Affordable Housing: The What and the How

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#ICMA2018
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AFFORDABLE HOUSING AND THE NEW JERSEY EXPERIENCE
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Objectives

- Briefly review the Mount Laurel Decision and how it affects municipalities in New Jersey and their ability to provide affordable housing.
- Understand the target populations municipalities need to serve.
- Discuss different avenues for partnerships in the development of affordable housing.
- Explore various methods of creating affordable housing and the various housing types.
- Review samples of projects completed in Middletown, New Jersey.
Mount Laurel Decision

• 67 N.J. 151 (1975); 336 A.2d 713
• The Supreme Court of New Jersey
• January 8, 1974 – Argued
  March 24, 1975 – Decided
The Mount Laurel doctrine is a controversial judicial interpretation of the New Jersey State Constitution. The doctrine requires that municipalities use their zoning powers in an affirmative manner to provide a realistic opportunity for the production of housing affordable to low and moderate income households.

The doctrine takes its name from the lead case in which it was first pronounced by the New Jersey Supreme Court in 1975: Southern Burlington County N.A.A.C.P. v. Mount Laurel Township (commonly called Mount Laurel I), in which the plaintiffs challenged the zoning ordinance of Mount Laurel Township, New Jersey, on the grounds that it operated to exclude low and moderate income persons from obtaining housing in the municipality.
Mount Laurel Result

- Decades of non-stop litigation.
- The development of approximately 60,000 affordable housing units.
- A projected need for still more affordable housing units through 2025; estimated between 64,844 and 284,974 units.
- Turned public school students into Public Enemy #1.
- The full employment act for certain lawyers and planners.
Know Your Target Population

Who are you looking to serve with affordable housing opportunities?
- The Poor - Less than 50% Of Area Median Income
- Low Income Households - 50-80% of Area Median Income
- Moderate Income Households - 80-120% Of Area Median Income

What about creditworthiness?
Who will finance?
Must your target population be employed?
Home for More Than the Holidays

New Jersey Ranks #1 for Millennials Living at Home
August 23, 2018

"Mom? Dad? I'm Home:"); The list of population segments overwhelmed by the financial crisis facing New Jersey appears to grow year after year as Millennials can now be included with senior citizens, limited income families, etc. finding it increasingly difficult to live in the State.

New Jersey ranks #1 for young adults (Millennials) living at home according to research conducted by student loan financing company, Comet Financial Intelligence.

The From Relatives to Roommates study states that 12.5% (1,253 per 10,000) of NJ's Millennials find themselves living at home with parents or a family member followed closely by California and New York.

Source: http://fairpropertytaxesforallnewjersey.com/
Who Can You Partner With?

• Traditional Banks
• Large Project Non-Profit Affordable Housing Developers
• Small Project Affordable Housing Developers
• Public Housing Authorities
• Community Land Trusts
Methods of Creating Affordable Housing

- Inclusionary Zoning
  - For Sale Housing
  - Rental Housing

- 100% Affordable Housing
  - Low Income Housing Tax Credits
  - In Lieu of Inclusionary Zoning
  - Direct Municipal Subsidy

- Senior Citizen Housing
- Scattered Site Housing
- Accessory Apartments
- Special Needs Housing
  - Group Homes

- Housing Rehabilitation
  - Gut Rehabs
  - Regional Contribution Agreements

What about Affordability Controls?
Who will manage affordable units?
Look for creative solutions.
Contact Information

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