showing a mix of urban development and construction. A semi-transparent blue rectangle is overlaid on the right side of the image. On the left side of the image, there is a white line-art map of a city grid, showing streets and building footprints. The text is centered within the blue rectangle.

Reforming Land Use Regulation to Encourage Housing Supply

October 1, 2024



DISCLAIMER

The views expressed today are the presenters' and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.



NJ's Affordable Housing Framework

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October 2024





Agenda

- History of the *Mount Laurel* Doctrine
- The current framework: A4/S50
- Mechanics and mechanisms



FAIR SHARE HOUSING CENTER

A nonprofit advocacy organization that uses legal, policy, and community-building strategies to dismantle decades of racial and economic discrimination in New Jersey and nationally that excludes people from the opportunity to live in safe, healthy, and affordable housing.



Fighting Displacement in Mount Laurel, 1970

“If you people can’t afford to live in our town, then you’ll just have to leave.”

- Bill Haines, then-Mayor of Mount Laurel



Ethel Lawrence, the “Rosa Parks of affordable housing”



The verdict and the responses

- Mount Laurel's **zoning laws systematically excluded residents** on the basis of class
- All municipalities are **responsible for providing their “fair share”** of affordable homes



- **Founding of Fair Share Housing Center** to enforce the Doctrine
- *Mount Laurel II* (1983), Passage of the **Fair Housing Act (1985)**

- “Communitistic” - Gov. Thomas H. Kean
- Regional Contribution Agreements (RCAs)
- Gov. Chris Christie suspending COAH

Revitalization: *Mount Laurel IV* (2015)

The Supreme Court unanimously ruled:

1. to transition **enforcement of the *Mount Laurel Doctrine* back to the judicial system**
2. towns **must work with FSHC** and other interested parties to meet their affordable housing obligations



Mount Laurel IV and affordable housing production

1980-2014	2015-2022
49,959 units total	21,891 units total
1,469 units/year	2,736 units/year

Since 2015...

81% of all multi-family developments are *Mount Laurel*-associated



A new beginning: NJ Bill A4/S50 (March 2024)



Outcomes of A4/S50

→ Codified the **Jacobson methodology** so new housing is linked to areas with:

- jobs and transportation
- existing affordability gaps
- land that isn't environmentally sensitive

→ Abolished COAH and preserved the ban on RCAs which let wealthy towns pay out of their affordable housing obligations

→ **Revised bonus structure** to incentivize

- supportive housing
- municipal contributions to 100% affordable developments
- converting units from market-to-affordable
- redevelopment and transit-oriented development

→ Aimed to increase transparency and data collection through **reporting requirements**



State Agency Involvement



Department of Community Affairs: publish initial guidance numbers, adopt rules on municipal affordable housing trust funds, training Municipal Housing Liaisons & Administrative Agents

NJ Housing & Mortgage Finance Agency: update Uniform Housing Affordability Controls (40-year rental and 30-year for-sale deed restrictions)

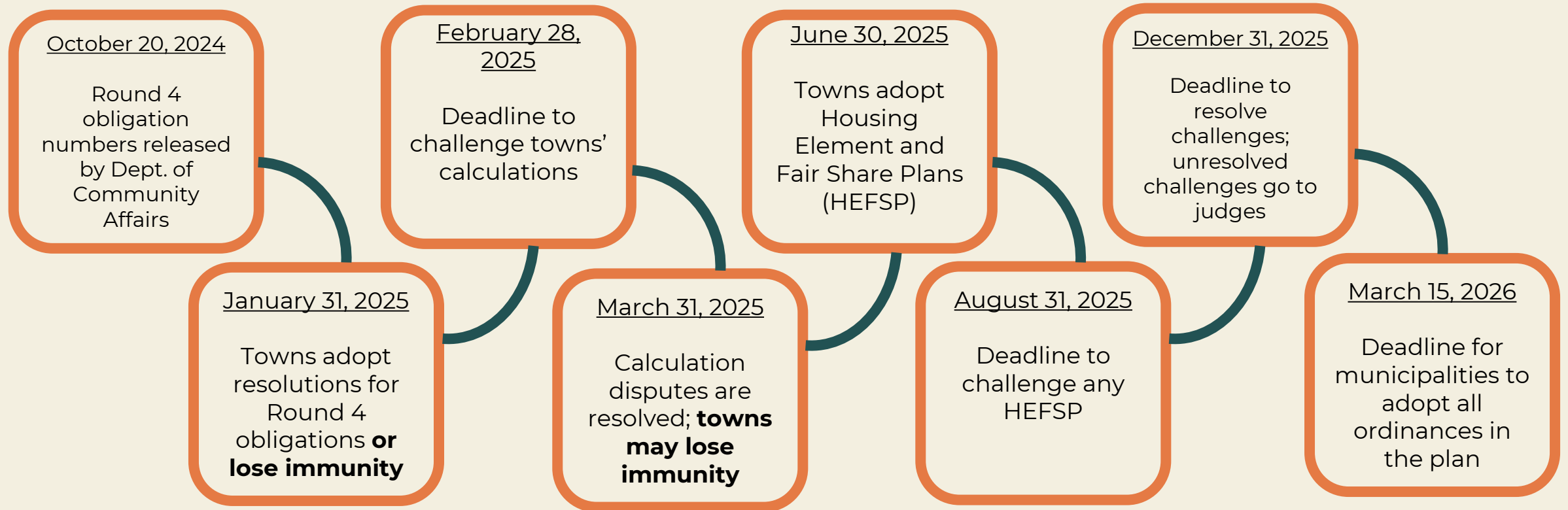
Administrative Office of the Courts: Adopt rules and administer the Affordable Housing Dispute Resolution Program (“the Program”)



Disputes and Round 4 Timeline

A4/S50 created an **Affordable Housing Dispute Resolution Program**

- Municipalities who cooperate receive immunity from exclusionary zoning litigation – a substantial benefit.



An aerial photograph of a suburban neighborhood with numerous houses and trees. A semi-transparent light yellow rectangular box is centered over the image, containing the title text. The background shows a dense residential area with various house styles and greenery under a clear sky.

How to plan for affordable housing

Housing Element and Fair Share Plan

Housing Element

- A. **Goal and Objectives**
- B. **Summary: Key Census Data Points showing realistic Affordable Housing opportunities presently exist in Glassboro**
 1. **Municipal Housing Stock Inventory:**
 - a. Age – Year Built: Table 1
 - b. Condition: Table 2
 - c. Value – Purchase or Rental: Tables 3, 4, 5, 6, 7
 - d. Occupancy Characteristics: Tables 8, 9, 10
 - e. Type: Table 11
 2. **Projection of Municipal Housing Stock:**
 - a. 10 year projection of low/moderate income housing based on construction permits issued, approvals, and residential development potential.
 3. **Municipal Demographic Characteristics:**
 - a. Population trends
 - b. Age characteristics: Table 12
 - c. Household size and type: Tables 14
 - d. Income level: Tables 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26
 4. **Municipal Employment**
 - a. Current: Tables 27, 28
 - b. Employment Outlook
 5. **Consideration of the lands most appropriate for construction of low and moderate income housing; of existing structures most appropriate for conversion or rehabilitation for low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.**
 6. **Conclusion**

Appendices

1. Executed Settlement Agreement: Affordable Housing Summary Exhibit A
2. Affordable Housing Trust Account Status: 12/31/17
3. Certified Planning Board Resolution Adopting the Housing Element
4. Certified Governing Body Endorsing the Adopted Housing Element

Prospective Need – 1,090 Units-RDP of 62 Units

Based upon the settlement terms, the Town of Westfield's Prospective Need is 1,090 units. As detailed previously by Table 23, the Town's RDP is calculated to be 62 units. The Town will satisfy its RDP as follows:

Table 24
Third Round RDP Compliance

Parcel	Units	Bonuses	Notes
William Nursery Block 1905, Lot 13 (additional units in Prior Round development resulting from an increase in density)	16		Family Sales; 130 total units, including 26 affordable units, of which 10 are attributed to the Prior Round and 16 are attributed to the Third Round
Myrtle Avenue Inclusionary, Block 4006, Lots 2 and 3	3		Family sales; received approvals in 2012; 16 units total
339 West Broad Street Block 3001, Lot 1	5	4	Family rentals; 31 total units, will meet UHAC bedroom distribution requirements
New Street, Block 3207, Lot 1.01	9	7	Family rentals; 70 total units; currently under construction
Sunnyside Block 3905, Lot 27	4	4	Family rentals; 24 total units
Westfield Senior Citizens Block 4901, Lot 9	16		Senior rental; constructed in 1995 (additional 14 units applied to Mount Laurel 4 th Round)
Myrtle Avenue 100% Affordable (ARC) Block 4007, Lot 13 and Block 4006, Lot 1	6		Special needs rental
Our House 506 Boulevard	4		Special Needs rental – completed in 2001
Homefirst Interfaith 550 Trinity Place Block 3008, Lot 5	2		Special needs rental – completed in 2009
Homefirst Interfaith 706 Central Avenue Block 4103, Lot 2	2		Special needs rental – completed in 2010
Homefirst Interfaith 710 Central Avenue Block 4103, Lot 3	2		Special needs rental – completed in 2011
Total	69	15	
Total Third Round Credits (69 + 16)		85	

Fourth Round Mechanisms

- ➔ Existing units: family, age-restricted, supportive/special needs
- ➔ New/proposed units:
 - meet the requirements for suitability
 - can use vacant sites or redevelopment
 - can be inclusionary, 100% affordable, credits for extensions to expiring controls, etc
- ➔ Zoning: site-specific or overlay with 20% set-aside
- ➔ Length of affordability: 40 years for rental housing, 30 years for homeownership

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How sites in a plan are chosen

1. By the municipality

2. Sites must be

- ✓ Available
- ✓ Approvable
- ✓ Developable
- ✓ Suitable

Not Suitable:

- Protected agricultural lands
- Environmentally sensitive regulated areas
- Flood hazard areas
- Steep slopes > 15%
- Inland wetlands

See NJAC 5:93-4.



Putting it all together: Fair Share Framework

- ✓ Legal requirement that municipalities provide their fair share of housing
- ✓ Methodology to calculate housing obligations that prioritizes affordable homes where it is needed most
- ✓ Strong network of advocates to ensure compliance
- ✓ Requirement for long-term affordability
- ✓ Flexible production mechanisms
- ✓ A strong legal enforcement framework





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