

FROM FEAR TO FACTS

THE NEW JERSEY HOUSING CRISIS



LEARN THE TRUTH ABOUT AFFORDABLE HOUSING

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**THE NEW JERSEY HOUSING CRISIS:
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Chapter 1

INTRODUCTION

New Jersey isn't known only for its diners, beaches, and boardwalk—it's gained a glaring reputation for the highest property taxes in the U.S., with residents paying an average of over \$10,000 a year. Adding to the financial pain, in 2025, the cost to live comfortably in New Jersey ballooned to nearly \$283,000 annually for a family of four, marking a shocking 12.55% increase from 2024.

New Jersey townships are suffering from high expenses, requiring the generation of more revenue. This leads to increased taxes for residents and contributes to the cycle of increased housing prices, a substantial decline in affordability, and diminished workforce housing.

Families, people with disabilities, seniors, veterans, and others cannot afford to live in the town they call home. Essential workers such as healthcare providers, law enforcement, and teachers have lengthy commutes to work because they cannot afford to live where they work. This creates a risk of essential worker shortages, adversely impacting community members' well-being and the community's ability to flourish.





With housing costs often exceeding 30% of household income, those with low- or moderate-income struggle to find safe and affordable housing. The National Low Income Housing Coalition (NLIHC) reported that for every 100 extremely low-income households, just 31 affordable rental units are available in New Jersey.

The State offers programs in the form of housing vouchers, tax credits, and subsidized rentals. These programs include options for people with disabilities, seniors, those exiting institutional care, and veterans. Still, with a limited housing supply and high demand, there are often program waitlists, making planning and early application prudent. Organizations such as Community Grants, Planning & Housing (CGP&H) manage these programs in New Jersey. They assist renters with the challenge of finding homes that comply with fair access and housing regulations.

This book serves as a reference guide for New Jersey housing advocates and those wanting to learn more. The guide examines the NJ housing crisis, the framework for affordable and essential workforce housing, and the many myths and perceived issues that surround affordable housing. Learn about the benefits of affordable housing in communities, assistance programs, and the outlook for the future.

When properly implemented, lower-income housing is beneficial for all communities. It is urgent that steps be taken to reduce homelessness, increase economic growth and stability, and create opportunities for everyone in towns throughout New Jersey.

Chapter 2

WHAT IS AFFORDABLE HOUSING AND ESSENTIAL WORKER HOUSING?

In New Jersey, **affordable housing** is defined as a unit where rent or sales price is capped at a level a household can afford, generally no more than 30%-60% of their gross income, and whose occupants earn at or below a specific percentage of their region's Area Median Income (AMI). Eligibility is based on income, with different levels for "very low," "low," and "moderate" income households, typically set at 30% or less, 50% or less, and 50-80% of the regional AMI, respectively.

Essential Workforce Housing

New Jersey **essential workforce housing** is defined as affordable housing options for people in occupations required for community function, emergency support, and a strong economy. Examples include teachers, police, firefighters, nurses, emergency responders, transit staff, electricians, and farmers. They sometimes earn too much for traditional affordable housing, but not enough for higher-cost units. The Multifamily Tax Subsidy Project (MTSP) is a federal program that supports affordable housing. MTSP sets income thresholds based on Area Median Income (AMI) to determine eligibility for subsidized housing. These homes are usually priced or rented to be affordable for people earning between 80% and 120% of the AMI. Essential workers often fall within the thresholds, making them eligible for the MTSP program.

Chapter 3

THE HISTORY AND FRAMEWORK FOR AFFORDABLE HOUSING IN NEW JERSEY

Affordable housing in New Jersey has been shaped by pivotal legal rulings and legislative actions collectively known as the Mount Laurel Doctrine. This doctrine establishes a constitutional mandate requiring every municipality to contribute its equitable share of affordable housing opportunities.

The Mount Laurel Doctrine (1975)

In *Southern Burlington County NAACP v. Township of Mount Laurel* (commonly known as *Mount Laurel I*), the New Jersey Supreme Court held that municipalities are prohibited from employing exclusionary zoning practices that effectively bar low- and moderate-income individuals from residing within their communities. The ruling emphasized that local zoning laws must offer genuine opportunities for affordable housing development.

Enforcement Mechanisms Emerge (1983)

The court reinforced its original ruling in *Mount Laurel II* by establishing the “builder’s remedy”—a legal tool that empowers developers to act against municipalities that neglect their affordable housing responsibilities. When a developer prevails in such a lawsuit, the court may authorize the construction of a housing project that includes a required portion of affordable units, even if it conflicts with existing local zoning regulations.

For example, assume that a township has proposed a basic two-story townhome development on a 3-acre parcel with 30 units in total. The township’s goal is to retain the neighborhood character with minimal infrastructure impact. The developer could file a Builder’s Remedy lawsuit against the township, arguing that the Mount Laurel Doctrine was not adhered to. If the lawsuit is successful, the developer can

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be given approval to build a larger mixed-use complex, of which only a small percentage are affordable.

The Creation of COAH (1985)

The Fair Housing Act (FHA), enacted by the New Jersey Legislature, established the Council on Affordable Housing (COAH).

COAH served as an administrative body assisting municipalities in meeting their affordable housing responsibilities. By obtaining “substantive certification” for their housing plans, towns could be protected from builder’s remedy lawsuits.

The FHA introduced Regional Contribution Agreements (RCAs), enabling more affluent communities to financially compensate other municipalities for assuming part of their affordable housing responsibilities.

COAH Becomes Defunct (1999–2015)

COAH ultimately proved ineffective in upholding the housing doctrine and failed to implement regulations for the “third round” of affordable housing obligations.

In 2015, the New Jersey Supreme Court deemed COAH defunct and transferred enforcement authority back to the courts, designating the Fair Share Housing Center to advocate for the public’s interest.

Recent Reforms and the “Fourth Round” (2024–Present)

In 2024, Governor Phil Murphy enacted legislation introducing a revised framework for determining affordable housing obligations from 2025 to 2035. Under this new law, the Department of Community Affairs (DCA) calculates each municipality’s “fair share” using an updated methodology incorporating variables such as income levels and the availability of developable land.

The state has released preliminary estimates for the so-called “fourth round” of housing obligations, though they are currently the subject of ongoing legal challenges.

The following are examples of several builders’ remedy lawsuits filed in New Jersey.

West Orange (2025)

In August 2025, the Township of West Orange faced at least two builder's remedy lawsuits.

- **Daughters of Israel:** The nonprofit nursing home filed a lawsuit against the township to build more affordable housing on its property.
- **Mayfair Farms:** In July 2025, a separate lawsuit involving the former Mayfair Farms site was filed to develop the property. The proposal seeks to include 82 affordable units and 41 bonus units, which would help the township meet its "Fourth Round" affordable housing obligations.

Lambertville (2025)

In July 2025, a New Jersey court revoked Lambertville's immunity from builder's remedy lawsuits.

- **K. Hovnanian Homes:** The developer, K. Hovnanian Homes, sought to rescind the city's Judgment of Compliance, arguing that it failed to meet its affordable housing obligations. As a result, the court granted the developer and other interested parties the right to file builder's remedy lawsuits against the city.

Middletown (2025)

In a case that reached the appellate court in 2025, a developer secured a court victory against Middletown.

- **AAMHMT Property, LLC:** The developer filed a builder's remedy lawsuit in August 2023 after the town missed its deadline for Mount Laurel compliance. The township tried to use eminent domain to condemn the property, but the trial court found Middletown was not in compliance with its affordable housing obligations. In July 2025, an appellate court blocked the town's use of eminent domain to stop the affordable housing project.

Livingston (2013)

A long-standing builder's remedy case against Livingston was upheld by an appellate court in 2013.

- **Squiretown Properties, LLC:** The developer sued Livingston after the township repeatedly denied a proposal to build residential apartments. The developer

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included a mix of market-rate and affordable units. A trial court eventually ordered the township to allow the construction of 220 apartments, with 44 reserved as affordable family rentals. The decision was later affirmed on appeal.

Toll Brothers v. West Windsor (2000)

This case, decided by the New Jersey Supreme Court, affirmed the validity of the builder's remedy.

- **Significance:** The court reaffirmed that it would grant builder's remedies to developers who successfully challenged exclusionary zoning in towns that had not met their fair housing obligations. The decision clarified that a successful builder's remedy suit entitles a developer to a court-ordered zoning designation.

Fair Share Calculations

Under the guidelines established by the 2024 law, the DCA has adopted a revised formula to assess each municipality's current and future housing needs.

Enforcement via the Courts

When a municipality and the Fair Share Housing Center disagree on a housing plan, the issue is brought before the court. This judicial process preserves the possibility of builder's remedy lawsuits, a powerful incentive for towns to fulfill their affordable housing obligations.

The matter is heard in court if a municipality and the Fair Share Housing Center cannot agree on a housing plan. This process maintains the threat of builder's remedy lawsuits, which pressure towns to comply with their obligations.

Key 2025 Deadlines

In 2025, New Jersey municipalities had urgent deadlines under the Round Four process for fair share housing plans. This process mandated that each municipality determine its affordable housing obligations for the 2025-2035 period. These municipal obligations include the adoption of a Fair Share binding resolution, adoption of a Housing Element and Fair Share Plan (HEFSP), and a deadline for Interested parties to challenge a municipality's HEFSP for non-compliance with the Fair Housing Act.

Although specific deadlines differed by locality, most municipalities adopted their plans by June 30, 2025. With that milestone reached, they must now proceed with subsequent actions to maintain protection against exclusionary zoning litigation.

Funding Mechanisms

Affordable Housing Trust Fund (AHTF): Financed through a share of the state's realty transfer fees, the AHTF offers grants and low-interest loans to municipalities, developers, and nonprofit organizations to support affordable housing development.

- **Local Affordable Housing Trust Funds:** Municipalities that collect fees from new construction projects must allocate a portion of those funds into local trust accounts. These accounts are specifically designated to finance affordable housing initiatives within the community.
- **National Housing Trust Fund (NHTF):** The state administers federal NHTF allocations, distributing them to qualified developers to create rental housing targeted at extremely low-income households.

Municipal Obligations and Credits

Municipalities must submit a Housing Element and Fair Share Plan (HEFSP) outlining how they intend to fulfill their affordable housing responsibilities. To meet these obligations, they may earn credit through a range of initiatives, including:

- The development of new affordable housing units
- The renovation of existing substandard homes
- The creation of accessory apartments designated for low- and moderate-income residents

Legal Protections for Residents

New Jersey's commitment to fair housing goes beyond the Mount Laurel framework, offering strong safeguards against discrimination. The state's Law Against Discrimination (LAD) builds on federal standards by explicitly prohibiting bias based on lawful sources of income and marital status, ensuring broader protections for residents.

Chapter 4

HOUSING CRISIS BACKGROUND AND HOW INTEREST RATES AFFECT HOUSING PRICES

The term *housing crisis* describes an extreme shortage of affordable housing rooted in an ongoing imbalance between supply and demand. The 2008 housing market collapse exacerbated this issue, which was further intensified in the 2020s as the Federal Reserve implemented interest rate hikes. The result is that housing is so expensive that many Americans cannot afford to rent or buy homes.

Interest rates play a pivotal role in shaping housing prices. They directly influence the cost of borrowing and, in turn, affect buyer affordability and overall demand within the market.

Background on the Recent Housing Crises

The 2008 Subprime Mortgage Crisis

The 2008 financial crisis marked a pivotal moment in global economic history. It was rooted in a volatile mix of ultra-low interest rates, loose lending standards, and sweeping deregulation across financial markets.

- **Cheap Credit and Risky Loans:** In the early 2000s, borrowing became remarkably affordable thanks to low interest rates. But lenders did not stop there—they aggressively issued high-risk “subprime” mortgages to individuals with shaky credit, betting on rising home values to offset the risk.
- **The Inflated Housing Market:** Fueled by easy access to credit, speculation surged, and home prices skyrocketed beyond sustainable levels. Many subprime mortgages featured adjustable rates with enticingly low introductory “teaser” rates, set to jump sharply after a few years, setting the stage for trouble.

- **The Collapse:** As interest rates climbed, those teaser rates expired, and monthly payments ballooned. Countless homeowners could not keep up, leading to defaults and foreclosures. Home values nosedived, and the complex web of mortgage-backed securities, once considered safe investments, crumbled, unleashing a global financial crisis.

The Post-2020 Affordability Crisis

A complex mix of economic forces has triggered a fresh wave of housing affordability challenges in recent years. At the heart of this crisis lies a collision of low inventory, soaring demand, and shifting financial conditions.

- **Pandemic-Era Interest Rates:** To cushion the economic blow of COVID-19, the Federal Reserve slashed interest rates to extraordinary lows. This move sent mortgage rates tumbling, making home loans more accessible and fueling a rush into the housing market. While beneficial at the time, it was not foreseen that many Americans would decide to stay in their homes due to the low interest rates, contributing to the following challenges.
- **Demand Surge Meets Supply Constraints:** The combination of cheap borrowing and a widespread shift to remote work ignited a homebuying frenzy. However, builders faced major hurdles—supply chain disruptions, material shortages, and rising labor costs—which throttled new construction and deepened the housing shortage.
- **Skyrocketing Prices and the Lock-In Effect:** With demand far outpacing supply, home prices climbed to record highs. Meanwhile, many homeowners who had secured ultra-low mortgage rates were hesitant to sell, creating a “lock-in effect” that further tightened inventory and limited market mobility.
- **Rate Hikes and Shrinking Affordability** Starting in 2022, the Federal Reserve reversed course, raising interest rates aggressively to tame inflation. Mortgage rates followed suit, climbing sharply and pushing homeownership out of reach for many prospective buyers.

How Interest Rates Affect Housing Prices

Interest rates are pivotal in shaping housing affordability and market dynamics, primarily through their influence on mortgage costs and buyer demand. Typically, there is an inverse relationship at work—when interest rates rise, housing prices tend

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to decline due to reduced purchasing power. When rates fall, prices often climb as demand strengthens.

When Interest Rates Rise

When a central bank such as the Federal Reserve raises its benchmark interest rate, borrowing becomes more expensive throughout the economy.

Rising Mortgage Costs: As a result, lenders typically hike interest rates on home loans. For prospective buyers, this translates into steeper monthly payments for the same loan amount, effectively shrinking their purchasing power.

Cooling Buyer Demand: With higher borrowing costs, many would-be buyers find themselves priced out of the market. This drop in demand can slow the pace of home price growth—or even trigger price declines—as sellers adjust their expectations to attract a smaller pool of buyers.

A Reason to Hold Off: With elevated rates, some buyers delay their purchase, hoping for more favorable conditions. At the same time, homeowners locked into low-rate mortgages are less inclined to sell and take on a pricier loan, contributing to the tight housing inventory that has characterized much of the 2020s.

When Interest Rates Fall

When a central bank lowers interest rates to stimulate economic activity, borrowing becomes more affordable.

More accessible mortgages: Reduced interest rates typically lead to lower mortgage costs, making monthly payments easier to manage. As a result, buyers can stretch their budgets to afford higher-priced homes.

Heightened market competition: Cheaper borrowing attracts a larger pool of prospective buyers. In markets with limited housing supply, this surge in demand can spark bidding wars and push property prices higher.

Increased investor activity: Lower financing costs also appeal to real estate investors, encouraging them to acquire more properties. This added demand further fuels price growth and intensifies competition.

Growing older population: Conversely, the state's older population (65 and over) is projected to grow substantially and account for a larger share of the total population. This demographic shift further contributes to the relative decline of the child population.

Chapter 5

THE FINANCIAL BENEFITS FOR NEW JERSEY TOWNS (PILOT AGREEMENT)

A municipality's ability to retain 95% of revenue from a Payment in Lieu of Taxes (PILOT) agreement is a significant financial benefit of affordable housing projects in New Jersey. Inflation caused town budgets to increase drastically. All affordable housing or market rate projects in New Jersey towns should have a PILOT to control the tax revenue.

Under traditional property taxes, towns only retain a fraction of the revenue, with the majority going to the school district and county. The PILOT structure, authorized by the state's Long-Term Tax Exemption Law, provides the municipality with significant and direct financial control.

The non-financial benefits of the PILOT agreement will be discussed in Chapter 6.

Increased Municipal Revenue and Budget Stability

- **Keeps 95% of revenue:** The most significant advantage is that 95% of all PILOT payments go directly into the municipal budget, and only 5% goes to the county. In contrast, a traditionally taxed property's revenue is split among the municipality, school district, and county, with the municipality often receiving less than 30%.
- **Long-term, reliable income:** PILOT agreements typically last 30 years, but can be shorter, providing a substantial and predictable revenue stream. This allows for more stable and long-term financial planning compared to the less certain revenue from conventional taxes, which can fluctuate year to year.
- **Reduces pressure on residential taxes:** The new revenue from PILOTs can support the municipal budget, which can help stabilize or even reduce the overall tax burden on existing residential property owners.

Supports Economic and Community Development

- **Makes projects financially feasible:** PILOTs incentivize developers to build affordable housing by reducing their upfront tax burdens and providing predictable payments. Without this tool, many affordable housing projects, particularly those involving costly construction in redevelopment areas, would not be economically viable.
- **Monetizes underutilized land:** PILOT agreements generate a new source of revenue by making development possible on vacant or previously underutilized land. ***This is of the utmost importance because vacant lots produce zero revenue.*** PILOTs usually require developers to pay a percentage of the project's annual gross revenue from the new construction. The township negotiates the rate, with a statutory minimum of 10% (although the affordable units can be slightly lower). Once the land is redeveloped, the municipality collects payments from a property that may have generated little or no tax revenue before.
- **Drives economic activity:** Beyond direct revenue, affordable housing developments create construction jobs and increase economic activity through new residents who patronize local businesses. This creates additional revenue for the township to offset the increased taxes.

Allows for Enhanced Negotiations

- **Negotiates for public improvements:** During the PILOT negotiation process, a municipality can require developers to include public improvements and other community benefits that directly benefit the neighborhood. Examples include open spaces, updated infrastructure, or environmental sustainability features.
- **Guards against excess profits:** The agreements often include provisions requiring developers to submit annual audited financial statements. If a project generates profits above a certain amount, the developer may be required to remit the excess to the municipality.

Addresses State-Mandated Affordable Housing Obligations

- **Meets fair share requirements:** Under the Mount Laurel doctrine, New Jersey towns are legally required to provide their fair share of affordable housing.

Using PILOTs to attract developers is a primary strategy for municipalities to satisfy this obligation without solely burdening existing taxpayers with the cost of construction.

Common Misperceptions About PILOT

In contrast to the financial benefits of PILOT, community members have several common concerns about possible adverse impact on municipality income, property taxes, and school funding.

Concern	Fact
The municipality will not receive as much money as it would with conventional taxes.	The amount received is sometimes equal to or greater than the amount the town would receive under traditional taxes.
PILOTs increase in property taxes for existing residents.	Revenue from the PILOT should exceed the costs associated with new residents. A PILOT will generate revenue that reduces the burden on existing taxpayers. In addition, they take a property that was generating zero dollars and create substantially more.
Schools will not receive their full budget.	The Board of Education is guaranteed to receive 100% of its budget yearly, with annual increases capped at 2%. Changes in municipal receipts to the positive or negative do not affect the budget.



Chapter 6

COMMUNITY BENEFITS BEYOND REVENUE FOR AFFORDABLE HOUSING IN NEW JERSEY

Affordable housing initiatives in New Jersey do far more than generate revenue or satisfy state requirements. They serve as powerful catalysts for community well-being. By providing stable, accessible living options, these projects improve residents' quality of life, support a reliable local workforce, and strengthen the social and economic resilience of towns across the state.

Research by RWJBarnabas Health indicates a strong connection between housing and good health and social and economic well-being. They report that environmental, socioeconomic, and behavioral elements affect 80% of all health outcomes. It was also noted that families spending more than 50% of their household income on housing may be unable to afford the cost of food and health care, resulting in food insecurity and poor health. Ultimately, if safe, affordable housing is not available for individuals and families, homelessness is often the result.

Social and Economic Benefits

Stabilizes and Attracts the Workforce

- **Retains essential workers:** As noted earlier, the prohibitive cost of housing in New Jersey makes it difficult for essential workers to live in the communities where they work. Affordable housing allows these necessary community members to reside locally, supporting a stronger, more stable workforce.
- **Supports local businesses:** By freeing up income that would otherwise be spent on high housing costs, affordable housing residents can increase their spending at local shops, restaurants, and other businesses. This stimulates the local economy and helps companies succeed.

Improves Community Stability and Equity

- **Enhances civic participation:** Studies show that when residents feel rooted and invested in their community, they are more likely to participate in civic life, volunteer, and engage with their neighbors. Stable housing allows this community pride to flourish.
- **Promotes economic mobility:** Integrated, mixed-income communities reduce the concentration of poverty and provide greater access to community resources and opportunities for low-income residents. This can help break cycles of poverty and improve outcomes for families and children.
- **Allows aging in place with senior housing options:** New Jersey's affordable housing initiatives include age-restricted units, which enable older adults to remain in their communities with dignity and support.

Promotes Better Health and Well-Being

- **Improves health outcomes:** A safe, stable, and healthy home is a primary determinant of health. By providing quality housing, communities can reduce environmental risks like lead exposure or contamination and provide residents with more financial capacity for healthy food and healthcare.
- **Reduces stress:** Housing instability and the stress of unaffordable housing can harm both physical and mental health. A stable housing environment provides a foundation for residents to pursue other goals and lead healthier lives.
- **Reduces overcrowding:** Affordable housing helps reduce overcrowded living conditions, linked to the spread of illness and a decline in mental health.

Strengthens Schools and Educational Outcomes

- **Boosts student performance:** Children with a stable home are likelier to perform better in school. Frequent moves and housing instability can disrupt a child's education and negatively impact their academic performance and relationships with peers and teachers.
- **Attracts school staff:** In towns with high housing costs, affordable housing is critical for attracting and retaining teachers and other school personnel who might otherwise be priced out of the community.

Environmental and Urban Planning Benefits

- **Promotes sustainable development:** Many affordable housing projects focus on infill development, which rehabilitates or develops vacant or underutilized land within urban areas. This approach prevents sprawl into open spaces and preserves the natural environment.
- **Enhances walkability and transit:** New affordable housing is often built in areas with existing infrastructure, near public transportation, and within walking distance of amenities. This reduces reliance on cars, cuts carbon emissions, and improves air quality.
- **Improves infrastructure:** Many projects involve improving municipal water, sewer, and electrical infrastructure, benefiting the neighborhood.

Designing for Greater Benefits

Beyond simply building units, New Jersey's Affordable Housing Trust Fund and other programs incentivize projects that specifically benefit the broader community. Projects that can receive enhanced funding or credits often include:

- **Transit-oriented development:** Placing housing near transportation hubs for commuter access.
- **Mixed-use development:** Including commercial and retail spaces alongside housing to create more lively, walkable town centers.
- **"Green" building standards:** Utilizing sustainable building practices that result in energy-efficient and environmentally friendly housing.
- **Neighborhood preservation:** Improving communities' physical appearance through beautification and safety improvements, resulting in revitalization, enhanced low- to moderate-income areas, economic growth, and community engagement.

Chapter 7

ADDRESSING MYTHS AND COMMON CONCERNS FOR AFFORDABLE HOUSING IN NEW JERSEY

Many towns across New Jersey experience pushback when planning new affordable housing projects. This resistance often stems from misinformation and unfounded fears. But when local governments engage residents transparently by sharing facts and listening to concerns, opposition is reduced and the chance of success for inclusive development is increased.

Research disproves common misconceptions, such as fears of declining property values or increased crime. This demonstrates that when properly designed, affordable housing can enhance neighborhoods and benefit residents. As housing costs continue to soar, the need for accessible, affordable options has become an urgent and unprecedented challenge that requires thoughtful, community-driven solutions.

Property Values

Concern: Affordable housing lowers the property values of nearby homes.

Facts & rebuttal: Multiple studies, including a 2013 Princeton and Northeastern University study on an affordable housing complex in Mount Laurel, found no negative impact on nearby home values. In some instances, such as rehabilitating blighted properties, the revitalization can increase values. Data shows that market stability and quality of life are primary drivers of property value, not the income level of residents.

Addressing concern: Developers can study potential impacts by referencing data from successful projects in comparable communities. Visualizing the high-quality design can also ease fears that the development will look out of place.

Crime Rates

Concern: Neighborhood crime will increase with the addition of affordable housing.

Facts & rebuttal: This fear is not supported by data. A 2013 study on Mount Laurel found no link between the affordable housing development and increased crime rates. Crime rates are more closely tied to socioeconomic conditions like poverty and unemployment, not housing type, and providing stable housing can lead to increased community cohesion and stability, lowering crime.

Addressing concern: As mentioned previously, data does not support this concern. For example, the following areas have affordable housing complexes, yet crime rates have decreased.

- A July 2025 report by Camden County notes that the total number of crime victims in Camden City decreased to 3,212 in 2024, down from 1991's high of 14,685, a 78.13% decrease. During the first six months of 2025, violent crimes showed a downward trend.
- Matawan, NJ, had no violent crimes during 2024 and was named by SafeHome as the safest community in New Jersey for property crime. Matawan ranks in the 84th percentile for safety in the U.S.
- Based on data from law enforcement agencies, a Neighborhood Scout report shows that Vernon Township is safer than 90% of U.S. cities. Vernon's crime rate is only 1 per 1,000 people; the chance of becoming a victim in Vernon is one in 687, making it one of the safest communities in NJ and the U.S.

Bear in mind that these and other municipalities with affordable housing are home to essential workers, seniors, and families who are invested in keeping their community safe. Many essential workers are residents of these communities, fulfilling vital roles in hospitals, grocery stores, fire departments, police departments, and other necessary infrastructure.

Traffic Congestion and Parking

Concern: The development will create more traffic and exacerbate parking problems.

Facts & rebuttal: The extent of these impacts depends on the size and location of the project. Many modern affordable housing projects are located near public transportation and are designed to be walkable, which can reduce car dependency.

Addressing concern: With proper planning, paired with zoning reforms and transit-oriented development, affordable housing can decrease traffic and parking issues. Also, over the next decade or two, self-driving cars and electric mobility, such as e-bikes and scooters, are expected to reshape how people move through urban environments dramatically. It is important that city planners begin designing for the future where car dependency is no longer the norm. While the pace and extent of this transformation remain uncertain, the shift is already underway and accelerating.

See Chapter 8 for statistics and more information on this topic.

Quality

Myth: Affordable housing is cheaply built and poorly maintained.

Facts & rebuttal: New Jersey affordable housing developments must adhere to the same construction standards as market-rate housing. Because they often involve public funding, these projects can be held to additional, and sometimes higher, standards. The goal is to have well-designed housing visually integrated into the community.

Addressing concern: Developers already aim for high-quality, safe, and durable construction to ensure good quality. The essential factor to integrating visually appealing construction is thoughtful design. See Community Character, which follows, for additional points related to quality.

Community Character

Concern: New developments will change the town's character and appearance.

Facts & rebuttal: Modern affordable housing projects are subject to the same architectural standards as market-rate housing and can be visually integrated into the neighborhood. In fact, many projects involve redeveloping underutilized sites and improving the overall aesthetic.

Addressing concern: Use transparent community engagement to discuss architectural and landscaping plans. Showcase renderings that demonstrate how the project will blend with or improve the existing community. Highlight how the development will house essential community members already part of the town's fabric.

Aesthetic Design and Blending Strategies

Developers are required to build affordable units indistinguishable from market-rate homes in the same development. This is accomplished using various techniques.

Architectural variety: Newer developments often feature contemporary designs that incorporate a mix of materials, textures, and facade manipulations to create visual interest. Instead of uniform buildings, designers create variety with angled exterior walls, bay windows, or other architectural elements.

- **High-quality finishes:** The Interiors of affordable units often include high-end amenities like those of market-rate units, such as stainless-steel appliances, quality flooring, and designer finishes.
- **Thoughtful site planning:** Designers consider a site's traffic, pedestrian paths, and landscaping. This can include attractive landscaping, scenic pathways, and gardens to enhance curb appeal.
- **Amenities:** Many developments feature shared amenities available to all residents, including affordable housing tenants. These can include fitness centers, clubhouses, pools, and recreational spaces.

Mixed-unit Layout Regulations

New Jersey's Uniform Housing Affordability Controls (UHAC) mandate a specific bedroom distribution for affordable units within non-age-restricted developments. This ensures a variety of housing options for different household sizes, from individuals to larger families. The required mix for the affordable units is:

- **Studios and one-bedrooms:** No more than 20% of affordable units.
- **Two-bedrooms:** At least 30% of affordable units.
- **Three-bedrooms:** At least 20% of affordable units.

The Mixed-Income Development Model

Much of New Jersey's new affordable housing is created through an "inclusionary" model, where a percentage of units in a larger market-rate development are set aside as affordable.

- **Integration:** To prevent segregation and stigma, these affordable units are typically interspersed throughout the development rather than clustered in a less desirable section.
- **Unit similarity:** All units, regardless of their affordability, must meet the same building standards for construction, safety, and durability. Affordable units must also be at least 90% of the minimum size of the corresponding market-rate units in the development.

The Role of Municipalities

Municipalities in New Jersey play a key role by adopting ordinances that align with state rules and establish their own design standards. This helps create a harmonious aesthetic with the surrounding community. For example, a town may have regulations governing exterior materials or building types to ensure that all new construction, including affordable housing, complements the existing neighborhood.

Tax Burden

Myth: Affordable housing increases the tax burden on municipalities.

Facts & rebuttal: Affordable housing does not disproportionately burden municipalities and can even enhance tax revenue. Residents contribute to the local economy through property taxes and local spending. Affordable developments often make a Payment in Lieu of Taxes (PILOT) to the municipality.

Addressing concern: City leaders and developers can help promote the many financial sustainability benefits of affordable housing. Mixed-income developments help grow the tax base, businesses get more foot traffic, and service costs are distributed across more households. Townships also negotiate the PILOTS. These payments can be lower than normal taxes or the same as normal taxes. These decisions are up to the town. The benefits for the developer are either lower taxes or certainty of knowing exactly what the taxes will be with an agreed-upon formula. This removes a potential conflict with the township later.

Eligible Residents

Myth: Affordable housing is only for the unemployed or poorest residents.

Facts and Rebuttal: Eligibility for affordable housing programs extends across a wide range of incomes, often including households earning up to 80% of the area

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median income (AMI). Residents frequently include essential community members like teachers, firefighters, police officers, and service workers.

Addressing concern: Continue to educate the public about eligibility for affordable housing.

School Resources

Concern: More students from new developments will burden the school system and educational outcomes, such as lower test scores.

Facts & rebuttal: Studios, one-bedroom, and two-bedroom units tend to attract singles or couples with no children, minimizing impact on school resources. While some children do live in one, two, or 3-bedroom units, with the overall decline in childbirth as noted in Chapter 9 and overall decline in school age children in NJ, we must plan for the future and anticipate that enrollment will be stable to slightly declining.

Addressing concern: Use detailed fiscal impact studies to show the effects of tax and enrollment. Explain that affordable housing helps attract and retain teachers and other school staff who often cannot afford market-rate housing in the community.

Past Development Failures

Myth: Affordable housing projects have failed in the past.

Facts & Rebuttal: This myth is a stigma related mainly to affordable housing between the 1950s and 1960s as part of major urban renewal and housing initiatives following World War II. This period saw a massive expansion of these developments, with the goal of clearing slums and providing affordable housing to low-income families. ***Modern affordable housing is extremely different and highly successful.*** The mid-20th-century housing boom often consisted of large high-rises that addressed housing shortages but later fell into disrepair and neglect, leading to their demolition. One example is the Pruitt-Igoe development in St. Louis. Considered state-of-the-art in the 1950s, it was demolished in the 1970s, just 20 years after its completion, due to neglect and dilapidation. Funding cuts in the 1980s and the HOPE VI program initiated in the 1990s accelerated the decline and demolition of once-prominent housing developments

What caused these developments to fail? Significant federal funding cuts to public housing, especially in the 1980s, left housing authorities unable to maintain and

repair these vast complexes, leading to deplorable living conditions. Also:

- **Social and Economic Factors** – The complexes became associated with poverty and crime, and their design and isolation contributed to the problems within the communities.
- **The Demolition Phase – Urban Renewal and HOPE VI** – The destruction of these projects was often part of urban renewal efforts or later programs like the HOPE VI program in the 1990s, which redeveloped or demolished distressed public housing.

The overall stock of public housing has decreased significantly since the 1980s, with the focus shifting from new construction to managing and redeveloping existing structures.

Addressing concern: The mid-20th-century public housing failures were caused by systemic issues, not the concept of affordable housing itself. By focusing on innovative approaches to design, management, community integration, and funding, supporters can effectively counter outdated criticisms and build public trust.

Strategy for Addressing Concerns

Keeping the community informed about affordable housing projects and sharing fact-based information is essential to addressing public concerns and misconceptions. The following are several fundamental steps that help to build community support.

- **Engage early and often:** Begin engaging with the community well before the project starts to shape public perception and build trust.
- **Use data and facts:** Counter misinformation with credible, fact-based information from studies on successful affordable housing projects.
- **Conduct robust outreach:** Create a community engagement plan with various communication channels, from town halls and focus groups to digital outreach.
- **Listen to all feedback:** Acknowledge and respond to all concerns, even those based on misconceptions. This shows respect for residents' input and helps to address valid issues.
- **Build broad support:** Create a coalition of supporters, including local business leaders, faith leaders, social service organizations, and key employers, to highlight the widespread benefits.

Chapter 8

THE UNMANAGEABLE TRAFFIC MYTH

The strongest argument against the myth that affordable or new housing creates unmanageable traffic is that it fails to account for the mobility patterns of the residents and the location and design of modern developments. New Jersey's focus on Transit-Oriented Development (TOD) and reduction of Single Occupant Vehicles (SOV) further strengthens this position by intentionally reducing car dependency. The success of this approach is demonstrated in the following statistics.

Towns	Affordable Housing Strategy	Traffic Change (%)	Source
Montclair	TOD new rail Stations	Car use (qualitative)	NJ Future
New Brunswick	Housing near campus & transit	5-8% SOV trips	Rutgers
Jersey City	The municipality will	Peak congestion	JC Infrastructure
Maplewood/SO	Joint TOD + housing plans	Transit use	NJTPA

Traffic Patterns and Household Composition

Fewer cars, fewer trips per household: Multiple studies have shown that households in multifamily and affordable housing own fewer cars and make fewer car trips per household than single-family homeowners. A National Personal Transportation Survey found low-income households make 40% fewer trips per household than others.

Different commute patterns: Residents in affordable housing often work locally in essential jobs (e.g., retail, healthcare, services). Allowing them to live closer to their workplaces reduces long commutes, a significant source of regional traffic congestion.

Seniors and reduced driving: Many affordable housing developments serve seniors, who typically own fewer cars and drive less frequently than the general population, reducing traffic impact.

Location and Design Considerations

Transit-Oriented Development (TOD): Many new housing projects, particularly affordable ones in New Jersey, are intentionally located near public transportation hubs. NJ Transit actively promotes TOD because it is proven to increase transit ridership, expand equitable access, and reduce reliance on personal vehicles.

Walkability and mixed-use design: Affordable developments are often part of a larger mixed-use strategy. Placing housing near retail, commercial, and office spaces encourages walking and biking for non-work trips, the largest number of trips in a typical day.

Infill development: By building on underutilized land in already-developed areas, municipalities can leverage existing infrastructure and transit options. This strategy prevents the suburban sprawl that increases overall traffic by forcing residents to drive for every errand.



Faulty Traffic Analysis

Outdated metrics: Traditional traffic impact studies often rely on outdated metrics, like “Level of Service” (LOS), which prioritize the flow of cars over other transportation modes. This approach is biased against higher-density developments in walkable areas and can be used to justify blocking new housing.

Overestimated traffic: These conventional vehicle-oriented methods often significantly overestimate the number of vehicles trips a new development will generate. Legal scholars and planners are increasingly critical of these models for perpetuating automobile dependency.

Community Benefits Beyond Traffic Reduction

Less need for new road infrastructure: Higher-density development near existing infrastructure can be more efficient than expanding roads to accommodate suburban sprawl, saving taxpayer money on costly road projects.

Environmental benefits: Reduced vehicle miles traveled (VMT) translates to lower greenhouse gas emissions and cleaner air for the entire community.



Chapter 9

PUBLIC SCHOOL ENROLLMENT STATISTICS IN NEW JERSEY

As noted previously, there is a myth that affordable housing will crowd the schools in the NJ school districts. However, the overall number of school-age children is dropping, and there are statistics to support this. Publicly available data from New Jersey education officials and other sources show that public school enrollment has declined statewide over the last decade. This trend provides important context for addressing the myth that affordable housing projects will overwhelm local schools.

Between the 2012-13 and 2022-23 school years, public school enrollment in New Jersey dropped by almost 36,000 students. Even when accounting for students who may have moved to private or homeschooling during the pandemic, the overall trend is clear: fewer children attend New Jersey's public schools.

- **Fewer young children:** The number of children under five years old in New Jersey fell by 7.2% between 2010 and 2020. This indicates a continuing trend of declining enrollment in the coming years as that cohort enters the school system.
- **Declining birth rates:** A primary driver of falling enrollment is a long-term decline in birth rates, a trend seen both in New Jersey and nationwide. Demographers note that millennials are having fewer children than previous generations.
- **Shrinking districts:** Many individual school districts across the state have experienced significant drops in student numbers. Examples include a 30% drop in Belmar Elementary between 2012 and 2022 and a 15% decline in Brick Township public schools during the same period.

There is a concern that, although the number of school-age children is declining, some townships have such highly rated schools that families with school-age children will always want to live in the community. If residents stay in their homes longer and do not sell, the turnover will be much less. This scenario creates a

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supply bottleneck, leading to fewer houses on the market, rising prices, and school enrollment may not drop as anticipated. Overall, this shifting dynamic impacts the housing market and school planning.

Addressing the Affordable Housing Myth with Data

This decline allows communities to add much-needed affordable housing without overburdening school resources.

- **Creates a buffer:** The existing and projected decline in student populations means many school districts have available capacity, or a “buffer,” to absorb a modest increase in students from new affordable housing projects.
- **Affordable housing generates fewer students per unit:** Studies by Rutgers University and other planning organizations show that affordable housing, especially in multifamily rental units, generates fewer school-age children per unit than market-rate, single-family homes.
- **Fiscal impact studies provide data:** Municipalities and developers can commission fiscal impact studies that provide concrete numbers on the projected number of students from a proposed project. This helps counter general fears with specific, data-driven projections.
- **Stabilizes funding:** As school districts see declining enrollment, per-pupil state funding can decrease, leading to budget cuts. The additional property tax revenue, or PILOT payments, from new affordable housing can help stabilize or increase revenue for the municipality, which can be allocated to support the school system and other municipal services.

Using this data, towns can demonstrate that new affordable housing is an opportunity to revitalize communities and provide stable homes for essential workers and seniors, all while working within existing school district capacity.



Chapter 10

SCHOOL IMPACT – MORE INFORMATION

While directly embeddable graphs showing the projected decline of New Jersey school-age children over the next 10 years are complex to generate through text-based interaction, the available search results offer compelling evidence and projections for this trend.

Here is a summary of the data, which supports the expectation of declining school-age populations in New Jersey over the next decade:

- **Birth rate decline:** New Jersey's birth rates have been declining, with a significant drop of 8.4% between 2010 and 2020. This downward birth trend suggests a continued decline in children entering the school system in the coming years.
- **Overall enrollment decline:** Between the 2012-13 and 2022-23 school years, public school enrollment in New Jersey fell by nearly 36,000 students.
- **Projected enrollment decline:** Based on analyses by the [National Center for Education Statistics \(NCES\)](#) and other sources, New Jersey schools are projected to experience a significant decrease in enrollment over the next decade.
- **Declining population under 5:** New Jersey's population of children under 5 years old fell by 7.2% between 2010 and 2020, indicating a smaller pool of children entering schools in the near future.
- **Georgetown University study:** An analysis by [Georgetown University's Edunomics Lab](#) predicts an 8% drop in New Jersey's K-12 public school enrollment between 2022 and 2031.

These statistics strongly indicate that the fear of affordable housing overwhelming schools is unfounded. The decline in enrollment suggests that many districts will have the capacity to accommodate new students from affordable housing developments, potentially mitigating financial strain caused by shrinking student numbers and associated per-pupil funding.

Chapter 11

MORE INFORMATION ON SCHOOL-AGE CHILDREN

New Jersey is experiencing a decline in public school-aged children, with enrollment dropping around 8% between 2022 and 2031 (projected), driven primarily by declining birth rates since a 2007 peak. This trend, exacerbated by the pandemic, is causing financial strains for schools, increasing the proportion of students in charter schools, and potentially leading to budget cuts, consolidation, or redistricting in some areas. While the population is growing, the number of young children has decreased, indicating a long-term demographic shift impacting school sustainability.

Key Statistics and Trends

Declining Enrollment: NJ Education Reports indicate a nearly 2% decrease in public school enrollment from 2019 to 2023.

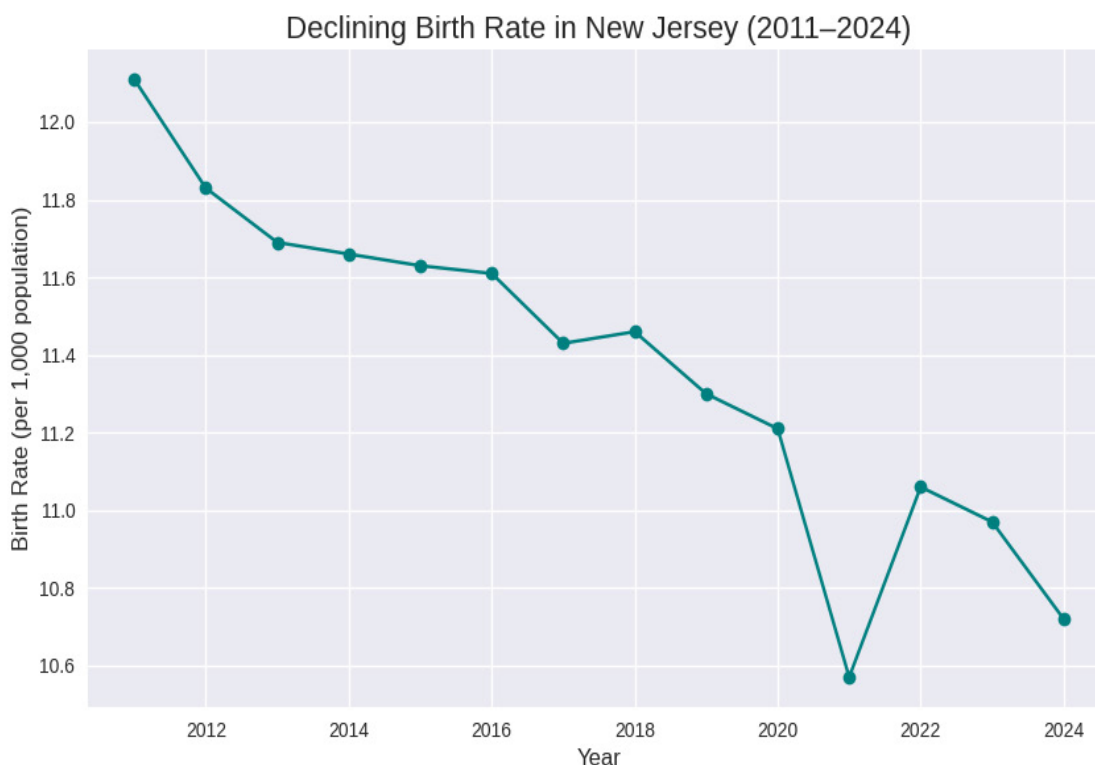
Projected Drop: NJ Education Reports-based analysis projects an 8% drop in NJ K-12 enrollment between 2022 and 2031.

Demographic Shift: The number of school-aged children (5-17) fell 1.2% from 2010 to 2020, while the total population grew.

Historical Context: Birth rates have declined since a mini-peak in 2007, falling to 10.9 births per 1,000 people in 2021 from 13.4 in 2007.

Reasons for the Decline

Falling Birth Rates: This is the primary driver, leading to fewer young children entering the school system. The following graph represents the decline from 2011 through 2024. It helps to demonstrate how economic pressures, demographic shifts, and societal changes impact family planning decisions in the state.



COVID-19 Pandemic: The pandemic accelerated enrollment drops and may have caused some parents to leave public schools for private or homeschooling options.

Migration: Some families leave areas where home values are too high for young families, seeking more affordable towns.

Impact on Schools

Budgetary Strain: State and local funding is tied to per-pupil enrollment, so fewer students mean fewer dollars for teacher salaries, supplies, and operational costs.

Shift to Charter Schools: Enrollment in charter schools increased significantly during the same period as public school enrollment declined.

Challenges for Local Districts: Shrinking class sizes, a lack of peer interaction, and increased operational costs create complicated financial situations for many districts.

Strategic Decisions: Schools may need to consider bold actions like consolidation or redistricting to ensure fiscal responsibility and maintain educational quality.

The Declining Population of Children: What to Expect in the Next 10 Years?

In the next decade, New Jersey's child population is expected to continue its decline, driven primarily by falling birth rates. Projections forecast a shrinking share of children in the state's total population through 2034, with significant implications for public school enrollment and funding.

Projected Child Population Decline

Share of population to decrease: Projections for 2014–2034 indicate that the share of New Jersey's population under 18 is expected to decline from 22.4% to 21.5%. Older projections for 2012–2032 also show a slight decrease in the child population's share.

Cause: Declining birth rates: As mentioned earlier, since a peak in 2007, New Jersey's birth rates have dipped and continue to decline. Between 2010 and 2020, the number of live births in the state fell by 8.4%.

Impact on public schools: Because state and local funding is often based on per-pupil enrollment, the decline in the child population is causing budgetary strains in many public schools.

According to a Rutgers Policy Lab analysis, public school enrollment has been declining and is projected to fall even faster in the coming decade. An additional 7% drop in enrollment was projected between Fall 2021 and Fall 2031.

Past and Present Trends

The projected decline follows a well-established pattern. Data from recent years confirms a shrinking child population in New Jersey.

A recent report by Advocates for Children of New Jersey (ACNJ) indicates that in 2020, children made up the smallest share of the national population on record.

Between 2010 and 2020, New Jersey's child population dropped by more than 57,000, or about 3%.

Diversity is increasing: Although the number of children is decreasing, New Jersey's child population is becoming more racially and ethnically diverse. In 2020, children of color made up 58% of the total child population, a 10% increase from 2010.

Chapter 12

ATTRACTING AND RETAINING ESSENTIAL WORKERS

High housing costs are a significant barrier to attracting and retaining essential workers like nurses, firefighters, police officers, and teachers. Essential workers are the backbone of New Jersey's communities, keeping hospitals running, classrooms filled, groceries stocked, and public services intact.

Yet, despite their important roles, many have an uphill battle to afford life in the state they serve. With housing costs soaring and everyday expenses climbing, many workers struggle to keep a roof over their heads or meet basic needs. New Jersey needs affordable housing to combat this crisis and ensure community stability.

Recruitment and Retention

- **Recruitment and retention issues:** Communities that fail to provide affordable housing for these required workers will lose them to other areas. Workforce housing helps ensure a stable talent pool for local businesses and public services.
- **Reduced turnover:** Essential workers who can live in or near the communities they serve are more likely to stay long-term. This reduces costly turnover and maintains continuity in crucial public services like public safety and education.

Enhancing Public Safety and Quality of Life

When essential personnel can afford to live in the communities they serve, the community becomes stronger, safer, and more resilient.

- **Reduced response times:** Firefighters, police officers, and EMTs who live locally can respond to emergencies faster. In a crisis, every minute counts.
- **Deeper community integration:** Locally housed essential workers are more invested in the community's well-being. They develop deeper relationships with residents and understand the community's exclusive dynamics, culture, and challenges, building trust and improving public health and safety.

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- **Mitigated burnout:** High-stress jobs like public service can lead to burnout. Living closer to work and having a stable home environment can help reduce this by allowing workers to spend more time with family and commuting less.

Boosting Local Economies

A strong supply of workforce housing contributes to a more lively and resilient local economy.

- **Increased spending:** Essential workers who do not spend a substantial portion of their income on long commutes have more discretionary income to spend at local businesses and shops, stimulating the local economy.
- **Reduced commute times and traffic:** As discussed previously, housing essential workers locally reduces regional traffic congestion and air pollution, improving the quality of life for all residents.
- **Stable local spending:** Workforce housing residents provide a stable demand for local goods and services, helping businesses in the community prosper.

Creating Equitable and Diverse Communities

Workforce housing helps foster more equitable and inclusive communities where people of varying backgrounds can live and flourish.

- **Diverse socioeconomic backgrounds:** Including workforce housing ensures that communities are not exclusively for high-income earners. This socioeconomic diversity enriches the social fabric and promotes mutual understanding and collaboration among residents.
- **Preventing displacement:** By prioritizing workforce housing, communities can ensure that long-term residents and workers are not priced out of their neighborhoods as economic development progresses.
- **Stronger schools and families:** Stable housing is proven to improve educational outcomes for children, as they are less likely to experience disruptions from frequent moves. This creates more engaged and resilient families and a stronger community.

Addressing the Housing Mismatch in New Jersey

Research by New Jersey Future found a significant mismatch between the distribution of jobs and affordable housing. Many municipalities with large and growing jobs lack sufficient housing options for their workforce.

- **Separation of workers and jobs:** This mismatch forces workers to commute long distances, leading to burnout and decreased job satisfaction.
- **Skewed housing distribution:** Historically, a few municipalities have hosted most of the state's affordable housing, while many job centers have little to none. Workforce housing helps correct this imbalance by ensuring essential workers can live near where they work.

ESSENTIAL WORKERS NEED HOUSING TOO



Chapter 13

THE FUTURE OF AFFORDABLE HOUSING IN NEW JERSEY

The future is defined by a new, more streamlined legal framework and aggressive development goals. The state has committed to building and rehabilitating thousands of affordable units over the next decade to address a critical housing shortage. Your community should care about this not just for legal compliance, but because it is crucial for long-term economic stability, workforce retention, and social equity.

New Legal Framework for the 4th Round

- **New law (A4/S50):** In March 2024, Governor Murphy signed a landmark affordable housing bill that significantly amends the state's Fair Housing Act.
- **Abolished COAH:** The new law officially abolishes the defunct Council on Affordable Housing (COAH), which had been ineffective for years due to prolonged court processes for housing plan certification, legislation and administration inaction, and mismanagement.
- **DCA sets obligations:** The Department of Community Affairs (DCA) publishes affordable housing obligation calculations for each municipality (Fair Share obligations). The obligations are calculated using a formula comprised of regional job growth, income distribution, land availability, nonresidential property values, and existing housing deficiencies. These obligations are recalculated every decade in cycles called Rounds. The current one is the Fourth Round (2025–2035). Municipalities can adopt DCA's calculations or submit their own, provided they comply with the law.
- **Streamlined dispute resolution:** For municipalities that challenged their assigned obligations, the new law created a dispute resolution program to avoid protracted legal proceedings.

Enforcement of Affordable Housing Obligations

This system is designed to enforce the constitutional obligation of municipalities to provide realistic opportunities for affordable housing, but it can be complex and controversial.

- **Court Protection via Settlement:** Municipalities can proactively seek court protection by negotiating a settlement with the Fair Share Housing Center (FSHC), a nonprofit advocacy group. This enables townships to avoid litigation and work collaboratively to meet their affordable housing obligations.
- **Litigation Risk:** If a municipality does not act, it risks being sued, usually through the “builder’s remedy” lawsuit. Developers can seek court approval to build high-density housing, including affordable units, bypassing local zoning restrictions.

Settlement Process

- **Calculation of Obligation:** The FSHC often uses data from the NJ Department of Community Affairs (DCA) or local data to determine how many affordable units a town must plan for.
- **Special Master Oversight:** A court-appointed housing special master helps mediate disputes and ensure compliance. A judge must approve the final agreement.

Litigation and Delays

- **Court-Ordered Development:** If a municipality lacks a fair share plan and loses in court, a judge can approve development that includes affordable housing, even if the municipality objects.
- **Delays and Shortages:** Disagreements about housing obligations and a shortage of qualified special masters and judges may lead to prolonged litigation and delays in resolving cases.

Battles in the Courts

A high-stakes legal and political tug-of-war is shaping New Jersey’s future in affordable housing. The state faces several ongoing court battles over affordable housing, reflecting deep tensions between municipalities, developers, and housing advocates.

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1. Challenge to the 2024 Affordable Housing Law

Known as Assembly Bill A4 / Senate Bill S50, the 2024 Affordable Housing Law was signed into law by Governor Phil Murphy on March 20, 2024. It is the most significant overhaul of the state's affordable housing system in forty years.

- **Status:** Active litigation and appeal
- **Details:** A coalition of 26 towns sued to block a major overhaul of New Jersey's affordable housing system, claiming the law is unconstitutional and would harm local autonomy. The law amended the 1985 Fair Housing Act and shifted oversight from courts to a new administrative process.
- **Recent Ruling:** Judge Robert Lougy declined to pause the law's implementation, stating the public benefit outweighed the towns' concerns. The towns plan to appeal and expand their lawsuit to challenge new state court guidance requiring municipal plans to be reviewed by the Fair Share Housing Center.

2. Middletown Township vs. AAMHMT Property, LLC

This lawsuit is a compelling example of how affordable housing law intersects with municipal redevelopment powers in New Jersey. The dispute centers around New Jersey's Mount Laurel doctrine, which requires municipalities to provide realistic opportunities for affordable housing. AAMHMT filed a "builder's remedy" lawsuit on August 17, 2023, claiming Middletown Township was not meeting its third-round Mount Laurel obligations and sought rezoning to allow affordable housing development.

Just days later, the Township adopted a resolution to investigate whether the property should be designated as an "area in need of redevelopment" for condemnation purposes a move that would allow the Township to seize the land via eminent domain and block the proposed housing project.

- **Status:** Heading to the New Jersey Supreme Court
- **Details:** Middletown tried to use eminent domain to block a developer's plan for a 937-unit residential complex, including affordable housing. The developer filed a "builder's remedy" lawsuit, arguing the township violated its housing obligations.
- **Court Ruling:** The Superior Court sided with the developer, preventing the township from seizing the land. Middletown is now appealing to the state's highest court.

Incentives for Development

New Jersey has recently enacted some of the most robust affordable housing legislation in the country. The legislation aims to incentivize development and streamline compliance for municipalities and developers.

- **Focus on transit-oriented development:** The new law provides bonus credits for affordable housing projects built near transit hubs, incentivizing density in areas with existing infrastructure and access to jobs. Transit-oriented developments must be supported and approved to help communities recover from the housing crisis. Take the case of a proposed project adjacent to a light rail station entrance. A 6-story, 84-unit development was proposed; 17 units would be affordable. Without reason, the project was rejected by township leaders. This means that 17 families do not have an affordable home to live in, and the community housing crisis continues.
- **Commercial to residential conversion:** New legislation is also being considered to allow for the conversion of underutilized commercial properties into residential or mixed-use developments, which can increase housing stock without significant land use changes.
- **Accessory dwelling units (ADUs):** A new state law offers financial incentives and removes barriers for municipalities that encourage the development of ADUS



Chapter 14

WHY YOUR COMMUNITY SHOULD CARE

1. Sustained Economic Competitiveness

- **Attract and retain talent:** New Jersey is losing young adults to other states with more affordable housing. By increasing affordable and workforce housing, communities can retain crucial young talent and support businesses' ability to attract and keep a skilled workforce.
- **Reduce out-migration:** A lack of affordable housing has driven low- and moderate-income residents out of the state. These options ensure a more stable resident population and strengthen the state's long-term economic vitality.
- **Stimulate local economies:** Residents in affordable housing spend more of their discretionary income at local businesses. This boosts the local economy and can increase the municipal tax base.

2. Enhanced Quality of Life

- **Increased public safety:** When essential workers like firefighters and police can afford to live in the community they serve, it improves response times and fosters better relationships between residents and public servants.
- **Stronger schools and better educational outcomes:** Housing stability is linked to better academic performance for children. Stable housing allows families to stay in one school system, and affordable options help districts attract and retain teachers and staff who might otherwise be priced out.
- **Improved health and well-being:** A safe, stable, and affordable home is a primary determinant of health. It gives residents more financial capacity for healthy food and healthcare, reducing financial stress and improving overall health outcomes.

3. Ethical and Equitable Development

- **Moral and legal obligation:** The Mount Laurel doctrine is a constitutional mandate for New Jersey communities. Moving forward with these plans is not just a legal necessity but a moral responsibility to create a more equitable state and combat the legacy of residential segregation.
- **Diverse and inclusive communities:** Affordable housing helps create more varied and mixed-income communities, which reduces concentrated poverty and provides greater access to opportunities for all residents.
- **Preventing displacement:** By prioritizing affordable options, communities can help ensure that long-term residents and workers are not priced out of their neighborhoods as economic development occurs.



Chapter 15

CONCLUSION

The story of affordable housing in New Jersey is not just about buildings and budgets—it's about people, priorities, and the future we choose to create. Throughout this book, we have explored the mounting challenges: a persistent shortage of affordable units, rising living costs that outpace wages, and the urgent need to support the essential workforce that keeps our communities running. These issues are not isolated; they affect every aspect of life, from education and healthcare to economic growth and social cohesion.

Still, there is hope. We have seen how affordable housing can contribute to stronger, more resilient communities. It offers financial stability for families, reduces homelessness, and promotes diversity and inclusion. Local economies flourish when residents can live near their jobs, and municipalities gain long-term fiscal health when housing is thoughtfully integrated into planning.

Dispelling myths and addressing concerns is critical. Affordable housing does not mean lower standards or diminished property values. It means opportunity, dignity, and sustainability. It's time to change the narrative from fear to facts.

Why should people care? Because housing is not a luxury, it's a foundation. Whether you are a policymaker, a developer, a neighbor, or a parent, the availability of affordable housing affects you. It shapes the workforce, the schools, the traffic, and the fabric of our communities.

Incentivizing development through smart zoning, tax credits, public-private partnerships, and community engagement is essential. The future of affordable housing in New Jersey depends on bold leadership, innovative thinking, and a shared commitment to equity.

As we look ahead, the question is not whether we can afford to invest in affordable housing, but whether we can afford not to. The path forward will require collaboration, transparency, and compassion. With that mindset, we can build a New Jersey where everyone has a place to call home.

GLOSSARY

A

Accessory Dwelling Unit (ADU):

A secondary housing unit on a single-family residential lot, often used to increase affordable housing options.

Affordable Housing:

unit where rent or sales price is capped at a level a household can afford, generally no more than 30% of their gross income, and whose occupants earn at or below a specific percentage of their region's Area Median Income (AMI).

Affordable Housing Trust Fund (AHTF):

A fund used by municipalities to support affordable housing initiatives.

Area Median Income (AMI):

The midpoint income for a region, used to determine eligibility for affordable housing programs.

C

Community, Grants, Planning and Housing (CGP&H):

An organization specializing in affordable housing planning, procurement of grants and loans, and COAH compliance. It is a full-service, affordable housing implementation company.

COAH (Council on Affordable Housing):

Former state agency created by the Fair Share Housing Act (1985) to oversee affordable housing obligations. Abolished and replaced by judicial oversight.

Community Development Block Grant (CDBG):

Federal funding program supporting housing and community development for low-income populations.

FROM FEAR TO FACTS

D	Department of Community Affairs (DCA):	New Jersey state agency responsible for housing policy, including oversight of affordable housing programs.
E	Essential Workforce Housing:	Affordable housing options for people in occupations required for community function, emergency support, and a strong economy. Examples include teachers, police, firefighters, nurses, emergency responders, transit staff, electricians, and farmers.
F	Fair Share Housing Act	Legislation requiring municipalities to provide their “fair share” of affordable housing.
	Fair Share Housing Center (FSHC):	A nonprofit advocacy group that promotes the rights of low- and moderate-income residents and enforces fair housing laws in New Jersey.
	First Round Obligation:	Affordable housing obligations assigned to municipalities from 1987 to 1993.
H	HEFSP (Housing Element and Fair Share Plan):	A required municipal plan outlining how local governments will meet affordable housing obligations under NJ law.
	HUD (U.S. Department of Housing and Urban Development):	Federal agency that funds and regulates affordable housing programs nationwide, including in NJ.

J	Judgment of Compliance and Repose (JOR):	A legal ruling that confirms a municipality's affordable housing plan complies with state requirements.
L	Low-Income Housing Tax Credit (LIHTC):	Federal tax incentive for developers to build affordable rental housing.
M	Multifamily Tax Subsidy Project (MTSP):	A federal program that supports affordable housing. MTSP sets income thresholds based on Area Median Income (AMI) to determine eligibility for subsidized housing.
N	National Low Income Housing Coalition (NLIHC):	A non-profit organization dedicated to ending the affordable housing crisis. It aims to expand and preserve housing for people with extremely low incomes.
	NIMBY:	"Not in my backyard," describes people who oppose the construction of affordable housing developments in their neighborhood, even if they support them for society as a whole. This opposition is often based on myths and misconceptions.
P	Present Need Obligation / Rehabilitation Share:	The number of substandard housing units occupied by low- or moderate-income households that must be rehabilitated.
	Prior Round Obligation:	Combined housing obligations from the First and Second Rounds (1987-1999).
	Prospective Need Obligation:	Projected affordable housing needs for the Third Round (1999-2025).

	Public Housing Authority (PHA):	Local agencies that manage public housing units and administer housing vouchers.
S	Second Round Obligation:	Affordable housing obligations assigned to municipalities for the period from 1993–1999.
	Section 8:	Federal housing assistance program providing rental subsidies to eligible low-income households.
	Substantive Certification:	Former COAH approval process for municipal housing plans, now replaced by judicial review.
T	Third Round Obligation:	The affordable housing need assigned to municipalities for the period 1999–2025. This round has been subject to extensive litigation and judicial oversight.
	• Transit-Oriented Development (TOD):	Housing and mixed-use development designed around public transit hubs to increase accessibility and reduce reliance on cars.
	Trust Fund Monitoring:	Oversight of municipal Affordable Housing Trust Funds to ensure proper use of funds for housing development and rehabilitation.
U	Uniform Housing Affordability Controls (UHAC):	New Jersey regulations that govern the pricing, resale, and rental of affordable housing units to ensure long-term affordability.

Urban Enterprise Zone (UEZ):

Designated areas in New Jersey that offer economic incentives to encourage development, which may include affordable housing components.

V

Very Low-Income Household:

A household earning less than 30% of the Area Median Income (AMI), often prioritized in housing assistance programs.

Voucher Program:

A rental assistance program (such as Section 8) that allows eligible households to rent housing in the private market with government subsidies.

W

Workforce Housing:

Housing targeted toward moderate-income workers such as teachers, police officers, and healthcare workers who may not qualify for traditional low-income housing but still face affordability challenges.

Z

Zoning Ordinance:

Local laws that regulate land use, including provisions for affordable housing such as inclusionary zoning or density bonuses.

Zoning Board of Adjustment:

A municipal body that reviews applications for variances from zoning ordinances, which may impact affordable housing development

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