



Affordable housing a critical component of N.J.'s economic growth | Opinion

California Affordable Housing

Employers will not open businesses in New Jersey if their employees do not have the option of living in homes for all income levels. *(Marcio Jose Sanchez/Associated Press)*

Star-Ledger Guest Columnist By **Star-Ledger Guest Columnist**

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By Gary Forshner

On March 10, 2015, the New Jersey Supreme Court set aside the state's "non-functioning" affordable housing process, **removing executive branch jurisdiction over low- and moderate-income housing** and sending enforcement and oversight back to the trial courts with specific deadlines to be met. In essence, the Supreme Court demanded an end to what has effectively been a 16-year moratorium on affordable housing. In many ways, the decision turns back the clock to a time when courts had jurisdiction over affordable housing obligations and property owners, developers and advocates could sue municipalities that failed to zone for affordable housing projects.

The affordable housing mandate requires municipalities to zone for a reasonable opportunity for a variety and choice of housing for households of all income levels. While some municipalities have been more than willing to zone for affordable housing, many more have sought to avoid that responsibility, or have hidden behind the lack of effective regulations since 1999.

The recent Supreme Court decision to send affordable housing oversight back to the trial courts has major ramifications for N.J. property owners, developers and municipalities. An immediate concern is a 30-day window commencing June 8 for municipalities to formulate affordable housing plans and submit them to the courts.

Many misunderstand the concept of affordable housing. Moderate-income housing is affordable to households earning 80 percent of the median income. Low-income housing is affordable to households earning 50 percent of median income. In other words, decent housing affordable to our typical school teacher, police officer and recent college graduate. Although perhaps it should, affordable housing does not generally provide for poor households.

Two recent op-eds published in The Star-Ledger addressed certain components of affordable housing. **A June 4 opinion by the Editorial Board** lays responsibility for affordable housing at the feet of Gov. Chris Christie. To be sure, the governor attempted to dismantle affordable housing opportunities, arguing that municipalities should be free to decide that only the wealthy could live in their town. Focusing on the various governors since expiration of the last constitutional regulations in 1999, no administration – neither Republican, nor Democratic – has proposed regulations to comply with the Mt. Laurel decision and the Fair Housing Act.

Guest columnist Christian Estevez observed the various and disparate real impacts on poor and minority residents of New Jersey in his June 6 editorial. Again, statistics show that those impacts are real and therefore need to be part of any discussion regarding affordable housing.

But what is often missing is a discussion of the many economic impacts occasioned by the lack of affordable housing. There is nothing fancy here, but the following observations are Economics-101. A serious consideration for any company considering locating their business in New Jersey, or the possibility of relocating out of New Jersey, is the cost of housing for their workers. Quite simply, workers need to be paid more to entice them to a market with higher housing costs. New Jersey has many of the highest housing costs in the nation. All things being equal, why would a company locate in New Jersey when the housing costs are so high and their workers are unable to afford decent housing?

While there are other structural issues with the historically high office vacancy rates (e.g., companies require less office space), we cannot locate people in office seats if they do not live and cannot afford to live in New Jersey. In short, New Jersey is out of critical balance between housing in general – affordable housing in particular – and certain commercial uses.

This issue is not new, but has been brewing for years. Boomerang children – children moving in with their parents because they cannot afford their own housing – and college grads moving out of state where housing and opportunity are more prevalent are just some of the many impacts created by the lack of affordable housing.

Through various incentives and efforts, including the Economic Opportunity Act of 2013, New Jersey has dedicated hundreds of millions of dollars in funding to attract and maintain jobs in New Jersey. An increase in investment, growth and jobs provides tax revenues likely off-setting some of the tax burdens faced by New Jersey residents and businesses. The lack of affordable housing is one of the reasons business investment and retention initiatives require economic incentives, and therefore, affordable housing must be considered a critical component of New Jersey's economic growth and opportunity.

Gary Forshner is a member of the real estate, zoning and land use group and a shareholder at the law firm of Stark & Stark in Princeton. He currently serves as chair of the New Jersey State Bar Association's Land Use Section.

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