STATE OF NEW JERSEY

FY 2015-2019
ANALYSIS OF IMPEDIMENTS
TO FAIR HOUSING CHOICE

State of New Jersey
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SECTION 1: EXECUTIVE SUMMARY

New Jersey has a diverse population. Immigrants account for nearly all of the State's population growth since 2000; one in five New Jersey residents was born abroad. We also have a mix of rural, suburban, and urban communities. Our diversity is both a significant asset and a source of challenges and opportunities relating to housing.

As a recipient of community development program funds administered by the Department of Housing and Urban Development (HUD), the State of New Jersey is required to affirmatively further fair housing. To enable it to do so, the State must analyze the impediments to fair housing choice and take steps to overcome the impediments it identifies. This Analysis of Impediments satisfies that requirement and provides a roadmap for the State to further its goals of providing access to fair housing, employment opportunities, and needed services to all of its residents, in all of the State's varied communities.

In New Jersey, the Department of Community Affairs (DCA) is the agency charged with the principal responsibility for administering housing related programs. These range from rental assistance to housing rehabilitation and new construction subsidies. Every year, DCA assists thousands of low and moderate income families and individuals to obtain and retain safe, affordable housing and provides grants to non-entitlement communities and counties to upgrade public facilities and otherwise improve the quality of the life for their residents. Our services benefit poor families with children, the elderly, victims of domestic violence, those with disabilities and other special needs, and the homeless, among others. The State of New Jersey and DCA are committed to affirmatively furthering fair housing opportunities.

DCA has demonstrated this commitment during the period covered by the 2011-2015 Analysis of Impediments. We have helped low income families access neighborhoods of high opportunity by providing housing assistance, funding the construction of low and moderate income housing, and by directing project based Federal and State Rental Assistance to low poverty areas. Changes to the Low Income Housing Tax Credit Program have resulted in nearly four times more affordable units being constructed in high opportunity areas than occurred a decade ago. DCA will continue to examine program positive and regulatory practices to reinforce and expand upon these policy changes.

One challenge for the State of New Jersey is that local governments statutorily control the use of land. Land is a limited resource in a state that is densely populated and is only 8,729 square miles, with continued development every year. As available land develops, remaining real estate becomes ever more valuable. New Jersey is now the fifth most expensive housing market in the country. Data from the 2008-2012 HUD CHAS indicates that 19.8 percent of New Jersey residents were paying more than 50 % of their income for housing. Housing affordability is integrally related to local land use decisions, but also to the cost of transportation, cost and availability of transit, tax policies, regulatory practices, and a host of other factors that are in some instances outside the control of DCA, and to a large extent, the State. Hence, there are practical limitations to what can reasonably be achieved in a five year period.

Nonetheless, the state strives to facilitate fair housing policy connections where relevant and feasible in both the public and private sector.

The State receives funding from several community development programs administered by HUD. State plans for these various programs were combined pursuant to HUD regulation in 1994 into one Consolidated Plan (covering Community Development Block Grants; HOME Investment Partnerships; Emergency Solutions Grants; and Housing Opportunities for Persons with AIDS).

As a recipient of HUD-administered funds, the Fair Housing Act, 42 U.S.C. §3608, and implementing regulations, 24 C.F.R. § 91.225(a)(1), require the State to certify that it will affirmatively further fair housing. As defined by federal regulation, 24 C.F.R. § 91.325, this certification has three components:

- The State must conduct an analysis to identify impediments to fair housing choice within the State;
- The State must then take appropriate actions to overcome the effect of any impediments that are identified; and
- The State must maintain records reflecting the analysis and actions taken.

The Fair Housing Planning Guide published by HUD further interprets these steps to require that the State process be intended to:

- Analyze and eliminate housing discrimination in the jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for inclusive patterns of housing occupancy regardless of membership in a protected class;
- Promote housing that is structurally accessible to, and usable by, all persons, including those with disabilities; and
- Foster compliance with the nondiscrimination provisions of the FHA.

With regard to the AI process, the Guide defines "impediments" as any actions, omissions, or decisions taken because of membership in a protected class, that restrict housing choices or the availability of housing choices, or any actions, omissions or decisions that have that effect. In terms of the process itself, the Guide requires a review of State laws, regulations, policies and procedures impacting housing; public and private conditions affecting fair housing choice; and the current availability of affordable, accessible housing.

This Analysis of Impediments (AI) has been prepared in accordance with the Fair Housing Act, and covers the time period of 2015 through 2019. In preparing this AI, the State has conducted a review of relevant State laws, regulations and policies that have the potential to influence housing choice. In addition, the State has engaged in a thorough compilation and examination of a variety of data sources related to the State's present demographics, as well as current housing conditions, the housing delivery system, and housing transactions, particularly as they relate to those persons in protected classes.

The State also sought public input into its analysis, including the preparation and dissemination of a housing survey. That survey asked respondents to answer questions ranging from their perceptions of existing barriers to housing choice, and their awareness of discrimination in access to housing, to their observations regarding the level of awareness and understanding of fair housing rights and protections on the part of New Jersey tenants, and the level of landlords' knowledge of their responsibilities as well as tenants' rights.

Generally, survey respondents indicated that the State lacked a sufficient number of affordable housing units in a range of unit sizes, and that there is a locational mismatch between jobs, housing, and transit. Respondents also indicated a lack of awareness of fair housing rights and responsibilities by State residents and small property landlords and property managers. There was a strong consensus that people generally do not report instances of housing discrimination and that people largely do not believe such reporting will make a difference.

As a result of this analysis, the State has identified the following current impediments to fair housing choice within New Jersey, and is proposing to take the actions listed here (to be discussed in greater detail in Section 6 of this AI).

Impediment #1: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost burdened housing.

- DCA to utilize State's Small Cities and HOME program funds to provide housing assistance to cost burdened households to alleviate substandard or unsafe housing conditions; increase Small Cities program allocation for rehabilitation by 125% for this purpose.
- DCA to utilize State Affordable Housing Trust Funds and Low Income Tax Credits to create more affordable rental units.
- Upon receipt, the State will utilize available National Housing Trust Funds to build, preserve and rehabilitate rental homes for very low-income households.
- The State will intervene in appropriate Superior Court litigation in order to insure that municipally collected development fees and payments in lieu that were not committed to an affordable housing project in a timely manner be transferred to the State Affordable Housing Trust Fund for appropriate use. Similarly use any available non-residential development fees that are paid into the Fund.
- Continue to use the State Neighborhood Revitalization Tax Credit program (NRTC) to provide tax credits to assist with revitalization in eligible cities; Link NRTC neighborhoods with NJRA resources to more significantly influence housing and economic development; study the potential benefit of making access to healthy foods a priority item for the program.

Impediment #2: A rising proportion of people with Limited English Proficiency, fueled by strong levels of immigration, implying more difficulty in accessing housing and understanding the home rental or purchase process.

- Continue following a Limited English Proficiency Policy in both the State Rental Assistance Program and the Housing Choice Voucher Program.
- DCA to expand the four factor LEP analysis previously conducted in the nine counties most directly impacted by Superstorm Sandy to the State's remaining twelve counties.
- DCA to periodically review, and as needed, update the full LEP analysis as new and relevant data become available.
- DCA to explore new ways to provide the LEP population with housing information in a usable format.
- DCA to translate appropriate program documents into Spanish for the four community development programs.
- DCA will maintain a language line for the State's CDBG-DR programs and expand the translation service to cover all of the State's HUD funded programs.
- Continue the new DCA staffed language hotline, coordinated with the Language Bank, using volunteers who speak a foreign language fluently.
- DCA to require the State's Community Services Block Grant grantees to provide housing counseling and translation services.
- Utilize non-profit throughout the State to provide housing counseling services and other related services to Housing Choice Voucher recipient consider expanding services to a broader demographic

Impediment #3: A concentration of subsidized housing in neighborhoods with relatively high levels of poverty.

- The State to direct significant portions of State and Federal funds, including State Rental Assistance (SRAP), National Housing Trust funds, and LIHTC funds, to alleviate concentrations of poverty.
- DCA will also establish a program to provide housing counselors to a subset of 100 Housing Choice Voucher holders per year to help them find rental units in areas of opportunity that meet the needs of the family, including nearby schools, public transit, employment opportunities, healthcare and other community amenities. In addition, the State will aggressively pursue avenues to bring new landlords into the Housing Choice Voucher program.

- DCA will communicate with the State's PHAs to seek coordinated policy direction with regard to the utilization of housing choice vouchers.
- DCA included in its 2016 Community Services Block Grant State Plan (CSBG) a new requirement that State grantees must include general housing counseling among other services provided to individuals served by those grants. DCA will also use some CSBG funds to directly contract for housing counseling services.
- State will review HMFA's system for awarding points in the QAP; in particular, points for designating areas in need of redevelopment, to see if that designation is being used to preclude affordable housing, and if so will ask HMFA Board to consider an appropriate amendment.
- Through the SRAP program, DCA will award an additional 300 ten year Project Based Assistance vouchers to subsidize the rent for very low income and disabled households, all located in municipalities with poverty rates under 10%.
- With regard to HMFA's 9% tax credit allocation project, mandate through the QAP that, (assuming a sufficient number of appropriate applications); at least 60% of awards shall be in suburban areas.
- With regard to the LIHTC program, HMFA to continue to direct tax credits to areas near transit and employment centers, or in high performing school districts; prohibit construction of LIHTC units in census tracts with significant concentrations of low-income housing.
- State will maintain the online New Jersey Housing Resource Center to provide information and assistance on rental properties throughout the State.

Impediment #4: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interests in access to fair housing and housing protections.

- State will request technical assistance from HUD to learn of successfully administered fair housing education campaigns conducted elsewhere, and will solicit ideas from community groups with knowledge of local needs. More specifically, DCA will develop a Fair Housing website to serve as a "One Stop Shop" for information about housing discrimination law and additional housing information.
- Bilingual housing information to be distributed by DCA to Section 8 field offices, housing counseling agencies, County Boards of Social Services, New Jersey One-Stop Career Centers, and faith based and community based organizations. Distribute such materials at the 2015 Governor's Housing and Community Development Conference; in addition, present a seminar on fair housing at the Conference.
- DCA will amend current curricula of its Housing & Redevelopment Agency training program with a requirement for new Public Housing Commissioners and Executive Directors, to include an element devoted to AFFH mandate.
- DCA to sponsor a variety of educational workshops, training sessions, and community outreach activities on State and federal housing laws.

- State to conduct roundtable discussions with PHAs, fair housing advocacy organizations, landlords, developers, and State representatives, to exchange recommendations for increasing the success of HCV housing searches in areas outside of existing racial and ethnic concentrations.
- DCA will provide fair housing information, including how to provide assistance to individuals with Limited English Proficiency, to all owners of multifamily rentals and developers.
- DCA to coordinate with the State's Division of Criminal Justice to provide support for complaint processing through training, technical assistance, and education.
- DCA will explore with State Division of Civil Rights the possibility of joint action to provide fair housing education.
- Apply for a federal 2015 Fair Housing Initiatives Program grant for the Education and Outreach Initiative component; grant to explain to the public and providers Fair Housing Act requirements.
- HMFA to continue to offer free housing counseling services to homeowners facing foreclosure with funds provided by the National Foreclosure Mitigation Counseling Program and with any additional funds that are available.
- State to utilize New Jersey Judiciary Foreclosure Mediation Program to help resolve residential foreclosure actions with the help of mediators that deal with both borrowers and lenders.
- State will refer instances of landlords refusing to accept lawful sources of income, particular Section 8 vouchers, to DCR.
- DCA to identify and recruit new landlords in areas with good schools, transit and job opportunities to accept Housing Choice vouchers.
- State to research the extent that community opposition to affordable housing acts as a deterrent to fair housing choice, and determine an appropriate protocol.

Impediment #5: The continuation of land use and zoning barriers to the production of housing for low-income households in some localities.

- As part of its education campaign, DCA will develop materials geared to local governments on the topic of land use and the requirements of the state Fair Housing Act.
- Through DCA's Office of Local Planning Services (LPS), provide municipalities with planning assistance, and in that process, promote a sustainable balance of land use that fosters diversity, including the use of inclusionary zoning and higher densities as land use tools (where appropriate); investigate the possibility of conducting workshops with local officials.
- State will review the impact of zoning techniques such as large lot zoning and prohibitions on multi-family housing and determine what role, if any, it can play in addressing these actions.

Impediment #6: The need for housing for special needs populations, including the disabled, veterans, and the homeless.

- DCA to continue to promote the creation of more affordable and accessible housing to meet the needs of persons with disabilities.
- State to convene a meeting of stakeholders to discuss additional actions that can be taken in order to improve access to quality housing for the State's special needs population.
- HMFA to continue to administer the Special Needs Housing Partnership, matching local trust fund monies with a State contribution to increase the amount of special needs housing.
- State will continue to support the development of housing options and programs to enable persons with specials needs to reside in non- institutional settings.
- DCA to continue to seek funding to increase the State's voucher portfolio.
- State to use the "Housing First" concept to create permanent supportive housing for special needs populations through set asides of State and Federal rental assistance vouchers.
- The State to continue to pursue Federal continuum of care funding.
- The State to begin to implement the recommendations of the New Jersey Interagency Council on Homelessness, which issued a ten year plan to end homelessness on December 31, 2014.
- In partnership with the State Department of Children and Families, DCA will contribute 125 project based Housing Choice vouchers to pilot several Housing First models of assistance. One pilot is geared to providing safe environments for runaway, homeless street youth under 21 who are the victims of sexual exploitation; the second is to assist families who are confronting homelessness.
- In partnership with the State Department of Human Services and several private entities, DCA will provide up to 50 Housing Choice vouchers for chronically homeless individuals who cycle in and out of hospital emergency rooms in Camden County.
- HMFA to utilize its recent Section 811 Project Rental Assistance grant award for 206 units, along with additional commitments of rental assistance vouchers from Human Services (63) and DCA (40) to provide permanent affordable rental housing to individuals with disabilities who are moving from a State institution or at risk of institutionalization.

Impediment #7: Racial and ethnic housing concentration.

- The State will continue to promote higher density residential zoning in Transit Oriented Development areas, when revitalization occurs through the actions of the Transit Village Task Force and the Economic Development Authority.
- The State will promote mixed use developments and mixed income communities throughout the State.
- The State Division of Civil Rights, through its Multiple Dwelling Unit Report, will continue to identify and investigate potential patterns of discrimination in housing.

- The State will provide information regarding the availability of affordable rental and homeownership opportunities statewide through the New Jersey Housing Resource Center website.
- DCA will continue to monitor its grantees' projects and program files to ensure that all of its housing and community development funds provide benefits and opportunities to all residents, including those in protected classes.

Federal and State fair housing laws

The federal Fair Housing Act, 24 U.S.C. 3601 et seq., states that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States. Protected classes under the Fair Housing Act and the Americans with Disabilities Act (ADA), 42 U.S.C. 12101 et seq., include race, color, national origin, religion, sex, familial status, and disability (defined to include any mental or physical impairment that significantly limits one or more major life activities).

The Fair Housing Act makes it unlawful to discriminate against persons due to their membership in a protected class, by taking or failing to take certain specified actions. Among these are:

- Refusing to sell or rent after the making of a bona fide offer, or refusing to negotiate for the sale or rental of, or otherwise make unavailable or denying, a dwelling;
- Applying different terms and conditions or privileges in the sale or rental of a dwelling, or in the provision of services and facilities in connection therewith;
- Publishing notice in any form with regard to the sale or rental of a dwelling that indicates a preference or limitation based on a person's membership in a protected class;
- Representation to any person that because of their status that a dwelling is not available for inspection, sale or rental when it is in fact available;
- Attempting, for profit, to induce a person to sell or rent a dwelling by representations as to the potential entry into the neighborhood of a person who is a member of a protected class;

States (and local governments) are permitted to enact measures that provide protection for additional classes of persons. The New Jersey Legislature in 1945 enacted the State Law Against Discrimination (LAD), N.J.S.A. 10:5-1 et seq. The LAD (as amended over the years) now addresses discrimination in the area of housing against persons due to their race, creed, color, national origin, ancestry, nationality, sex, affectional or sexual orientation, marital or domestic partnership or civil union status, family status, disability, gender identity or expression, or source of lawful income or rent payment (including Section 8 vouchers). N.J.S.A. 10:5-12.

The LAD identifies as illegal a variety of discriminatory actions regarding housing. For example, it provides that an owner, lessee, sublessee, assignee or managing agent, other person having the right of ownership or possession or the right to sell or lease property, or any agent or employee, may not refuse to sell, rent, lease, assign, or sublease or otherwise deny or withhold from any person any real property due to that person's membership in a protected class. Similarly, it is illegal for such entities to publish

any statement or advertisement, or use any real estate form, which expresses directly or indirectly any discriminatory limitation regarding members of protected classes. Separate provisions of the LAD are directed at real estate brokers and salespersons, and their employees and agents, as well as banks, mortgage companies, insurance companies and other financial institutions involved in transactions concerning real property.

As noted above, the LAD includes discrimination against persons due to the source of lawful income or rent payment, including Section 8 payments. This was the result of a 2002 amendment to the Act commonly known as the Section 8 Anti-Discrimination law. That law also broadened the powers of housing authorities so that they may file suit on behalf of a tenant who has suffered discrimination. A landlord who has been found to have engaged in discriminatory conduct may be fined up to $10,000 for a first offense, and $25,000 for a second offense.

The analysis of impediments process

As mentioned above, the State is a funding recipient of several community development programs administered by HUD. State plans for these various programs were combined pursuant to HUD regulation in 1994 into one Consolidated Plan (covering Community Development Block Grants; HOME Investment Partnerships; Emergency Solutions Grants; and Housing Opportunities for Persons with AIDS) and a requirement of participation by a State in these programs is that it will affirmatively further fair housing, and will certify as to that fact to HUD. That certification involves three steps: an analysis of impediments to fair housing choice; appropriate actions to overcome those identified impediments; and the maintenance of records reflecting the analysis and actions taken.

The Fair Housing Planning Guide published by HUD further interprets these steps to require that the State process be intended to:

- Analyze and eliminate housing discrimination in the jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for inclusive patterns of housing occupancy regardless of membership in a protected class;
- Promote housing that is structurally accessible to, and usable by, all persons, including those with disabilities; and
- Foster compliance with the nondiscrimination provisions of the FHA.

Guide, pages 1-3.

With regard to the AI process, the Guide defines "impediments" as any actions, omissions, or decisions taken because of membership in a protected class, that restrict housing choices or the availability of housing choices, or any actions, omissions or decisions that have that effect. Guide, pages 2-17. In terms of the process itself, the Guide requires a review of State laws, regulations, policies and procedures impacting housing; public and private conditions affecting fair housing choice; and the current availability of affordable, accessible housing. Guide, pages 2-7.

SECTION 2: COMMUNITY PARTICIPATION PROCESS

The Department of Community Affairs provided the public with several opportunities to participate in the development of its 2015-2019 Analysis of Impediments. The public participation process included the following:

Public Hearing and Comment Period

A public hearing to solicit input on the public's perception of impediments took place on April 24, 2015. A public hearing on the draft Analysis of Impediments was held on July 30, 2015 at 10 AM at the Department of Community Affairs' building in Trenton, a location that is both convenient to public transportation and is accessible to persons with physical disabilities. The announcement advertising the hearing and public comment period was posted on the Department of Community Affairs website on July 16, 2015. In addition, an e-mail notice was distributed to over 3,000 nonprofits, for-profits, local governments, and other interested parties statewide; follow up emails were sent to encourage participation. The draft document was available on the website for a 30 day public comment period. Accommodations for non-English speaking persons and persons with other disabilities were available as needed. Written comments were accepted until August 17, 2015. The State considered all comments received in writing or expressed orally at the public hearing. Written comments were submitted to the New Jersey Department of Community Affairs, PO Box 051, Trenton, NJ 08625-0051. A summary of all comments received and the Department's responses are included in this Analysis of Impediments in Section 5.

Fair Housing Survey

A survey to obtain public input on fair housing issues was posted on the Department of Community Affairs' website on June 8, 2015. In addition, multiple e-mail notices were distributed to over 3,000 nonprofits, for-profits, local governments and other interested parties statewide. One hundred and fifty-three (153) agencies and individuals responded to the survey.   The full results of the survey are reported in Appendix B.

SECTION 3: ANALYSIS

The economic and housing landscape in New Jersey has changed dramatically since the State prepared its last Analysis of Impediments to Fair Housing Choice in 2011. The following year, New Jersey experienced a catastrophic storm with flooding that affected hundreds of thousands of households across the State. At the same time, the State has experienced a slow economic recovery from the "great" recession that hit the nation in 2008. With these facts in mind, this analysis provides socio-

economic context on fair housing choice through a comprehensive demographic, economic, housing, and fair housing analysis. It also closely examines the impact of Superstorm Sandy on housing relative to concentrations of state and federal protected classes in the counties most severely impacted by the storm. The analysis focuses primarily on the period between 2010 and 2013, the period following that examined by the State's last Analysis of Impediments, released in 2011.

In order to generate an accurate, comprehensive picture of housing choice in New Jersey, a variety of federal data sources are used. These include the U.S. Census Bureau's Decennial Census, American Community Survey, and Building Permits data products, Consumer Financial Protection Bureau Home Mortgage Disclosure Act data, FEMA data, www.data.gov, and HUD's CPD maps, Section 8, and LIHTC databases. The sources provide data on demographics, income, poverty, housing, housing cost burdens, housing conditions, and mortgage lending practices, among other variables. State data sources from the Department of Community Affairs, Division of Civil Rights, Department of Banking and Insurance, and the Department of Labor and Workforce Development are also used to provide context unavailable from federal sources, particularly with regard to foreclosures, housing discrimination complaints, and State subsidized housing units. Moreover, additional context was added from recent state and national studies that have examined trends impacting access to housing.

Several additional datasets have become available since the publication of the State's 2011 Analysis of Impediments to Fair Housing Choice:

- The 2009-2013 American Community Survey (ACS) 5-Year Estimates offering detailed social, demographic, economic, and housing data at the municipal and census tract level

- The 2013 American Community Survey (ACS) 1-Year Estimates offering single-year estimates for geographies over 65,000 in population

- The 2012 Comprehensive Housing Affordability Strategy (CHAS) data, based on the 2007-2011 ACS

This analysis incorporates these updated sources to provide a snapshot of the current demographic and economic factors that affect access to housing in New Jersey.

U.S. Census Bureau ACS housing unit estimates are used throughout the report. It should be noted that State-derived data sources suggest that since 2010, approximately 7,900 more housing units have been added in New Jersey than Census data imply, a consequence of differing methodologies in tabulating housing unit additions. Although State data more accurately depict housing unit change in New Jersey, ACS housing unit estimates are used throughout this analysis for consistency with other Census-reported housing measures.

Data analysis is performed by transforming and summarizing data such that rates, percentages, and indices are generated for accurate geographic comparisons with the nation and between counties within the State.

To supplement the quantitative data analysis, a fair housing survey was conducted to solicit valuable feedback from citizens and stakeholders on key fair housing challenges in the State. This adds a qualitative dimension to the examination that incorporates individual perspectives, feelings, and experiences with fair housing choice throughout New Jersey.

This analysis is complemented by maps illustrating the spatial dimension of trends impacting access to fair housing, especially to the State's most vulnerable populations. Although similar geographies are used in year to year comparisons where possible, mapped census tracts for 2000 and 2010 and beyond are not directly comparable because the Census Bureau changed census tract boundaries between the 2000 and 2010 Decennial Censuses. Although American Community Survey 1-Year estimates are the most recently available data, they are not available at the census tract level and therefore the maps generally use 2009-13 American Community Survey 5-Year Estimates. Map ranges include the statewide average as a benchmark, with ranges oriented above and below that mark to denote high or low concentrations. The first range begins with zero percent and the final range ends with the maximum value within the data.

By mapping the State's racial and ethnic concentrations, pockets of poverty, segregation patterns, and lending practices, it is possible to observe how demographics shifts, market forces, and discrimination may affect access to housing in New Jersey, particularly for people of color, people with disabilities, the poor, and the elderly. The analysis will build understanding about the dynamics that influence the State's housing markets with the goal of informing effective actions to promote greater housing choice.

In sum, several analytical approaches are employed on data from a variety of sources, creating a comprehensive view of impediments to fair housing choice in New Jersey.

DEMOGRAPHIC SUMMARY

Population Trends

The State's population has grown by 485,000 or 5.8 percent since 2000, a rate that equates to approximately 0.45 percent per year. The majority of the State's population growth since 2000 has occurred in Middlesex, Ocean, Hudson, and Bergen counties in the northeastern and central parts of the State, although, growth in Ocean County has slowed considerably since 2010. Cape May and Essex counties have lost population since 2000. Table 1 in Appendix A shows population change in the State from 2000 to 2013.

Since 2000, New Jersey has become a much more racially diverse state. Racial minorities, including African-Americans, Asians, and other non-white racial groups rose from 24.9 percent of the State's population in 2000 to 31.8 percent in 2013. Growth in the Asian population accounted for the vast majority of this growth, making up 67 percent. The State's Asian population gains exceed the national norm by nearly 11 percentage points. Bergen, Hudson, and Middlesex counties account for the bulk of the State's Asian population gains. Every other racial group category has grown as well except for the

State's tiny American Indian and Alaska Native and Native Hawaiian and Other Pacific Islander populations.

Since 2000, the State's Hispanic population has grown by over 50 percent, paralleling a national trend. Essex, Middlesex, Passaic, and Union counties account for the majority of Hispanic population growth in the State. The number of non-Hispanic whites in the State has dropped by 8.2 percent since 2000. Table 2 and 3 in Appendix A shows the percentage change in the population of the State's racial and ethnic groups from 2000 to 2013.

Maps 1-10 in Appendix A show the percentage concentrations of the State's major racial and ethnic groups in 2000 and for the period between 2009 and 2013.

Seniors are a growing proportion of New Jersey's population. New Jersey's over 65 population, approximately 1.3 million or 14.4 percent of the population, has increased by approximately 171,000 or 15.4 percent since 2000. This equates to an average annual gain of 13,175 persons per year. From 2000 to 2013, the percentage of the population aged 65 years and older increased by 1.2 percentage points. However, this increase is 0.6 percentage points lower than that for the nation as a whole. The growth in New Jersey's senior population has actually lagged the nation, increasing 15.4 percent compared to 27.6 percent nationally since 2000.

Immigration Trends

Nearly all of the State's population growth since 2000 can be traced to migration from foreign immigrants. Foreign immigrants accounted for 92.7 percent of the State's population gains since 2000. New Jersey's population growth is driven substantially more by foreign in-migration than the rest of the country. Without this growth in the foreign born population, New Jersey's population would have risen only 0.4 percent over the thirteen-year period between 2000 and 2013. Most of the immigrant population growth has occurred in Bergen, Hudson, Mercer, Middlesex, and Union counties, with Middlesex alone accounting for 19 percent of this growth. Atlantic, Camden, Essex, Mercer, Middlesex, Monmouth, Salem, Sussex, and Warren counties would have actually had a decline in population if not for strong in-migration from foreign immigrants. A majority of these new immigrants (52.6 percent) came from Latin America, most of which settled in Bergen, Essex, Mercer, Middlesex, and Union counties, each in North Jersey. Nearly 4 in 10 (38.6 percent) came from Asia. A majority of these Asian immigrants moved to Bergen, Hudson, and Middlesex counties in North Jersey. Table 4 in Appendix A shows the change in the State's foreign-born population from 2000 to 2013.

As a state that continues to be attractive to foreign immigrants, it is not surprising that the non-fluent English speakers' share of the State's population has increased since 2000. Middlesex County has seen the largest gains in its Limited English Proficiency population since 2000, followed by neighboring Union and Mercer Counties.

Population Profile

New Jersey's most populous counties, Bergen, Essex, Middlesex, and Hudson, are located in the northern part of the State and are considered part of metropolitan New York. The least populated counties, Salem, Cape May, and Cumberland, are in the southern part of the State.

Compared to the nation as a whole, New Jersey has a considerably larger share of Asians and slightly larger share of African Americans and individuals describing themselves as "some other race." Middlesex, Somerset, Hudson, and Bergen counties have the largest proportional concentrations of Asians, while Essex, Cumberland, Camden, Mercer and Union have the largest concentrations of African-Americans, each at least six percentage points above the statewide average. Sussex, Ocean, Hunterdon, Cape May, and Warren counties have the highest population concentration of whites, over 20 percent above the statewide average. Multi-racial individuals are most commonly found in Passaic, Hudson, Cumberland, and Atlantic counties. Table 5 in Appendix A shows the State's population by race and county in 2013.

When examining all whites including Hispanics that identify as white, the State's white population is 68.2 percent of the total, just over two-thirds of the State's population. Non-Hispanic whites have declined in population and now compose 57.3 percent of the State's population. Hispanics form 18.9 percent of the State's population and are most strongly represented in Hudson, Passaic, and Union counties. Table 6 in Appendix A shows the State's population by Hispanic/Latino status and county in 2013.

When the native and foreign-born populations are compared, New Jersey has a higher concentration of immigrants than the rest of the country. Those concentrations are the highest in Hudson, Middlesex, Bergen, Union, and Passaic counties, all urban or suburban counties in the northern part of the State. Table 7 in Appendix A shows the State's native-born and foreign-born populations by county in 2013.

Age Demographics

Individuals between the ages of 18 and 64 are the vast majority of the State's population. As previously noted, 14. 4% of the population is over 65. Particularly high concentrations of seniors can be found in Ocean, Middlesex, and Burlington counties, as shown on Map 11 in Appendix A. Figure 1 in Appendix A shows the State's population by age group in 2013.

English Proficiency

The percentage of people who do not speak English well is three percentage points above the national average. Nearly one in four Hudson County and slightly over one in five Passaic County residents are not fluent English speakers.

The State's residents who are not fluent in English are heavily concentrated in the urbanized counties of northeastern North Jersey, as shown in Table 8 and Map 12 in Appendix A.

Spanish is by far the most common foreign language spoken at home, followed quite distantly by Chinese and Portuguese. East Asian languages are more commonly spoken in Atlantic, Bergen, Camden, Mercer, Middlesex, Monmouth, Morris, and Somerset counties, while European languages are more commonly spoken in the remaining counties. Table 9 in Appendix A shows the top three most common foreign languages spoken at home by county.

Analysis

New Jersey remains a very attractive place to live, work, and raise a family. The State continues to experience population growth and is an attractive destination for foreign immigrants; particularly from Asian and Latin American countries. Foreign immigrants accounted for 92.7% of the State's population gains since 2000. Now, 21.6% of the State's residents are foreign born. The focus of most of this growth and immigration is in urbanized northeastern New Jersey, across the river from New York City. An increase in immigration has resulted in a bigger population of residents who are not proficient in English and for whom the home buying and rental process is more difficult. The State's foreign-born population is also generally lower income than its native population, suggesting greater challenges in affording adequate housing. Moreover, immigrants are more likely to fall below the poverty line, meaning the number of low income households with limited housing choices is growing. The rise in the foreign-born population has been accompanied by a rise in the immigrant poverty rate, notably in neighborhoods of concentrated poverty in the State's poorest cities. In rural South Jersey counties, although there are fewer immigrants, their incomes are the lowest and poverty rates the highest. In urban northeastern New Jersey, the income gap between foreign and native-born households is the highest.

Past Impediments and Past Actions

Limited English Proficiency

In its 2011 AI, DCA identified a lack of proficiency in English by certain State residents as an impediment to fair housing choice. This problem persists today, despite the various steps the State has taken to address it. As described above, New Jersey continues to represent an attractive destination for new residents, with foreign born immigrants making up the vast majority of the State's recent population gains. For individuals who lack proficiency in English, all aspects of the rental or home buying process are more difficult, and the possibility of discrimination increases accordingly.

In 2011, DCA recommended that it review the existing LEP policy in use for both the State Rental Assistance Program and the Housing Choice Voucher program, which policy outlined the procedures intended to address language barriers on the part of program applicants and participants. DCA did in fact review the policy and retained it. In addition, DCA suggested the use of a translator service (Language Line) to help explain program requirements and answer questions. Currently, such translator

services are available for individuals who seek services at a field office, and who indicate a need for assistance due to lack of English proficiency.

Additionally, in administering Community Development Block Grant Disaster Recovery funds in the nine New Jersey counties most impacted by Superstorm Sandy, DCA conducted the requisite four factor analysis in order to help ensure meaningful access for the LEP population. The findings are described in detail in this AI, and are being used to inform DCA's Language Access Plan and outreach efforts.

In light of the adoption of language access policies for CDBG-DR programs, DCA plans to complete a new four factor LEP analysis to identify translation needs for programs operating in the balance of the State's counties that were not included in the post Sandy nine county LEP analysis. DCA will then issue revised LEP policies and procedures for those programs.

Racial and ethnic housing concentration:

In its prior AIs, DCA cited as an impediment the concentration of racial and ethnic households in certain areas of the State. The 2011 AI proposed a number of recommendations in order to help address this issue.

First, DCA recommended that it open a waiting list for 100 SRAP vouchers, to be utilized in the following manner: 25 each in Hunterdon, Ocean, Sussex, and Warren counties. This was done as recommended.

Second, DCA proposed promoting higher density residential zoning in Transit Oriented Development areas. DCA has done this through the State's multi-agency Transit Village Task Force.

In addition, DCA recommended that the State help promote the development of mixed income communities in neighborhoods of greater opportunity. In furtherance of this recommendation, DCA created in 2011 its Office of Local Planning Services. Office staff works with municipalities in the role of consulting planners, promoting sound planning principles, including the use of mixed use developments for lower income households in appropriate areas of greater opportunity.

DCA also recommended that Division of Civil Rights (DCR) continue to use its Multiple Dwelling Report in order to identify for investigation potential patterns of discrimination. This recommendation has also been implemented, as DCR continues to utilize the Report accordingly. In addition, DCR currently conducts educational outreach efforts on the issue of discrimination in all facets of housing. DCR and DCA intend to explore the possibility of future coordinated action in this regard.

Next, DCA proposed that the State provide information regarding the availability of rental and homeownership opportunities throughout the State. This information is currently being provided through the bilingual New Jersey Housing Resource Center on line site, which is operated by HMFA.

Finally, DCA noted that it should continue to insure that all development funds provide benefits and opportunities to all persons without regard to their membership in a protected class, by monitoring all

grantee project and program files; DCA continues to ensure that all of its funding programs operate accordingly.

Thus, DCA has taken steps to implement each of the recommendations it made in its 2011 AI to address the impediment of racial and ethnic concentration; equally importantly, these activities and continue today.

Areas of Concern

- Strong foreign migration, although increasing the racial diversity of the State, has created income, English proficiency, and neighborhood isolation challenges in securing housing choice. *Impediment: Limited English Proficiency; concentration of housing in high poverty areas; racial & ethnic concentrations.*

SEGREGATION/INTEGRATION AND R/ECAPS

Historical Patterns

Historical patterns of urbanization and suburbanization resulted in concentrations of the State's racial and ethnic groups in separate and distinct geographic areas. Historically, the housing choices of many ethnic and racial minorities have been limited for various reasons, leaving many to settle in high-poverty, low opportunity areas. In other cases, migration of various racial and ethnic groups to particular cities and neighborhoods within the State produced areas largely segregated by choice. One implication of these trends has been school segregation. A 2013 University of California Civil Rights Project study showed that New Jersey students in urban schools are overwhelming black and Hispanic, while students in suburban schools are largely white.[1] African-American and Hispanic students are also much more likely to attend schools with low-income student populations than whites. A Rowan University study noted that development patterns in the State since 1970 have produced housing segregation, a trend that is likely to continue.[2] In light of this history, it is necessary to examine the demographic makeup of the State in relation to patterns of segregation and changes in these patterns over time.

Dissimilarity Index

The dissimilarity index measures the amount of segregation between two racial or ethnic groups in a geographic area. More precisely, it measures the evenness in the proportional concentration of one group to another across neighborhoods in the State. A dissimilarity index score of 50 would mean that 50 percent of one group would need to move for the neighborhood to match the surrounding racial/ethnic composition of the area.

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[1] Greg Flaxman, John Kuscera, Gary Orfield, Jennifer Ayscue and Genevieve Siegel Hawley. 2013. "A Status Quo of Segregation: Racial and Economic Imbalance in New Jersey Schools, 1989-2010." University of California Civil Rights Project.
[2] John Hasse, John Reiser, and Alexander Pichacz. 2011. *Evidence of Persistent Exclusionary Effects of Land Use Policy within Historic and Projected Development Patterns in New Jersey: A Case Study of Monmouth and Somerset Counties.* Rowan University.

HUD considers a dissimilarity index score of 55 and above as evidence of high segregation, scores between 40 and 55 as moderate, and scores below 40 as reflective of low segregation.

By these criteria, the State's dissimilarity index for Asians and minorities overall would be considered "moderate", while the index for blacks and Hispanics would be considered "high."

Table 10: Dissimilarity Index by Racial/Ethnic Group, 2009-13

Group vs. Non-Hispanic White	Share of Population	Dissimilarity Index
Minority	30.8%	53.7
Black	13.6%	66.8
Asian	8.6%	51.1
Hispanic	18.2%	57.9

Source: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates

When examined on a county level, relatively urban Essex, Passaic, Union, and Camden counties are the most segregated between minorities and non-Hispanic whites, while Sussex and Warren counties, rural counties in the State's northwestern corner with few minorities, are the least. When African-Americans, the largest minority group, and non-Hispanic whites are considered, segregation is highest in the North Jersey counties of Essex and Passaic and the lowest in largely rural and suburban Warren, Gloucester, and Morris counties.

For Asians, segregation from non-Hispanic whites is the highest in generally urbanized Passaic, Essex, and Camden counties and the lowest in relatively rural and suburban Sussex, Hunterdon, Warren, Ocean, and Gloucester counties.

Table 11: County Dissimilarity Indices by Racial/Ethnic Group, 2000-2013

	2013 Minority /Non-Hispanic White	2013 Black/Non-Hispanic White	2013 Asian/Non-Hispanic White	2013 Hispanic/ Non-Hispanic White	2000-13 Change Minority/ Non-Hispanic White	2000-13 Change Black/Non-Hispanic White	2000-13 Change Asian/Non-Hispanic White	2000-13 Change Hispanic/ Non-Hispanic White
New Jersey	**53.7**	**66.8**	**51.1**	**57.9**	**-2.6**	**-2.4**	**4.6**	**-3.8**
Atlantic	47.3	57.4	41.7	51.3	-4.5	-5.1	-7.3	4.5
Bergen	38.6	61.0	41.0	38.0	0.9	-3.8	6.1	-1.3
Burlington	42.1	53.4	36.7	36.5	-5.9	-2.2	5.3	-6.6
Camden	53.6	60.9	63.0	50.0	-3.5	-2.4	18.2	-19.5
Cape May	39.4	50.6	41.6	56.1	-6.0	-5.2	17.2	13.7
Cumberland	44.6	45.5	50.0	40.4	5.3	4.3	19.3	-8.0
Essex	68.0	79.5	64.3	38.7	-3.3	-1.3	34.1	-25.7
Gloucester	29.3	36.1	32.8	34.0	-3.4	-3.7	0.7	11.9
Hudson	44.4	61.3	51.1	45.5	1.4	-1.2	6.0	0.7
Hunterdon	33.4	57.3	31.0	31.2	3.3	3.1	5.3	5.6
Mercer	47.3	63.7	55.9	47.8	-0.5	0.3	16.5	-5.3
Middlesex	38.4	44.0	50.4	43.1	-1.8	-2.5	9.6	-8.9
Monmouth	44.7	62.6	43.5	40.5	-2.8	-3.3	5.6	0.8
Morris	35.8	41.7	43.6	38.1	-0.5	-4.9	8.6	-9.5
Ocean	35.8	49.6	32.4	47.7	-3.4	-4.9	-0.1	13.5
Passaic	65.2	78.2	67.3	41.4	-2.6	-0.8	31.8	-27.9
Salem	46.0	55.4	45.4	40.3	-3.4	1.6	16.7	-3.1
Somerset	37.6	60.0	45.5	33.4	-0.4	-0.6	18.9	-17.7
Sussex	23.2	44.4	24.8	28.6	4.0	13.0	1.2	12.4
Union	56.5	64.7	58.5	29.8	-0.6	-2.2	32.0	-30.5
Warren	26.7	38.6	31.3	35.0	0.5	3.0	4.8	10.9

Source: U.S. Census Bureau, 2000 Decennial Census, 2009-13 American Community Survey 5-Year Estimates

Since 2000, the State has become less segregated for most racial groups. Minority/Non-Hispanic White segregation has fallen in the State, dropping most significantly in Cape May, Burlington, and Atlantic counties in the south. Segregation has only risen in Bergen, Cumberland, Hudson, Hunterdon, Sussex, and Warren counties, most of which are in northern New Jersey. African-American segregation from non-Hispanic whites is also on the decline, falling the most in Cape May, Burlington, and Atlantic counties in the south, while rising in Sussex, Cumberland, Hunterdon, Warren, Salem, and Mercer counties.

Statewide, only Asian/Non-Hispanic White segregation has increased, a likely consequence of the extraordinary growth in the State's Asian immigrant population, which since 2000 has gravitated toward predominantly Asian neighborhoods in the northern part of New Jersey. Asian/Non-Hispanic White segregation fell in suburban Atlantic and Ocean counties and rose significantly in urbanized Essex, Passaic, and Union counties in northeastern New Jersey.

At the state level, Hispanic/Non-Hispanic White segregation has declined since 2000. At the county level, Hispanic/Non-Hispanic White segregation is highest in Cape May, Atlantic, and Camden counties, each in southern New Jersey and the lowest in Union, Sussex, and Hunterdon counties in the northern part of the State. Since 2000, Hispanic segregation from non-Hispanic whites has dropped most significantly in Union, Passaic, and Essex counties, while rising the fastest in Cape May, Ocean, Sussex, and Gloucester counties.

The following table compares racial segregation levels in New Jersey and New Jersey cities to other states and neighboring cities within those states. Higher values indicate higher levels of racial and ethnic segregation, while lower values indicate lower levels of segregation.

Table 12: Comparison of NJ Segregation to Neighboring States and Cities, 2009-13

City/State	Minority/Non-Hispanic White	Black/Non-Hispanic White	Asian/Non-Hispanic White	Hispanic/Non-Hispanic White
State Comparison				
New Jersey	**53.7**	**66.8**	**51.1**	**57.9**
Pennsylvania	59.2	71.0	57.0	59.4
New York	66.1	77.4	61.5	65.6
Delaware	37.2	43.8	44.8	40.9
City Comparison				
Newark	**57.6**	**71.1**	**64.9**	**46.7**
Jersey City	**31.0**	**55.6**	**28.8**	**33.4**
Paterson	**48.5**	**58.8**	**49.4**	**44.0**
Elizabeth	**31.4**	**41.4**	**39.8**	**24.7**
Trenton	**42.0**	**51.6**	**47.5**	**31.9**
Camden	**32.2**	**38.8**	**51.1**	**31.3**
Philadelphia, PA	65.4	73.5	47.0	62.7
Allentown, PA	40.4	38.7	36.3	36.8
Reading, PA	29.1	26.5	50.4	31.8
Scranton, PA	36.2	42.3	56.7	31.3
Wilmington, DE	57.3	58.7	41.0	54.4
New York, NY	65.3	81.1	53.4	65.5
Hartford, CT	43.3	57.1	47.5	39.6
Major NJ City Average	**40.5**	**52.9**	**46.9**	**35.3**
Neighboring City Average	**48.2**	**54.0**	**47.4**	**46.0**
Difference	*-7.7*	*-1.1*	*-0.5*	*-10.7*

Source: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates

Compared to neighboring states, New Jersey has consistently lower levels of segregation across all groups compared to Pennsylvania and New York and only higher levels when compared to Delaware. In addition, New Jersey cities on average are less segregated on all measures. Minority/Non-Hispanic White segregation is particularly low compared to neighboring cities. When compared to neighboring states and cities, Hispanic/Non-Hispanic White segregation across New Jersey and within its major cities is relatively modest. New Jersey's Hispanic/Non-Hispanic White segregation falls below that of New York and Pennsylvania, while the State's major cities are considerably less segregated than major cities in neighboring states. Overall racial and ethnic segregation is less pronounced in New Jersey than in other parts of the Mid-Atlantic region. Maps 14-16 in Appendix A show racial and ethnic segregation in New Jersey cities in relation to major cities in neighboring states.

Segregation levels between native-born and foreign born New Jersey residents are lower than that of its racial and ethnic groups. 37.9 percent of the immigrant population would need to move to achieve a native-born/immigrant balance across all the State's neighborhoods. Native-Born/Immigrant segregation has declined slightly since 2000, most significantly in Atlantic and Hudson counties. However, it has risen dramatically in Cape May County, from the fourth lowest in 2000 to the highest in 2013. This is largely due to an influx of immigrants from Latin America. Over the thirteen-year period, Latin American immigrants more than doubled in Cape May County, with new immigrants settling in particular neighborhoods in Ocean City, Wildwood, and Lower and Middle townships.

Table 13: Native-Born/Immigrant Dissimilarity Index, 2000 - 2013

	2000	2013	Change 2000-2013
New Jersey	**39.5**	**37.9**	**-1.7**
Atlantic	36.8	32.3	-4.5
Bergen	26.0	26.4	0.4
Burlington	20.2	23.9	3.7
Camden	30.8	31.1	0.3
Cape May	18.2	36.8	18.6
Cumberland	35.3	36.4	1.1
Essex	30.6	28.2	-2.4
Gloucester	17.5	19.2	1.8
Hudson	31.1	27.4	-3.7
Hunterdon	14.9	17.1	2.2
Mercer	27.5	29.2	1.7
Middlesex	27.0	26.1	-0.9
Monmouth	24.7	31.1	6.4
Morris	27.5	28.7	1.2
Ocean	23.1	25.5	2.4
Passaic	30.6	29.3	-1.3
Salem	21.1	29.4	8.2
Somerset	22.7	20.4	-2.4
Sussex	14.0	19.3	5.3
Union	30.2	29.1	-1.1
Warren	20.9	23.4	2.6

Source: U.S. Census Bureau, 2000 Decennial Census, 2009-13
American Community Survey 5-Year Estimates

Isolation Index

The isolation index compares a racial or ethnic group's share of its total population in the State to its share of its local neighborhood. These measures the degree to which a group is concentrated in neighborhoods dominated by that group and thus isolated from all other groups. This measure differs from the dissimilarity index in that it focuses on isolation from all other racial groups as opposed to one other group.

New Jersey scores relatively high on the isolation index for minorities in general and non-Hispanic whites. For these groups, there's an over 50 percent probability that they live in neighborhoods where they are largely exposed only to their own group. Relative to all minorities isolation levels are slightly lower for African-Americans and much lower for Asians. Asians have considerably higher incomes than other minority groups, which gives them more housing choices in more affluent neighborhoods. However the isolation index for Asians increased from 1.32 in 2000 to 23.5 in 2013, driven by an influx of Asian immigrants to particular neighborhoods mainly in Bergen, Hudson, and Middlesex counties. Hispanic isolation is lower than that of Non-Hispanic whites, who are more racially isolated than any other racial or ethnic category.

Table 14: Isolation Index by Racial/Ethnic Group, 2013

Group	Share of Population	Isolation Index
Minority	30.80%	50.9
Black	13.60%	43.9
Asian	8.60%	23.5
Hispanic	18.20%	41.0
Non-Hispanic White	58.50%	73.4

Source: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates

The State's diminishing concentration of minorities in primarily minority neighborhoods is due to a significant drop in African-American isolation, with no concomitant decrease in the number of African-Americans in New Jersey. At the same time Asian isolation has increased, the result of geographically concentrated immigration from Asian countries. For Hispanics, there has been a small increase in ethnic isolation since 2000, also driven by targeted in-migration from foreign immigrants.

Table 15: Concentration in Racial/Ethnic Majority Neighborhoods, 2000 - 2013

Group	2000	2013	Change
Minorities/Minority Neighborhoods	50.7	49.0	-1.7
Blacks/Black Neighborhoods	48.2	41.2	-7.0
Asians/Asian Neighborhoods	2.0	9.5	7.5
Hispanics/Hispanic Neighborhoods	34.4	37.6	3.3

Source: U.S. Census Bureau, 2000 Decennial Census; 2009-13 American Community Survey 5-Year Estimates

Geographic Analysis

Areas of Minority Concentration

HUD's 2015 Glossary of HUD Terms describes an area of minority concentration as "a neighborhood in which the percentage of persons of a particular racial or ethnic minority is at least 20 percent higher than that minority's percentage in the housing market area as a whole, or in the case of a metropolitan area, the neighborhood's total percentage of its minority persons exceeds 50 percent of its population."[3] The entire State of New Jersey falls within various metropolitan areas, therefore the 50 percent standard applies to the entire State. Table 16 in Appendix A shows that 39 municipalities are areas of minority concentration by this standard. Five of the municipalities with the largest population concentrations of minorities are in Essex and Camden counties. Notably, New Jersey's three largest cities, Newark, Jersey City, and Paterson, qualify as areas of minority concentration.

Camden, Essex, and Middlesex counties have the most areas of minority concentration; Cape May, Gloucester, Hunterdon, Ocean, Sussex, and Warren counties have no such areas. Two thirds of the State's minority-concentrated municipalities are located in the northern half of the State, while one-third are in Camden, Burlington, Salem, Cumberland, and Atlantic counties. Overall, Passaic at 33 percent had the highest concentrated poverty rate of any county in 2013. Table 16 and Map 13 in Appendix A show the geographic distribution of the State's areas of minority concentration.

Racially and Ethnically Concentrated Poverty

A concentrated area of poverty is generally defined as any census tract with at least a 40 percent poverty rate.[4] Minorities comprise a majority of those living in concentrated poverty areas. Almost two thirds of minorities living in such areas are African-American. Camden, Essex, and Passaic counties together, account for about 69 percent of the State's concentrated poverty population.

Concentrated areas of poverty in Passaic County are heavily Hispanic, followed by Camden and Essex Counties. Non-Hispanic whites residing in concentrated areas of poverty are strongly represented in Ocean and Middlesex counties, while non-Hispanic minorities living in concentrated poverty are mainly based in Essex, Camden, and Passaic counties in the cities of Newark, Paterson, Passaic, and Camden. Notably, Ocean County has a significant Orthodox Jewish population in Lakewood that is largely poor.

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[3] HUD. 2015. 2015 Glossary of HUD Terms.
[4] U.S. Department of Housing and Urban Development. 2011. "Understanding Neighborhood Effects of Concentrated Poverty." *Evidence Matters.*

Table 17: Number in Concentrated Poverty Areas by Racial Group, 2013

	Number in Conc. Pov. Areas	Whites in Conc. Pov. Areas	Minorities in Conc. Pov. Areas	Blacks in Conc. Pov. Areas	Asians in Conc. Pov. Areas	Hispanics in Conc. Pov. Areas	Non-Hispanic Whites in Conc. Pov. Areas	Non-Hispanic Minorities in Conc. Pov. Areas
New Jersey	**103,479**	**32,215**	**71,264**	**46,471**	**2,566**	**43,379**	**12,773**	**47,327**
Atlantic	5,961	1,641	4,320	3,013	530	1,723	913	3,325
Bergen	0	0	0	0	0	0	0	0
Burlington	0	0	0	0	0	0	0	0
Camden	18,704	2,075	16,629	9,480	84	9,418	547	8,739
Cape May	0	0	0	0	0	0	0	0
Cumberland	4,990	1,872	3,118	1,839	3	2,921	205	1,864
Essex	25,670	2,791	22,879	18,478	174	6,467	808	18,395
Gloucester	0	0	0	0	0	0	0	0
Hudson	992	43	949	949	0	30	33	929
Hunterdon	0	0	0	0	0	0	0	0
Mercer	3,163	582	2,581	2,189	158	729	127	2,307
Middlesex	7,780	5,635	2,145	591	1,062	2,393	3,653	1,734
Monmouth	2,378	753	1,625	1,314	0	992	48	1,338
Morris	0	0	0	0	0	0	0	0
Ocean	6049	5947	102	63	0	660	5317	72
Passaic	26,642	10,641	16,001	7,691	555	17,821	953	7,868
Salem	1150	235	915	864	0	225	169	756
Somerset	0	0	0	0	0	0	0	0
Sussex	0	0	0	0	0	0	0	0
Union	0	0	0	0	0	0	0	0
Warren	0	0	0	0	0	0	0	0

Source: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates.

Concentrated poverty rates, which measure the percentage of a racial group's poor that live in a concentrated poverty census tract, are higher for minorities than whites by a difference of 9.4 percentage points. African-Americans have a concentrated poverty rate that exceeds that of all minorities by 4 percent. Asians have a low concentrated poverty rate compared to all other racial groups including whites. Concentrated poverty rates are higher for Hispanics than for non-Hispanic whites, but lower than non-Hispanic minorities. The Hispanic concentrated poverty rate is highest in Passaic and to a lesser extent in Camden. For non-Hispanic whites, Middlesex and Ocean counties have the highest rates; while Camden and Passaic counties have the top non-Hispanic minority concentrated poverty rates.

Table 18: Concentrated Poverty Rates by Racial Group, 2013

	Conc. Pov. Rate	White Conc. Pov. Rate	Minority Conc. Pov. Rate	Black Conc. Pov. Rate	Asian Conc. Pov. Rate	Hispanic Conc. Pov. Rate	Non-Hispanic White Conc. Pov. Rate	Non-Hispanic Minority Conc. Pov. Rate
New Jersey	**11.5%**	**6.9%**	**16.3%**	**20.3%**	**5.0%**	**13.8%**	**4.3%**	**16.5%**
Atlantic	15.5%	9.1%	21.3%	26.5%	14.6%	17.0%	6.8%	22.5%
Bergen	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Burlington	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Camden	28.4%	8.6%	40.0%	43.5%	3.3%	41.9%	2.9%	36.2%
Cape May	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cumberland	19.6%	15.3%	23.6%	28.7%	1.7%	25.4%	2.8%	28.1%
Essex	20.2%	9.8%	23.2%	25.2%	6.9%	17.5%	5.5%	24.3%
Gloucester	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hudson	0.9%	0.1%	1.8%	5.0%	0.0%	0.1%	0.2%	3.2%
Hunterdon	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mercer	8.1%	3.4%	11.7%	14.5%	8.5%	6.3%	1.3%	13.2%
Middlesex	11.5%	12.8%	9.2%	6.7%	12.3%	8.3%	17.7%	9.6%
Monmouth	5.5%	2.7%	10.7%	15.5%	0.0%	9.1%	0.2%	13.2%
Morris	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ocean	10.2%	11.5%	1.4%	2.0%	0.0%	8.2%	11.5%	1.5%
Passaic	33.0%	28.4%	37.0%	41.8%	17.8%	39.1%	6.7%	37.8%
Salem	14.3%	4.8%	29.6%	34.8%	0.0%	18.5%	3.9%	30.1%
Somerset	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sussex	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Union	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Warren	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates.

HUD considers *racially/ethnically* concentrated areas of poverty (R/ECAPs) as census tracts with at least a 40 percent poverty rate and a population that is over 50 percent minority.[5]

New Jersey's 58 R/ECAPs are located within the cities of Atlantic City, Camden, Bridgeton, Newark, Jersey City, Trenton, Long Branch, Asbury Park, Passaic, Paterson, Salem, and Irvington Township. This following map shows New Jersey's racially and ethnically concentrated areas of poverty in 2013.

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[5]U.S. Department of Housing and Urban Development. 2013. "FHEA Data Documentation."

Racially/Ethnically Concentrated Areas of Poverty (2009-2013)

SUSSEX

PASSAIC

BERGEN

WARREN

MORRIS

ESSEX

HUDSON

UNION

HUNTERDON

SOMERSET

MIDDLESEX

MERCER

MONMOUTH

Distribution by Census Tract

■ Concentrated

□ Not Concentrated

Concentration found in 58 Tracts

BURLINGTON

OCEAN

CAMDEN

GLOUCESTER

SALEM

ATLANTIC

N

CUMBERLAND

0   10   20   30   40
Miles

CAPE MAY

State of New Jersey
Department of Community Affairs
101 South Broad Street
Trenton, New Jersey 08625
Prepared By: Local Planning Services 2015

Data Sources: NJOIT-OGIS, U.S. Census Bureau,
2009-13 American Community Survey 5-Year Estimates.

On average, these areas have unemployment rates nearly four times the state average and income levels that are less than a third of that of New Jersey as a whole. These communities are much more likely to lack access to healthy food options. 21 (36.2 percent) of these communities qualify as food deserts under USDA criteria, compared to only 11.8 percent of communities statewide. Workers within R/ECAPs are more than twice as likely to rely on public transit for work commuting than the state as a whole.

The highest poverty R/ECAPs are located in the cities of Newark, Atlantic City, Camden, and Salem, while areas with the lowest income levels are in Bridgeton, Newark and Atlantic City. R/ECAPs with the highest unemployment rates are found within Newark, Salem, Atlantic City, and Camden.

Table 18A: R/ECAP Community Profile

Census Tract	County	Municipality	% Minority	% in Poverty	Unemployment Rate	Median Household Income	Food Desert?	% using Public Transit for Work Commute
Census Tract 14	Atlantic	Atlantic City city	77.5%	52.1%	32.5%	$20,262	Yes	19.8%
Census Tract 15	Atlantic	Atlantic City city	80.9%	65.5%	38.9%	$14,148	Yes	18.5%
Census Tract 23	Atlantic	Atlantic City city	52.8%	40.9%	17.8%	$36,743	Yes	28.4%
Census Tract 24	Atlantic	Atlantic City city	60.2%	54.6%	16.7%	$17,863	Yes	32.2%
Census Tract 6004	Camden	Camden city	92.1%	45.6%	37.4%	$27,283	Yes	21.0%
Census Tract 6008	Camden	Camden city	85.5%	51.8%	35.7%	$15,883	No	13.3%
Census Tract 6009	Camden	Camden city	86.4%	52.6%	28.2%	$22,914	No	9.8%
Census Tract 6013	Camden	Camden city	86.0%	55.4%	30.5%	$23,358	No	13.9%
Census Tract 6015	Camden	Camden city	95.7%	40.9%	24.1%	$24,861	No	19.8%
Census Tract 6017	Camden	Camden city	96.6%	57.9%	25.2%	$15,531	Yes	20.0%
Census Tract 6018	Camden	Camden city	91.3%	48.9%	24.0%	$27,321	Yes	29.5%
Census Tract 6019	Camden	Camden city	92.7%	52.0%	38.2%	$17,372	Yes	8.7%
Census Tract 6103	Camden	Camden city	65.4%	43.9%	13.0%	$15,000	Yes	8.2%
Census Tract 6104	Camden	Camden city	77.6%	62.2%	27.5%	$16,725	Yes	21.4%
Census Tract 201	Cumberland	Bridgeton city	58.4%	51.4%	34.8%	$9,932	No	5.5%
Census Tract 203	Cumberland	Bridgeton city	51.1%	43.4%	23.7%	$34,728	Yes	1.4%
Census Tract 205.03	Cumberland	Bridgeton city	78.5%	43.2%	24.7%	$26,763	Yes	7.6%
Census Tract 9	Essex	Newark city	73.0%	42.1%	32.7%	$26,250	Yes	19.6%
Census Tract 14	Essex	Newark city	89.1%	51.2%	21.4%	$26,226	No	16.2%
Census Tract 15	Essex	Newark city	96.7%	49.3%	33.5%	$25,238	No	45.7%
Census Tract 19	Essex	Newark city	99.4%	56.2%	28.7%	$19,250	Yes	20.8%
Census Tract 26	Essex	Newark city	93.2%	43.1%	28.5%	$22,639	Yes	28.2%
Census Tract 39	Essex	Newark city	100.0%	46.5%	44.5%	$19,704	No	32.4%
Census Tract 42	Essex	Newark city	99.8%	42.5%	32.3%	$29,067	Yes	33.7%
Census Tract 48.02	Essex	Newark city	90.2%	57.6%	32.1%	$11,587	Yes	33.1%
Census Tract 54	Essex	Newark city	93.1%	40.5%	27.6%	$23,565	Yes	30.3%
Census Tract 57	Essex	Newark city	67.1%	40.8%	24.8%	$36,938	No	27.6%
Census Tract 62	Essex	Newark city	94.9%	55.2%	33.8%	$17,083	No	29.1%

Census Tract	County	Municipality	% Minority	% in Poverty	Unemployment Rate	Median Household Income	Food Desert?	% using Public Transit for Work Commute
Census Tract 67	Essex	Newark city	79.0%	51.9%	29.7%	$14,333	No	28.7%
Census Tract 82	Essex	Newark city	82.2%	44.5%	28.2%	$22,716	No	38.5%
Census Tract 91	Essex	Newark city	52.7%	42.9%	17.5%	$32,938	No	32.7%
Census Tract 227	Essex	Newark city	94.6%	55.0%	19.8%	$19,422	No	29.2%
Census Tract 228	Essex	Newark city	97.6%	40.4%	35.0%	$23,226	Yes	47.5%
Census Tract 229	Essex	Newark city	69.9%	40.7%	23.2%	$37,012	No	28.5%
Census Tract 230	Essex	Newark city	90.9%	45.6%	30.3%	$16,919	No	47.6%
Census Tract 231	Essex	Newark city	85.8%	42.6%	25.7%	$32,000	No	41.8%
Census Tract 232	Essex	Newark city	87.7%	43.6%	30.0%	$23,065	No	37.7%
Census Tract 9802	Essex	Newark city	74.0%	86.4%	0.0%	--	No	33.3%
Census Tract 131	Essex	Irvington township	96.7%	43.7%	33.0%	$21,792	No	34.4%
Census Tract 44	Hudson	Jersey City city	96.6%	41.5%	26.8%	$19,447	No	41.1%
Census Tract 14.01	Mercer	Trenton city	98.2%	43.1%	26.7%	$19,943	Yes	14.2%
Census Tract 16	Mercer	Trenton city	73.5%	51.0%	12.7%	$19,423	Yes	9.6%
Census Tract 19	Mercer	Trenton city	51.0%	43.4%	5.0%	$41,667	No	21.6%
Census Tract 8056	Monmouth	Long Branch city	63.8%	44.2%	16.0%	$24,554	No	6.6%
Census Tract 8073	Monmouth	Asbury Park city	81.3%	43.8%	19.3%	$22,068	No	8.0%
Census Tract 1752	Passaic	Passaic city	58.6%	45.1%	8.4%	$25,764	No	12.0%
Census Tract 1754.02	Passaic	Passaic city	74.6%	44.8%	17.1%	$22,871	No	22.2%
Census Tract 1758.02	Passaic	Passaic city	50.1%	49.7%	9.6%	$26,003	No	12.4%
Census Tract 1809	Passaic	Paterson city	56.9%	42.2%	3.9%	$27,927	No	22.4%
Census Tract 1813	Passaic	Paterson city	66.4%	42.0%	18.3%	$33,344	No	22.8%
Census Tract 1814	Passaic	Paterson city	85.2%	52.4%	18.1%	$16,406	No	29.0%
Census Tract 1815	Passaic	Paterson city	87.9%	44.8%	30.4%	$15,559	No	13.2%
Census Tract 1817.02	Passaic	Paterson city	58.7%	40.9%	14.0%	$27,843	No	14.7%
Census Tract 1818	Passaic	Paterson city	59.7%	55.8%	16.9%	$20,279	No	34.0%
Census Tract 1822	Passaic	Paterson city	51.6%	48.5%	4.4%	$24,509	No	21.1%
Census Tract 1823.02	Passaic	Paterson city	58.7%	42.8%	15.9%	$21,823	No	17.0%
Census Tract 2642	Passaic	Paterson city	74.4%	50.9%	21.1%	$14,375	No	13.1%
Census Tract 220	Salem	Salem city	82.8%	58.3%	43.3%	$15,181	No	13.4%
R/ECAP Average			**78.7%**	**48.4%**	**24.4%**	**$22,924**	**--**	**23.2%**

Source: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates; USDA Food Atlas Data, 2013.

The subsidized housing location quotient measures a neighborhood's percentage concentration of subsidized housing (against all housing) relative to that of the state as a whole. A score of one means the neighborhood has a subsidized housing share matching that of the state, while a score of 0.5 or 1.5 would mean a share 50 percent below or 50 percent above the state's share.

R/ECAPs contain dense concentrations of subsidized housing, with subsidized housing location quotients well in excess of one in all but four areas. Select neighborhoods in Newark, Atlantic City, and Camden have the deepest concentrations of subsidized housing relative to all housing. Public housing is the most

common form of subsidized housing in the state's R/ECAPs. Over 62 percent of this public housing is found in the cities of Newark and Camden.

Table 18B: R/ECAP Subsidized Housing Profile

Census Tract	County	Municipality	Housing Choice Vouchers	Section 8 NC/SR	Public Housing	All Other	Total Sub. Housing	Total Housing Units	Sub. Housing Location Quotient
Census Tract 14	Atlantic	Atlantic City city	67	236	17	619	**939**	1,773	**11.0**
Census Tract 15	Atlantic	Atlantic City city	80	351	195	0	**626**	860	**15.1**
Census Tract 23	Atlantic	Atlantic City city	25	0	0	0	**25**	1,091	**0.5**
Census Tract 24	Atlantic	Atlantic City city	130	153	249	0	**532**	1,703	**6.5**
Census Tract 6004	Camden	Camden city	39	0	0	70	**109**	1,465	**1.5**
Census Tract 6008	Camden	Camden city	19	402	0	316	**737**	2,144	**7.1**
Census Tract 6009	Camden	Camden city	31	0	302	210	**543**	1,536	**7.3**
Census Tract 6013	Camden	Camden city	104	0	346	0	**450**	2,032	**4.6**
Census Tract 6015	Camden	Camden city	212	0	0	191	**403**	2,708	**3.1**
Census Tract 6017	Camden	Camden city	74	0	677	177	**928**	1,320	**14.6**
Census Tract 6018	Camden	Camden city	11	0	6	2	**19**	630	**0.6**
Census Tract 6019	Camden	Camden city	57	0	27	224	**308**	1,179	**5.4**
Census Tract 6103	Camden	Camden city	6	224	105	52	**387**	1,378	**5.8**
Census Tract 6104	Camden	Camden city	98	0	0	126	**224**	1,492	**3.1**
Census Tract 201	Cumberland	Bridgeton city	28	0	110	0	**138**	340	**8.4**
Census Tract 203	Cumberland	Bridgeton city	141	197	83	56	**477**	1,715	**5.8**
Census Tract 205.03	Cumberland	Bridgeton city	85	0	109	0	**194**	1,263	**3.2**
Census Tract 9	Essex	Newark city	76	1	21	350	**448**	1,579	**5.9**
Census Tract 14	Essex	Newark city	162	0	0	4	**166**	1,198	**2.9**
Census Tract 15	Essex	Newark city	137	15	0	215	**367**	716	**10.7**
Census Tract 19	Essex	Newark city	46	0	334	9	**389**	825	**9.8**
Census Tract 26	Essex	Newark city	105	0	95	0	**200**	811	**5.1**
Census Tract 39	Essex	Newark city	3	298	273	0	**574**	655	**18.2**
Census Tract 42	Essex	Newark city	144	0	0	2	**146**	1,359	**2.2**
Census Tract 48.02	Essex	Newark city	53	0	1,380	0	**1,433**	2,107	**14.1**
Census Tract 54	Essex	Newark city	212	0	95	355	**662**	1,514	**9.1**
Census Tract 57	Essex	Newark city	71	98	46	0	**215**	974	**4.6**
Census Tract 62	Essex	Newark city	99	1	90	112	**302**	748	**8.4**
Census Tract 67	Essex	Newark city	290	710	16	213	**1,229**	1,676	**15.2**
Census Tract 82	Essex	Newark city	81	406	0	122	**609**	924	**13.7**
Census Tract 91	Essex	Newark city	76	0	6	0	**82**	1,201	**1.4**
Census Tract 227	Essex	Newark city	65	573	160	0	**798**	1,427	**11.6**
Census Tract 228	Essex	Newark city	68	115	479	0	**662**	1,016	**13.5**

Census Tract	County	Municipality	Housing Choice Vouchers	Section 8 NC/SR	Public Housing	All Other	Total Sub. Housing	Total Housing Units	Sub. Housing Location Quotient
Census Tract 229	Essex	Newark city	35	0	351	0	**386**	1,385	**5.8**
Census Tract 230	Essex	Newark city	77	454	0	24	**555**	1,230	**9.4**
Census Tract 231	Essex	Newark city	92	0	207	3	**302**	951	**6.6**
Census Tract 232	Essex	Newark city	139	387	234	1	**761**	1,354	**11.7**
Census Tract 9802	Essex	Newark city	7	0	0	0	**7**	23	**6.3**
Census Tract 131	Essex	Irvington township	17	1	0	2	**20**	837	**0.5**
Census Tract 44	Hudson	Jersey City city	108	381	0	0	**489**	1,173	**8.7**
Census Tract 14.01	Mercer	Trenton city	43	0	835	268	**1,146**	1,999	**11.9**
Census Tract 16	Mercer	Trenton city	13	0	137	127	**277**	655	**8.8**
Census Tract 19	Mercer	Trenton city	9	0	0	0	**9**	627	**0.3**
Census Tract 8056	Monmouth	Long Branch city	142	0	327	0	**469**	865	**11.3**
Census Tract 8073	Monmouth	Asbury Park city	269	0	70	0	**339**	1,154	**6.1**
Census Tract 1752	Passaic	Passaic city	106	1	10	18	**135**	1,574	**1.8**
Census Tract 1754.02	Passaic	Passaic city	153	1	600	35	**789**	1,431	**11.5**
Census Tract 1758.02	Passaic	Passaic city	211	72	50	1	**334**	2,022	**3.4**
Census Tract 1809	Passaic	Paterson city	78	0	0	0	**78**	1,126	**1.4**
Census Tract 1813	Passaic	Paterson city	226	69	0	131	**426**	1,963	**4.5**
Census Tract 1814	Passaic	Paterson city	144	0	120	64	**328**	1,355	**5.0**
Census Tract 1815	Passaic	Paterson city	141	0	0	56	**197**	1,069	**3.8**
Census Tract 1817.02	Passaic	Paterson city	66	0	0	0	**66**	1,078	**1.3**
Census Tract 1818	Passaic	Paterson city	91	145	119	0	**355**	1,032	**7.1**
Census Tract 1822	Passaic	Paterson city	109	141	0	20	**270**	1,065	**5.3**
Census Tract 1823.02	Passaic	Paterson city	131	49	107	16	**303**	1,940	**3.2**
Census Tract 2642	Passaic	Paterson city	186	2	75	609	**872**	1,655	**11.0**
Census Tract 220	Salem	Salem city	86	0	0	61	**147**	964	**3.2**
R/ECAP Average			**96**	**95**	**146**	**84**	**420**	**1,274**	**6.9**

Sources: U.S. Census Bureau, 2009-13 American Community Survey 5-Year Estimates; HUD, 2013 Picture of Subsidized Households

Although only 2.1 percent of New Jersey's housing and population are found in racially and ethnically concentrated areas of poverty, over 14 percent (one in seven) of the state's HUD-supported subsidized housing is found in such areas. Concentrations are greatest for public housing, followed by Section 8 NC/SR (project-based). Of the subsidized housing programs, Housing Choice Vouchers are least heavily concentrated in the state's racially and ethnically concentrated areas of poverty. However generally, racially and ethnically concentrated areas of poverty are much more likely to contain large concentrations of subsidized housing than other areas of New Jersey.

Table 18C: Subsidized Housing in R/ECAPs, 2013

	Total in R/ECAPs	% of Statewide Total in R/ECAPs
Housing Choice Vouchers	5,574	7.7%
Section 8 NC/SR	5,483	15.5%
Public Housing	8,463	21.8%
All Other	4,861	21.0%
Total HUD Subsidized Housing	**24,381**	**14.4%**

Source: HUD, 2013 Picture of Subsidized Households

Determinants of Segregation/R/ECAPS

Income Levels

Median household income in New Jersey is $70,165. Asians have the highest median household incomes. American Indian and Alaska Natives, individuals defining themselves as some other race (which tends to be individuals originally from Mexico, Central, and South America), and African-Americans have the lowest incomes. Hunterdon, Morris, and Somerset rank amongst the state's wealthiest counties, while Cumberland, Atlantic, and Essex, each with large concentrations of high-poverty areas, rank amongst its poorest. For African-Americans, incomes are lowest in relatively rural Atlantic, Salem, and Cumberland, and highest in the more suburban counties of Hunterdon and Morris. For Asians, incomes are lowest in the mostly rural counties of Atlantic, Warren, and Ocean. Notably, Asian income levels in Atlantic County are significantly below that of the rest of the state. Asian incomes are highest in the suburban counties of Somerset, Monmouth, and Morris. For Hispanics, incomes are lowest in Cumberland, Camden, and Salem, and highest in Hunterdon, Burlington, and Somerset counties. Tables 19-20 in Appendix A shows median household incomes by racial and ethnic group in 2013.
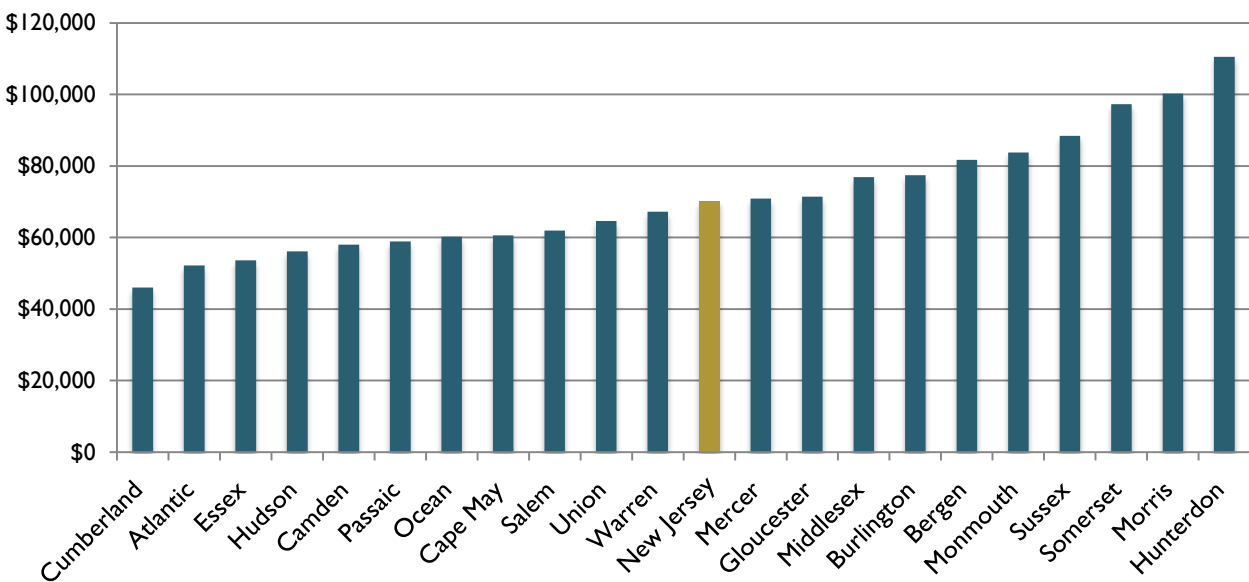
Hispanic households generally have lower incomes than all other households. The difference between Hispanic households' median income and overall median household income is the greatest in Monmouth, Morris, and Cape May counties. Non-Hispanic white households have above average incomes, with the differentials greatest in Essex, Union, and Passaic counties.

When changes in real (inflation adjusted) median household income since 2000 are examined, the median New Jersey household earned $6,946 less in 2013 than in 2000, a decrease that closely mirrors a national trend. The decline in income was greater for African-Americans and considerably greater for American Indians and Alaska Natives. Asians were the only group to see income gains over the thirteen-year period. The decline in incomes was the highest in Union, Warren, and Somerset counties in North Jersey, while incomes actually rose by $2,403 in Cape May County and only declined by $263 in Hudson County. African-Americans realized the biggest declines in income in Sussex, Warren, Somerset, Hunterdon, and Ocean counties, most of which are rural or suburban counties in the northern part of

the State. African-Americans saw income gains in Cape May, Gloucester, and Morris counties. Atlantic County by far had the largest decline in Asian household incomes, at over $39,000, followed by Warren, and Ocean counties. The strongest Asian income gains occurred in Burlington and Hudson counties.

Since 2000, the median household income for Hispanic households has dropped by $8,137, a drop that exceeds that of the nation by over $2,500. Conversely, non-Hispanic whites in New Jersey have seen income declines below the national average. Hispanic incomes fell the most in Warren and Gloucester counties while non-Hispanic white incomes fell the most in Cumberland and Somerset counties. Hispanic households actually saw income gains in Burlington, Hunterdon, Salem, and Somerset counties, while non-Hispanic whites had gains in Cape May, Hudson, Hunterdon, and Union counties. Tables 21-22 in Appendix A show changes in real median household incomes by racial and ethnic group from 2000 to 2013.

Median Household Income County Ranking, 2013

Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates

The suburban portions of the northern counties that are part of the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area have a good deal more wealth than the urban areas in those same counties. In terms of wealth, they more closely resemble the relatively rural southern New Jersey counties. Median household income is generally the highest in suburban North Jersey, with some concentrations in the suburban areas of Camden, Gloucester, and Burlington counties, as shown by Map 17 in Appendix A.

Overall, income levels for the State's foreign-born households are lower than native-born households by $7,204. Foreign-born household incomes are the lowest in Atlantic and Cumberland counties. The native/foreign-born income gap is the greatest in Bergen, Monmouth, and Union counties. Immigrant households generally earn more than native households in central New Jersey. Foreign-born household incomes modestly exceed native- born household incomes in Mercer and Somerset counties, and substantially exceed them in Middlesex County. Table 23 in Appendix A shows median household incomes by native-born/immigrant status in 2013.

Overall, although immigrant poverty rates are lower than the nation and falling, Table 24 in Appendix A shows the poverty rate by native-born/immigrant status in 2013.

Zoning

By definition, zoning ordinances restrict certain potential uses of land by limiting the permissible uses of a particular parcel of land. In New Jersey, the zoning power is constitutionally delegated to the State's municipalities. Pursuant to that authority, the Legislature, as part of the Municipal Land Use Law, authorized municipal governing bodies to "adopt or amend a zoning ordinance relating to the nature and extent of the uses of land or buildings and structures thereon." N.J.S.A. 40:55D-62. The Law also details the types of factors that a zoning ordinance may consider. Consistent with that authority, New Jersey municipalities have over time adopted zoning ordinances that dictate the type and location of housing structures permitted within their boundaries.

In two court decisions customarily referred to as "Mt. Laurel I" (So. Burl. Cty. N.A.A.C.P. v Mt. Laurel, 67 N.J. 151 (1975)), and "Mt. Laurel II" (So. Burl. Cty. N.A.A.C.P. v Mt. Laurel Tp., 92 N.J. 158 (1983)), the New Jersey Supreme Court addressed the issue of "exclusionary zoning"; that is, zoning that effectively precludes any housing for low and moderate income households. In Mt. Laurel I the Court reviewed Mt. Laurel Township's zoning ordinances. The Township, like many New Jersey municipalities, was transforming in the post-war era from a primarily rural community into a municipality with increased commercial, industrial and residential growth. The Township's residential zoning ordinances, however, permitted almost exclusively large lot single family detached dwellings. The few multi-family units permitted were beyond the reach of low and moderate income households, particularly those with young children.

The Court recognized that such zoning resulted from the municipal desire to keep down local property taxes, which in turn derived from the State's tax structure. Because that structure relied upon local real estate taxes to fund the cost of local government, and more importantly, the school system, the municipality zoned to attract commercial and industrial retables, and also higher value residential properties. The Court found that by doing so, the municipality acted solely with regard to its own parochial interests, zoning to keep out people and entities unfavorable to its tax base, and without

reference to the area's need for a variety of housing choices. The Court opined on the detrimental impact of such policies on the State, including its urban areas.

The Court then derived its "Mt. Laurel doctrine." As initially set forth in Mt. Laurel I, and then refined in Mt. Laurel II, the power to zone, delegated to the municipalities in accordance with the Constitution, is an exercise of the police power and, as such, must be exercised for the general welfare. Given the essential nature of housing, the general welfare includes more than the welfare of a municipality and its current residents; it also includes the housing needs of those residing outside the municipality but within the region contributing to housing need within the municipality. Zoning ordinances that fail to provide for a municipality's fair share of the region's need for low and moderate income housing conflict with the general welfare and thus, the Court concluded, violate the State constitutional requirements of equal protection and substantive due process. For purposes of the doctrine, low income housing is defined as households whose income does not exceed 50 percent of the area's median income, and moderate income means households whose income is between 50 and 80 percent.

The Mt. Laurel obligation, as defined by the Supreme Court, is premised solely on an economic, not racial, analysis. In Mt. Laurel I, the Court specifically accepted the municipality's representation that its zoning decisions were not made with any intention to exclude persons based on their race. Nevertheless, it has been repeatedly noted that the impact of exclusionary zoning, beyond its effect on low and moderate income households, is to perpetuate existing patterns of segregation, principally between the State's urban and suburban areas.

Initially, private parties sought to enforce the Mt. Laurel obligation solely through litigation. Those early cases required the courts to establish municipal obligations to provide affordable housing through methodologies developed by the courts. The cases introduced the concept of a "builder's remedy" in which the plaintiff developer sought as relief the court-ordered right to construct low and moderate income units, usually in the form of an increased-density, inclusionary development (in which a set number of market rate units offset the cost to the developer of each affordable housing unit).

In 1985 the Legislature enacted the Fair Housing Act, N.J.S.A. 52:27D-301 *et seq*. In that legislation, the Legislature announced its intention to provide a comprehensive planning and implementation response to the constitutional obligation, by establishing an administrative mechanism as an alternative to builder's remedy litigation. The Act created the Council on Affordable Housing (COAH) and assigned it the task of developing a methodology to establish housing regions for the State, to determine each municipality's present and prospective need for affordable housing, and to set forth appropriate mechanisms by which a municipality could prepare a housing plan to meet that obligation. The statute also established a process where municipalities could prepare housing plans consistent with COAH's regulations and then voluntarily submitting those plans to COAH for its review. COAH approval of a municipal plan, in the form of substantive certification, was entitled to deference in any subsequent challenge. Municipalities that elected not to file with COAH were vulnerable to potential builder's remedy litigation.

COAH prepared several versions of such regulations, establishing the first round (1987-1993) and its second round (1993 to 1999) methodologies. The six year time periods conformed to the six year period for municipal planning set forth at that time in the Municipal Land Use Law. In each round, numerous municipalities came before COAH for review of their plans. In many cases, COAH's approval of a municipal plan involved changes to municipal zoning ordinances in order to satisfy the municipal fair share obligation.

Following the second round, COAH determined to draft regulations for its third round methodology that deviated from the prior rounds by utilizing a "growth share" approach to prospective housing need. Rather than assigning a specific number to each municipality to reflect COAH's prediction of what its future need would be, a municipality's fair share of affordable housing would instead be calculated based upon its actual growth. COAH prepared several iterations of these rules and, in each instance, the proposed rules became subject to immediate court challenges by various parties. The intermediary appellate courts of this State twice invalidated iterations of the proposed rules. In the case of In re Adoption of N.J.A.C. 5:96, 215 N.J. 578 (2013), the Supreme Court affirmed the most recent Appellate Division decision, and ordered COAH to adopt new regulations consistent with the approach taken in its first and second rounds. COAH prepared such regulations and published them for public comment, as required by the State's Administrative Procedure Act. At its public meeting of October 20, 2014 the COAH board debated the final adoption of the regulations. However, the Council deadlocked on several votes, and was thus unable to take any final action on the proposed regulations.

As a result, on March 10, 2015 the Supreme Court issued a decision captioned In re Adoption of N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015). In that decision, the Court concluded that, given the result of the COAH meeting, and the agency's inability to adopt at that time final regulations, the courts should resume their original role as the forum of first resort for evaluating municipal compliance with the Mt. Laurel obligation. The Court delayed the effective date of its decision for 90 days, as a matter of basic fairness, in order to permit an orderly transition from an administrative to a judicial process. The Court further provided that during the first 30 days following the effective date of its decision the only actions that could be entertained by the courts would be declaratory judgment actions by those municipalities that had previously received third round substantive certification from COAH or who were already participating in the COAH third round process. Thus, as of the current time, oversight of municipalities' use of zoning to meet their affordable housing obligations no longer resides in the executive branch; that responsibility has been returned to the courts.

Despite the progress resulting from the production of substantial numbers of low and moderate income housing units throughout the State, the problem of exclusionary zoning remains in many parts of the State. In 2011, Rowan University released a study of land use policy and development patterns in New Jersey examining the period between 1986 and 2007.[6] The study concluded that municipal zoning continues to encourage commercial and industrial development at the expense of residential

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[6] John Hasse, John Reiser, and Alexander Pichacz. 2011. *Evidence of Persistent Exclusionary Effects of Land Use Policy within Historic and Projected Development Patterns in New Jersey: A Case Study of Monmouth and Somerset Counties.* Rowan University.

development. Further, residential zoning has promoted the construction of low density, large lot developments, as opposed to a full range of housing choices. The effect has been the long term persistence of exclusionary zoning that continues to limit the development of affordable housing.

As a result of these development patterns, the geographically concentrated availability of affordable housing has tended to limit choices for low and moderate income households. And, the areas where low and moderate income housing are available are not necessarily areas of economic opportunity.

Additional Factors

Existing income inequality between areas of the State and the persistent issue of exclusionary zoning, remain the primary reasons for the continuance of patterns of segregation. However, there are other factors that also play a part. Together North Jersey's Fair Housing and Equity report identifies several other factors. The report cites "cultural barriers" of both an internal and external nature. The recent influx in New Jersey of immigration from Asia demonstrates one such cultural issue, as many immigrants have often elected to cluster in distinct and discrete areas. This is no doubt motivated at least in part by a determination to settle in an area with the advantage of an existing community network that provides a sense of security and familiarity.

Publically Supported Housing Patterns

HUD Subsidized Units

In 2013, there were approximately 172,175 HUD subsidized housing units in New Jersey. That total includes public housing, Housing Choice Vouchers, Section 8, LIHTC, and other HUD programs. Public housing, Housing Choice Vouchers, and Section 8 housing support most of the units in the State. Essex and Hudson counties contain the largest number of HUD subsidized units, while Hunterdon and Sussex counties contain the fewest, as shown below.

Table 25: HUD Subsidized Units by Program, 2013

	All HUD Subsidized Units*	Public Housing	Housing Choice Vouchers	Mod Rehab	Section 8 NC/SR (Project-based)	Section 236	Multi-Family Other	LIHTC
United States	5,061,065	1,091,699	2,349,204	18,120	826,012	124,383	651,643	1,950,175
New Jersey	**172,175**	**38,851**	**72,140**	**981**	**34,886**	**9,788**	**15,529**	**28,359**
Atlantic County	7,552	1,845	2,291	0	1,120	519	1,777	713
Bergen County	11,774	2,259	6,418	0	2,070	720	307	868
Burlington County	1,557	211	883	0	42	166	255	1,453
Camden County	9,922	2,198	3,403	451	1,793	500	1,577	3,991
Cape May County	1,316	376	486	0	115	131	208	142

	All HUD Subsidized Units*	Public Housing	Housing Choice Vouchers	Mod Rehab	Section 8 NC/SR (Project-based)	Section 236	Multi-Family Other	LIHTC
Cumberland County	4,642	1,546	1,862	0	219	210	805	795
Essex County	38,263	8,914	12,327	85	10,548	2,932	3,457	4,919
Gloucester County	3,990	441	2,364	15	598	242	330	566
Hudson County	26,329	8,134	8,863	41	6,421	1,286	1,584	2,195
Hunterdon County	618	0	562	0	53	0	3	292
Mercer County	6,647	1,891	1,717	123	1,405	532	979	1,976
Middlesex County	10,312	2,137	5,469	6	1,500	300	900	1,808
Monmouth County	10,408	1,847	5,381	0	1,763	780	637	2,665
Morris County	3,778	1,041	1,762	6	760	0	209	936
Ocean County	5,520	604	3,816	8	647	152	293	1,193
Passaic County	12,622	1,897	6,512	184	2,055	715	1,259	1,425
Salem County	1,372	332	767	61	80	120	12	284
Somerset County	1,800	50	1,281	0	371	0	98	259
Sussex County	1,146	80	797	0	190	61	18	0
Union County	10,690	2,470	4,055	0	2,965	422	778	1,739
Warren County	1,913	578	1,124	0	171	0	40	0
County Unknown	4	0	0	1	0	0	3	140

Source: HUD, 2013 Picture of Subsidized Households.
*Total subsidized units will not total to the sum of program units. Units can be part of multiple housing programs.

Table 26 in Appendix A shows New Jersey's concentrations of HUD subsidized units by county in 2013.

Since 2010, the number of HUD subsidized units in New Jersey has remained nearly flat, while nationally they have increased by 1.8 percent. Union and Essex counties have seen the largest increases, while Mercer and Camden counties have seen the biggest reductions. Table 27 in Appendix A shows the change in New Jersey's HUD subsidized units from 2010 to 2013.

LIHTC Units

In 2015, approximately 36,755 Low Income Housing Tax Credit (LIHTC) units were in service in New Jersey. Essex and Camden counties have the greatest number at over 31 percent of all units statewide. Salem County has the highest number of units in service per 1,000 residents, followed by Camden County. Table 28 in Appendix A shows the State's LIHTC units in service in 2015.

As shown in the Maps 18-19 and Table 28 in Appendix A, particularly dense concentrations can be found in Newark, Elizabeth, Jersey City, Paterson, Bridgeton, Trenton, Camden, Atlantic City, and Pleasantville. However it is important to note that the State's current strategy has been to develop new LIHTC units in high-opportunity areas with relative shortages of affordable housing.

Positive Changes in NJ's Qualified Allocation Plan (QAP)

NJHMFA administers the Low Income Housing Tax Credit (LIHTC) program and has the responsibility of allocating one of the most vital affordable housing resources available to the state. Its Qualified Allocation Plan (QAP) outlines the application requirements for both the 4% and 9% LIHTCs. Over the past decade, NJHMFA has crafted a QAP that strikes a balance between meeting the housing needs of urbanized areas and encouraging affordable housing in higher opportunity areas of the state where such units are typically scarce.

4% LIHTC

4% LIHTC are non-competitive and considered "as-of-right" credits for projects financed with tax exempt bonds. This being the case, it is typically more challenging to encourage development in targeted locations under the 4% program. Although one of the predominant uses of the 4% program is acquisition/rehab projects in urban municipalities, such projects do not increase concentrations of low income tenancy but rather, preserve and improve existing affordable housing stock and in many cases, either de-concentrate/reduce the number of affordable units in the area or maintain affordable housing subsidies such as Section 8.

In addition, a significant amount of tax-exempt bond projects have coupled "as-of-right" 4% tax credits with the competitively awarded second tranche of the CDBG-DR Fund for Restoration of Multifamily Housing (FRM). Since 2014, nearly half (47%) of all 4% projects with tax exempt bond commitments have been located in municipalities with less than 10% poverty. The third tranche will be allocated to continue to expand the footprint of affordable housing in suburban towns as well as provide additional housing for Sandy impacted residents.

9% LIHTC

Despite efforts in older versions of the QAP to encourage LIHTC projects throughout the state, awards were predominantly in urban centers with high poverty rates for a variety of reasons. NIMBY-ism in some suburban areas, coupled with the greater resources and infrastructure in urban cities for housing, generated a pool of almost entirely urban applications. For example, in 2003 only 1 project out of 14 was (7%) awarded in a municipality with less than a 10% poverty rate. However, NJHMFA only received 3 applications out of 23 from municipalities with less than 10% poverty rate. Regardless, it was clear that New Jersey needed to make a concerted effort to diversify the project locations.

2003 vs 2013 9% LIHTC Awards			
	# of Awards in Municipalities with less than 10% Poverty	Total Awards	% of Awards
2003	1	14	7.14%
2013	19	37	51.35%

There remains a substantial need for safe and affordable housing in urban areas and the State is committed to utilizing its resources to combat blight. At the same, New Jersey is mindful of perpetuating high concentrations of poverty and has made bold policy changes in the QAP that are finally evidencing a true shift in development.

In 2013, after multiple revisions and comments, NJHMFA effectuated extensive changes to the QAP, resulting in a near total overhaul of the point and ranking system for 9% tax credit allocations.   Project location became a major focal point, with several new provisions added to encourage housing in higher opportunity areas.   The QAP now stipulates that only 40% of the tax credits in each of the Family, Senior and Supportive Housing cycles will be awarded to projects located in "Targeted Urban Municipalities" or urban municipalities with a poverty rate greater than 8.1%. The remaining credits (60%) are awarded to "suburban" municipalities. In previous years, the QAP attempted to engineer these results through point score incentives in suburban areas; but now it mandates the 60/40 split for awards (provided a sufficient number of applications are received).   Since 2010, 54% of the 9% Tax Credit units have been developed in areas outside of urban cities, demonstrating the success of the QAP priorities; moreover, the mandate's impact on the number of suburban units/projects becomes obvious when 2013 is compared to 2010 and 2011.

9% LIHTC Awards	TUM (Urban) units	% of Units in TUM (urban)	Non-TUM (suburuan) units	% of Units in Non-TUM (suburban)
2010	342	52%	310	48%
2011	483	60%	324	40%
2012	358	37%	613	63%
2013	1,012	43%	1,343	57%
2014*				
	2,195	**46%**	2,590	**54%**

* Two years of LIHTC were awarded in 2013 in conjuction with CDBG-DR funding.

Another new incentive was a 5 point preference for projects located outside of Qualified Census Tracts (QCTs) that agree to increase their compliance period for an additional 15 years. In years past, projects both within QCTs and outside were eligible for the same amount of points.

As a threshold eligibility requirement for all tax credit projects (both 4% and 9%), the QAP now also includes a prohibition of new construction of LIHTC units in census tracts with major concentrations of low income housing. New construction projects located in census tracts where 30 percent or more of the existing housing units are LIHTC units are not be eligible for funding unless the following criteria are met:

1. The project must be a redevelopment project;

2. The project does not add more low-income units to the census tract;

3. The project plan includes relocation options to higher opportunity areas and mobility counseling for existing residents; and

4. The application includes a municipal resolution that supports the allocation of housing tax credits for the development.

Additionally, new point categories were added to encourage housing in high performing school districts and employment centers. Housing near transit is incentivized as well to provide convenience and greater opportunity to enhance the quality of life for residents.   Due to the competeveness of the 9% tax credits in NJ, nearly all successful applications score the maximum points, thus making these project attributes practically a requirement in order to be awarded.

Recognizing the benefit of housing that offers a mix of incomes within the same community, the 2013 QAP introduced a non-competitive set aside of 9% credits for mixed income developments up to 55% affordable. Per the QAP, one project was funded in a TUM (urban) and one outside (suburban). Due to the unique challenge of balancing the risk of both the market rate and affordable housing markets, mixed income developments can be difficult to develop. This new set aside was successful in funding two projects which will integrate 139 affordable units with 115 market rate units for families in Orange (urban location with higher than 10% poverty rate) and Fort Lee (suburban location with less than 10% poverty rate). The set aside remains for the 2015 round.

These positive changes in NJ were recognized in an April 2015 HUD research report titled "Effect of QAP Incentives on the Location of LIHTC Properties", published by HUD's Office of Policy Development and Research in April 2015. The research team studied 21 QAPs between 2002 and 2010 to see if changes to the QAP have an effect on the siting of LIHTC properties in high or low poverty areas.   They compared the 9% allocations from 2003-2005 to the allocations made in 2011-2013, analyzing the correlation between the changes to the QAP and the change in poverty rates at project locations.   The researchers concluded there is evidence suggesting that QAP priorities and incentives have a statistically significant effect on the locations of tax credit allocations.

The HUD report noted several very positive changes in New Jersey, which represented some of the most extensive changes in all states:

1. NJ showed the greatest increase of all states in Share of Units Sited in Neighborhoods with <10% Poverty (+34.4%)

2. NJ showed the greatest decrease of all states in Share of Units Sited in Neighborhoods with >30% Poverty (-29.9%)

3. NJ showed the greatest decrease of all states in Poverty Exposure of Tax Credit Units (-11.5%)

Future Changes

NJHMFA does not anticipate wholesale amendments in the next version of the QAP. Having said that, the State will review HMFA's system for awarding points, as set forth in Impediment# 3. And, there may be revisions in the future to adapt to changing conditions to the housing market in New Jersey. For example, the QAP currently includes a set aside for one HUD HOPE VI or Choice Neighborhoods project in both the Family and Senior cycles to prioritize projects with scarce federal housing resources.

Large Family Units

HMFA has had a long-standing history of prioritizing housing that addresses the needs of large families. The QAP has in fact mandated the provision of housing for large families within all 9% developments since 2007. Specifically, at least 20% of all affordable units shall be 3 bedroom units. Since 1996, the QAP has incentivized the development of large family units in 9% allocations by giving up to five points in the ranking process to projects where at least 25% of the tax credit units are 3 bedroom or larger.

Given the competitive nature of the 9% program in NJ, successful applications typically must maximize their points in order to be funded. This being the case, the provision of a significant number of large family units has essentially been a requirement since 1996.

On the 4% tax credit side, since the FRM Tranche 2 and 3 programs provide for the same 20% threshold requirements, tax credit deals utilizing FRM funds will also provide for the same significant level of large family units.

The State has issued approximately 18,557 tenant-based housing choice vouchers, a majority of which have been used for housing in Essex, Hudson, Camden, Ocean, and Mercer counties.

Housing Choice Vouchers

Compared to other subsidized housing programs, DCA's Tenant-Based Housing Choice Vouchers support housing units more widely dispersed throughout the state. A correlation analysis of 2013 HUD Picture of

Subsidized Households, Census, and DCA data reveals that geographic concentration of such units is only weakly associated with concentrations of poverty and minorities and that these vouchers are less likely to be represented in places with such concentrations than the historic distribution of LIHTC, project-based Section 8, and State subsidized units. The densest clusters of such units are in select neighborhoods within Newark, Trenton, Jersey City, Totowa (Passaic County), Camden, Lakewood Township (Ocean County), East Orange, and Elizabeth, a group that includes both low and moderate income municipalities. The table and map below show the geographic distribution of the State's Tenant-Based Housing Choice Vouchers.

Table 29: Number of Tenant-Based Housing Choice Vouchers

	# of Tenant-Based Housing Choice Vouchers
New Jersey	**18,557**
Atlantic	1,033
Bergen	779
Burlington	236
Camden	1,700
Cape May	397
Cumberland	881
Essex	2,072 (1,044 of these are in Newark)
Gloucester	270
Hudson	1,793
Hunterdon	75
Mercer	1,287
Middlesex	1,242
Monmouth	909
Morris	298
Ocean	1,507
Passaic	992
Salem	640
Somerset	705
Sussex	617
Union	930
Warren	224

Source: NJ Department of Community Affairs

Number of DCA Tenant-Based Housing Choice Voucher Units and Percent of Population that is Minority by Zip Code (2015)
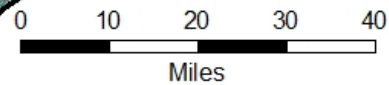
HCV Units

1 Dot = 10

• HCV Units

Minority Rates by Zip Code

0.0% - 30.8%

30.9% - 40.8%

40.9% - 50.0%

50.1% - 75.0%

75.1% - 99.2%

Statewide Average = 30.8%

State of New Jersey
Department of Community Affairs
101 South Broad Street
Trenton, New Jersey 08625
Prepared By: Local Planning Services 2015

Data Sources: NJOIT-OGIS; U.S. Department of Housing and Urban Development, Multifamily Assistance and Section 8 Contracts Database (2015); U.S. Census Bureau, 2009-13 American Community Survey

Number of DCA Tenant-Based
Housing Choice Voucher Units
and Percent of Population below
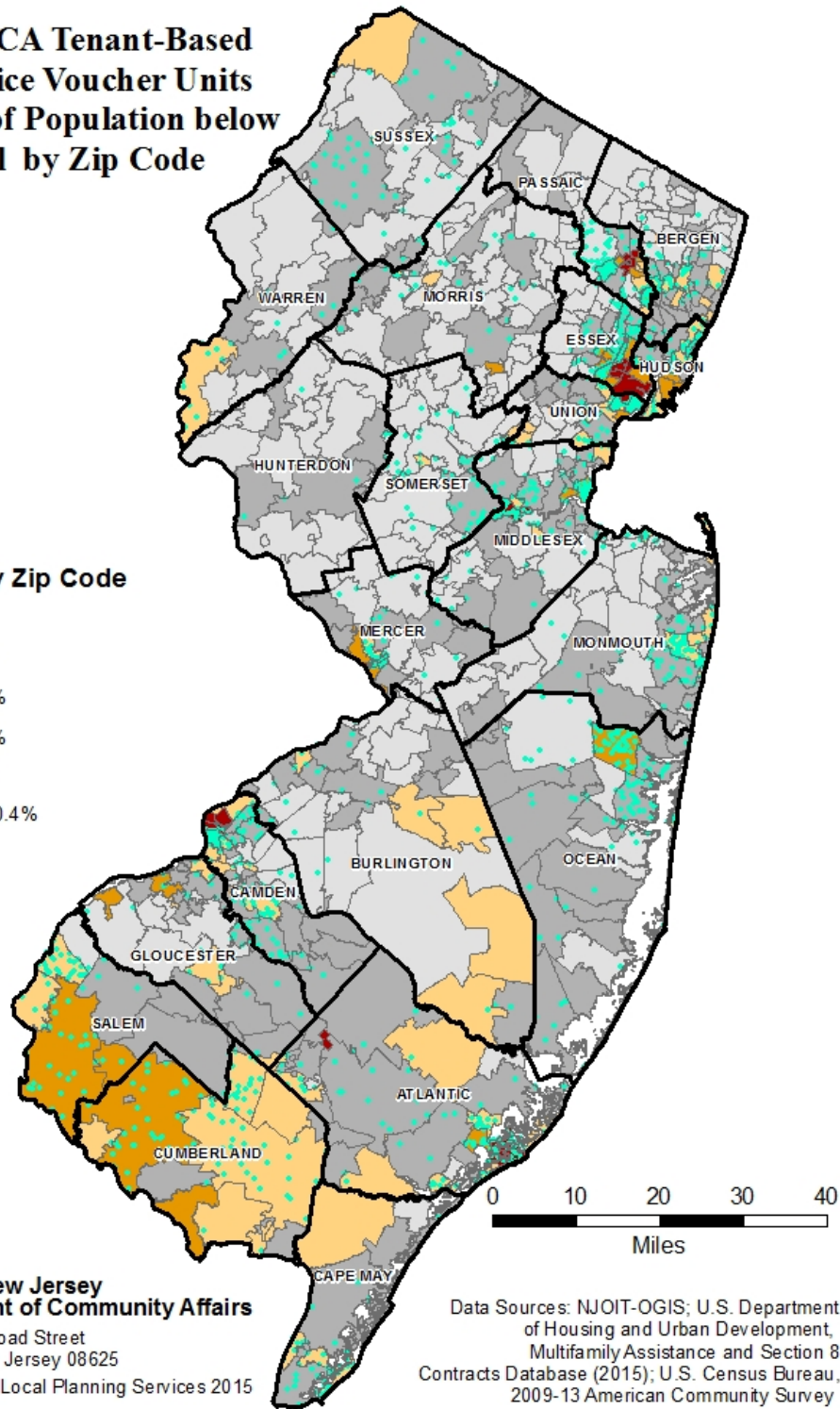Poverty Level by Zip Code
(2015)

HCV Units

1 Dot = 10

HCV Units

Poverty Rate by Zip Code

0% - 5.1%

5.2% - 10.4%

10.5% - 20.4%

20.5% - 30.4%

30.5% - 48%

Statewide Average = 10.4%

N

State of New Jersey
Department of Community Affairs
101 South Broad Street
Trenton, New Jersey 08625
Prepared By: Local Planning Services 2015

Data Sources: NJOIT-OGIS; U.S. Department
of Housing and Urban Development,
Multifamily Assistance and Section 8
Contracts Database (2015); U.S. Census Bureau,
2009-13 American Community Survey

0   10   20   30   40
Miles

SUSSEX
PASSAIC
BERGEN
WARREN
MORRIS
ESSEX
HUDSON
UNION
HUNTERDON
SOMERSET
MIDDLESEX
MERCER
MONMOUTH
BURLINGTON
OCEAN
CAMDEN
GLOUCESTER
SALEM
ATLANTIC
CUMBERLAND
CAPE MAY

Section 8 Units

As of May 2015, New Jersey had 52,960 Section 8 subsidized units, which represent 1.5 percent of all housing units in the State. Essex, Hudson, and Atlantic counties have the highest concentrations of these units per 1,000 residents by far while Hunterdon and Burlington counties have the lowest. New Jersey's Section 8 subsidized units are not evenly distributed across the State; 54.9 percent are located in Camden, Essex, Hudson, and Mercer counties. In terms of the proportion of all housing units, the share of Section 8 housing is the largest in Essex, Hudson, and Mercer counties, and the proportionate share of Section 8 housing is smallest in Ocean, Cape May, and Hunterdon counties. Maps 20-21 and Table 30 in Appendix A shows number and distribution of Section 8 units in 2015.

State Subsidized Units

From 2000 to 2010 an estimated 1,430 new housing units were supported through the Department of Community Affairs' state-funded housing assistance programs. A program called Neighborhood Preservation Balanced Housing financed the vast majority of these units (85.2 percent). A majority of the state-funded units are located in Camden and Essex counties, 89 percent of which are in the cities of Camden and Newark. This is a result of an historical effort to replace the abundant substandard housing in these cities and part of a larger community revitalization strategy to attract economic development & new jobs and promote greater diversity. Bergen, Sussex, Gloucester, Hunterdon, Morris, Cape May, and Somerset counties have the smallest numbers of subsidized units at no more than five each. Table 31 in Appendix A shows DCA subsidized housing units created from 2000 to 2010.

As shown in Maps 22-23 in Appendix A, concentrations of DCA subsidized units can be found in Jersey City, Elizabeth, Trenton, Camden, Bridgeton, Salem, Paterson, Orange, East Orange, Irvington and Lakewood. These areas generally contain large concentrations of minorities and the poor. Over the past decade, each of these has benefited from the replacement of deteriorated housing stock and increased housing values.

The State of New Jersey's State Rental Assistance Program (SRAP) program provides tenant-based and project-based rental assistance grants to very low and low-income populations. As of June 3rd, 2015, the program supported 4,000 units throughout the State, the majority of which were tenant-based units. Most of these units have been developed in North Jersey counties where population growth and by extension, housing demand, has been the strongest. Table 32 in Appendix A shows the State's SRAP units by type in 2015.

Unlike Section 8 and other HUD housing subsidy programs, SRAP-supported units are not heavily represented in low-income urban areas with elevated levels of racially concentrated poverty, but distributed fairly evenly across the State, including in high-growth, economically secure suburban areas.

When housing units with 3 or more bedrooms supported by DCA's SRAP and Housing Choice Voucher programs are considered, SRAP family bedroom units are most strongly represented in Mercer, Essex, and Hudson counties, while HCV family bedroom units are heavily represented in Ocean, Cumberland, and Mercer counties, as shown in Table 33 in Appendix A.

Hudson County has the lowest proportion of three or more bedroom family housing in the State but has over 10 percent of the State's SRAP-supported family units. Similarly, Bergen County, which has a large proportion of senior citizens, has the most SRAP-supported elderly units. Essex, a county with an above-average concentration of the disabled, has the most SRAP-supported disabled units, as shown in Table 34 in Appendix A.

Maps 24-26 in Appendix A shows the geographic distribution of the State's tenant-based and project-based SRAP-supported units.

Inclusionary Housing

Over two-thirds of the State's municipalities have an inclusionary zoning ordinance in place. Notably, every municipality in Mercer County has an inclusionary zoning ordinance followed by Hunterdon (88.5 percent), Morris (87.2 percent), and Somerset (85.7 percent) counties. These counties have high concentrations of jobs relative to residents and above average job growth. Counties with the fewest municipalities adopting such ordinances, Atlantic and Cumberland counties do not have housing markets where the value of the markets units is high enough to subsidize the construction of inclusionary units. Low job growth compared to the State average may account for the lack of investment incentive.

"Inclusionary housing units" created without State or federal subsidies account for 7 percent or roughly one out of every fourteen new homes added in the State since 2000. The highest concentrations of these units are found in Somerset (17.4 percent), Middlesex (14.7 percent), Morris (11.2 percent), Monmouth (10.9 percent), and Mercer (10.6 percent) counties, representing nearly two-thirds of all New Jersey inclusionary units. These are counties experienced some of the State's strongest job growth since 2010. These units are numerous in these counties relative to their housing stock.

Somerset County, which has the highest concentration of inclusionary units and a large percentage of municipalities with inclusionary zoning ordinances, has also experienced the strongest job growth in the State. The number of jobs in Somerset County increased by 10 percent from 2010 to 2014. Moreover, Somerset County is an important employment center for the State, with the second highest job to resident ratio in New Jersey.

Table 30: Inclusionary Housing Units

	Number of COAH-Reported Inclusionary Units*	% of Statewide Inclusionary Units	% of Housing Units Created 2000-2013
New Jersey	**19,175**	**100.0%**	**7.2%**
Atlantic	59	0.3%	0.4%
Bergen	1,264	6.6%	8.3%
Burlington	1,314	6.9%	8.4%
Camden	567	3.0%	9.3%
Cape May	28	0.1%	0.4%
Cumberland	0	0.0%	0.0%
Essex	705	3.7%	5.5%
Gloucester	418	2.2%	2.6%
Hudson	467	2.4%	1.4%
Hunterdon	311	1.6%	6.7%
Mercer	2,033	10.6%	18.6%
Middlesex	2,827	14.7%	11.5%
Monmouth	2,096	10.9%	11.1%
Morris	2,157	11.2%	13.2%
Ocean	588	3.1%	1.9%
Passaic	422	2.2%	6.9%
Salem	1	0.0%	0.1%
Somerset	3,342	17.4%	25.6%
Sussex	68	0.4%	1.2%
Union	269	1.4%	3.4%
Warren	239	1.2%	6.0%

Source: NJ Department of Community Affairs; U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates.
*As reported by municipalities to the Council on Affordable Housing. Unaudited by the State of New Jersey.

Large concentrations of inclusionary units can be found in suburban areas within Central Jersey, as shown on Map 27 in Appendix A.

Analysis

New Jersey has made progress in reducing racial and ethnic segregation and isolation. Generally, New Jersey's cities are much less segregated than urban areas in neighboring states, and those levels are

continuing to decline over time. So too have racial and ethnic isolation, with the declines in isolation accelerating since 2000.

Of course, our work is not done. New Jersey's strong immigration trend has tended to reinforce certain segregation patters in the State as many Asian and Hispanic immigrants have settled in majority Asian and majority Hispanic neighborhoods in North Jersey. Some areas – particularly in the urban North Jersey counties that also have the highest concentration of poverty – continue to have highly segregated, minority-concentrated areas. The number of such areas has increased. These high poverty areas are also home to concentrations of racial and ethnic minorities. Housing stock in the urban centers is older. Much of it has not been well maintained. This housing is most affordable to and most often occupied by racial and ethnic minorities. Our rural southern counties (Atlantic, Cumberland, and Salem) also have some concentrations of poverty; Cumberland County, for example, has substantial Hispanic and minority populations and ranks among the State's poorest counties.

While, household income is highest in the suburban counties of North Jersey and attributable to the strength of the regional economy. The affluence is not equally shared; incomes are lower and poverty rates higher for racial and ethnic minority groups in Passaic and Essex Counties with the notable exception of Asians. Declining real incomes in the State, especially for those ethnic and racial minorities that have experienced the steepest declines in income, limit housing choice.

It has been noted that municipal land use ordinances that limit development of housing affordable to low and moderate income households can contribute to perpetuating patterns of segregation in certain communities. Municipal zoning has encouraged commercial and industrial development and promoted the construction of low-density, large-lot, sprawling residential subdivisions. Zoning techniques such as requirements of large lot size, and prohibitions on types of housing such as multi-family housing, can restrict access to housing choice. Affordable housing still tends to be concentrated in older developed municipalities where the best opportunity for affordable housing has been redevelopment. As a result, many of the State's largest concentrations of housing affordable to low and moderate income households are in areas of low economic opportunity. Additionally, new, often low-income immigrants tend to settle in neighborhoods where racial or ethnic groups are strongly represented and where they feel a sense of community. This "segregation by choice" adds to the State's housing segregation picture.

For these reasons, both federal and state housing subsidy programs have and continue to support affordable housing projects in high-poverty urban areas. Historically, New Jersey's federally-subsidized units, including HCV, HOME, NSP and public housing units, as well as State subsidized units, have been heavily concentrated in low-income urban areas with racially concentrated poverty. The federal and state subsidized units are particularly concentrated in two counties, Essex and Camden and are largely within the cities of Newark and Camden. New capital investments of federal and state funds in these cities is a result of public-private reinvestment in the State's older urban housing stock and the choice of voucher holders to use their rental assistance in neighborhoods where they are familiar.

Despite continued challenges, the State of New Jersey is making substantial progress toward ensuring the availability of affordable housing in high opportunity, less racially segregated areas.   The SRAP tenant-based and project based rental vouchers are distributed fairly evenly across the State, including in high-growth, economically secure suburban areas and are not overwhelmingly represented in low-income urban areas with racially concentrated poverty. The LIHTC policy similarly moved away from high poverty areas. Many of the State's most economically vibrant communities, but especially suburban central New Jersey municipalities that have experienced strong job growth, now have inclusionary zoning ordinances in place that promote and facilitate development of affordable housing units. Overall, a majority of the State's municipalities, especially in those counties that have experienced above average job growth and have a high concentration of jobs relative to population, have adopted inclusionary zoning ordinances.

Past Impediments and Past Actions

Lack of affordable housing

In HUD's Technical Assistance document, provided to DCA to assist in preparation of the current AI, HUD references impediments cited by DCA in prior AIs. In particular, HUD references DCA's citation in the 2006 AI to the impediment of a lack of affordable housing.

DCA did in fact take steps – and continues to do so – in order to implement the actions it set forth in 2006 in order to address the stated impediment of a lack of affordable housing:

First, DCA stated at that time its intention to encourage developers to build affordable housing near employment centers. DCA has done this through the use of its HOME and Balanced Housing program funds. Two examples are: 1) the 50-60 Columbia Street project in Newark; the redevelopment of a distressed area in downtown Newark; 67 units, 45% affordable – 55% market rate housing 2) the Ridge Avenue School project in Neptune Township; a mixed use suburban project; 58 units of which 20 will be affordable townhouse and single family homes for sale.

Many of the affordable housing projects funded have social services components that could include job skills training, employment referral, resume writing, financial counseling and child care referrals. These social services assist the tenants obtain and maintain employment.

Second, DCA cited an intention to continue to partner with non-profit and for profit developers to leverage funds in order to help in creating more diverse communities. Since that time, DCA has focused the Neighborhood Revitalization Tax Credit (NRTC) Program on this purpose. Funds for the program originate from companies, which receive a 100% tax credit against New Jersey taxes for the funds contributed. A total of $10 million is available each year in credits. The funds are then used by neighborhood based non-profit organizations which have received DCA approval for their neighborhood revitalization plan. The funds must be used in the following manner: at least 60% for housing and/or

community development activities (including construction and rehabilitation of housing units, creation of commercial facilities, assistance to small businesses, and employment training and child care provision), and the remainder for supportive services and other activities complementary to the revitalization (for example, infrastructure and open space improvements). There are currently 29 approved neighborhood plans.

Third, DCA recommended implementation of the State Rental Assistance Program (SRAP). That program is fully implemented, and provides 5 years of rental assistance to low-income individuals and households, and indefinite assistance to households with a member who is elderly or disabled. The program is available to State residents who are not currently holders of Section 8 vouchers. At this time there are approximately 3,000 tenant based vouchers and 962 project based vouchers under contract. An RFP for 300 project based units is pending.

It must be noted that DCA has in place various other programs that are currently providing affordable housing opportunities for low and very low income households:

The Housing Choice Voucher program assists very low income families, the elderly, and the disabled to afford decent, safe and sanitary housing. As of June 15, 2015 the program has:

- HCV tenant based vouchers: 15,178 active participants
- HCV project based vouchers: 1,278 active participants
- Rental Assistance Demonstration: 646 active participants
- Non elderly disabled vouchers: 80 active participants
- Veterans Affairs Supportive Housing: 676 active participants

The HOME Investments Partnership program provides temporary tenant based rental assistance to very low income households; there are currently 190 active participants in this program. The Shelter Plus Care Program provides rental assistance to homeless persons with disabilities; at this time the program has 204 active participants. Finally, the Housing Opportunities for Persons with AIDS program provides rental assistance to persons with HIV/AIDS and their families; 133 active participants.

Each of these programs represents an ongoing current effort to provide affordable housing options for low and very low income households.

Finally, as recommended, DCA revised its Neighborhood Preservation Balanced Housing rules to increase the amount of subsidy that a project could receive; N.J.A.C. 5:43-1.1 et seq. In addition, with regard to the recommendation as to having new units be Energy Star certified, the Balanced Housing program also instituted minimum Green Building Requirements, that govern the HOME programs (CHDO and HOPE VI). A project must at least be Energy Star certified and many of the developers use LEED standards. The minimum Green Building requirements consider: land use, air quality, energy efficiency, resource efficiency, water efficiency, and building durability and moisture protection.

Land Use and Zoning Barriers

The issue of land use and zoning barriers to fair housing choice is not new, and was in fact cited as an impediment by DCA in both its 2006 and its 2011 AIs. It is cited again here because, while progress has been made in some areas, the problem still exists.

In its last Al, DCA cited two recommendations to deal with the first issue; first as part of an education campaign, it proposed developing materials geared to local officials in order to provide education on the issue of land use and zoning and the FHA. With regard to that recommendation, DCA staff has historically conducted outreach meetings with local officials, generally at the time that new affordable housing regulations were in the process of being adopted, in order to provide an opportunity for a dialogue on those regulations. DCA also issued a handbook on compliance with State Fair Housing Act and municipal affordable housing obligations, which was directed to municipalities and other parties involved in the issue of affordable housing. Although the recent Supreme Court decision returned the issue of the review of municipal affordable housing compliance efforts to the judiciary, thus decreasing the State's role, there remains a need for updated educational materials to assist municipalities in dealing with their affordable housing obligations. DCA can continue to fill this role.

With regard to the second 2011 recommendation, DCA proposed continuing efforts to address regulatory barriers to affordable housing, in particular exclusionary zoning, and to continue to support municipal use of inclusionary zoning. As discussed elsewhere in this AI, in New Jersey zoning has been delegated to the State's municipalities, and thus the State does not directly dictate zoning decisions. However, under the COAH process, municipalities were permitted in the past to voluntarily submit their housing plans for COAH review and potential approval in the form of substantive certification. Approval by COAH was based on a determination that the municipality had drafted a plan that did in fact satisfy its constitutional affordable housing obligation. The housing plans frequently utilized inclusionary zoning as one tool to meet that obligation, and a substantial amount of such housing was produced accordingly.

The recent decision of the State Supreme Court has, as noted, decreased the State's oversight role in this regard. However, as recommended in this AI, DCA's Office of Local Planning Services provides consulting services to municipalities on various municipal issues, including preparation of municipal master plans. This process can include the education about, and the advocacy of (where appropriate), the use of inclusionary zoning as a suitable tool for providing the opportunity for affordable housing.

Areas of Concern

- Access to housing in New Jersey remains an ongoing concern.
  Impediment: A concentration of subsidized housing in neighborhoods with relatively high levels of poverty.

- Falling incomes and has led to falling housing affordability across the State, particularly for racial and ethnic minorities. Declining housing affordability for lower-income households exists in urban areas in the northern part of the State.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost burdened housing.

- A significant impact from historical zoning barriers that have discouraged development of affordable housing.
  Impediment: The continuation of land use and zoning barriers to the production of housing for low-income households in some localities.

DISPROPORTIONATE HOUSING NEEDS

Areas of Greatest Housing Rehabilitation Need

Housing Conditions

Eighty-three (83) percent of housing units occupied by low income households lacked complete kitchen or plumbing facilities, were overcrowded (had more than one person per room), or cost more than 30 percent of a household's income, in 2012. This represents a 2.3 percentage point increase from 80.7 percent in 2009. Any of these circumstances are defined by HUD as "housing problems." As shown in Table 35 in Appendix A, 81.7 percent of the State's low income households were cost-burdened, i.e., they paid more than 30 percent of their income for housing in 2012.

 HUD defines "severe housing problems" as lack of complete kitchen facilities, lack of complete plumbing, overcrowded households or cost burdens greater than 50% of a household's income. Passaic, Union and Essex counties, highly urbanized counties in the northern part of the State, have the highest proportions of households experiencing one or more of the conditions associated with severe housing problems. Passaic and Essex also have the highest proportions of cost burdened households, along with Atlantic County. Low-income households in Union, Somerset, and Passaic have the highest proportion of housing problems, while Somerset, Union, and Sussex counties have the greatest concentration of cost burdened households. Generally, northern New Jersey counties that are part of metropolitan New York have the highest concentrations of housing problems and cost burdens. However low-income households in Newark and Camden are slightly less likely to experience housing problems when compared to the State average, at 78.3 and 78.7 percent respectively.

Overall, among low to moderate income households, members of racial and ethnic minorities are more likely to experience housing problems than white households. Hispanics and African-Americans are disproportionately exposed to severe housing problems relative to their number among all low to moderate income households, as shown in Table 36 in Appendix A.

Determinants of Disproportionate Housing Needs

Housing Stock

A greater portion of housing in New Jersey is single-family than multi-family. Hunterdon, Ocean, and Sussex counties, which contain some of the State's least development land, due to farming activity, preserved public open space and/or high cost of development, have the greatest proportions of single-family housing. Hudson, Essex, and Passaic counties have the highest proportion of multi-family housing as well as concentrations of the State's poor and low-income households. A majority of the State's multi-family units are located in four urban North Jersey counties, Bergen, Essex, Hudson, and Middlesex. The State's single family housing is more widely dispersed throughout the State.

Table 37: Housing Units by Type, 2013

	Total Housing Units	Single Family Structures*	Multi-Family Structures	Mobile Homes	Boats, RV, van, etc.	Single-Family Structures % of Housing	Multi-Family Structures % of Housing	Mobile Homes % of Housing	Boats, RV, van, etc. % of Housing
New Jersey	**3,578,260**	**2,238,397**	**1,305,568**	**33,262**	**1,033**	**62.6%**	**36.5%**	**0.9%**	**0.0%**
Atlantic	127,288	83,762	40,554	2,972	0	65.8%	31.9%	2.3%	0.0%
Bergen	355,099	206,124	147,773	1,102	100	58.0%	41.6%	0.3%	0.0%
Burlington	177,010	143,568	31,006	2,436	0	81.1%	17.5%	1.4%	0.0%
Camden	205,780	149,313	55,212	1,255	0	72.6%	26.8%	0.6%	0.0%
Cape May	98,680	65,408	29,598	3,641	33	66.3%	30.0%	3.7%	0.0%
Cumberland	56,196	39,837	12,948	3,411	0	70.9%	23.0%	6.1%	0.0%
Essex	313,760	121,795	191,605	200	160	38.8%	61.1%	0.1%	0.1%
Gloucester	111,438	88,534	20,423	2,481	0	79.4%	18.3%	2.2%	0.0%
Hudson	274,540	47,104	226,945	447	44	17.2%	82.7%	0.2%	0.0%
Hunterdon	49,658	43,956	5,692	10	0	88.5%	11.5%	0.0%	0.0%
Mercer	144,228	101,871	42,074	283	0	70.6%	29.2%	0.2%	0.0%
Middlesex	298,129	186,594	109,086	2,449	0	62.6%	36.6%	0.8%	0.0%
Monmouth	259,791	192,626	64,553	2,612	0	74.1%	24.8%	1.0%	0.0%
Morris	190,770	139,284	50,788	520	178	73.0%	26.6%	0.3%	0.1%
Ocean	279,034	237,240	36,424	5,370	0	85.0%	13.1%	1.9%	0.0%
Passaic	176,171	81,517	94,200	454	0	46.3%	53.5%	0.3%	0.0%
Salem	27,546	21,467	5,076	1,003	0	77.9%	18.4%	3.6%	0.0%

	Total Housing Units	Single Family Structures*	Multi-Family Structures	Mobile Homes	Boats, RV, van, etc.	Single-Family Structures % of Housing	Multi-Family Structures % of Housing	Mobile Homes % of Housing	Boats, RV, van, etc. % of Housing
Somerset	125,062	92,044	32,887	131	0	73.6%	26.3%	0.1%	0.0%
Sussex	62,150	52,372	8,539	1,239	0	84.3%	13.7%	2.0%	0.0%
Union	200,769	110,842	89,027	382	518	55.2%	44.3%	0.2%	0.3%
Warren	45,161	33,139	11,158	864	0	73.4%	24.7%	1.9%	0.0%

Source: U.S. Census Bureau, 2010 and 2013 American Community Survey 1-Year Estimates.

*Defined as single unit detached or attached housing.

Hunterdon, Gloucester, and Burlington counties have the highest shares of housing with at least three bedrooms. By contrast, Hudson and Essex have the lowest share of housing units with more than two bedrooms as shown by Table 38 in Appendix A. At the same time, these counties are also amongst New Jersey's poorest by median household income.

In New Jersey, 64 percent of occupied housing is owner occupied and 36 percent is occupied by renters. Hunterdon, Ocean, and Sussex counties have considerably larger proportions of owner-occupied housing, at least 14 percentage points above the State average. Essex and Hudson counties have particularly large concentrations of renter occupied housing, followed by Passaic and Union counties. Table 39 in Appendix A shows the State's occupied housing units by tenure in 2013.

Growth in Housing Units

Since 2010, Bergen, Gloucester, Hudson, Somerset, and Middlesex counties have accounted for the majority of the state's housing unit growth. Sussex, Salem, and Hunterdon counties have seen the least growth in housing units.

In terms of residential building permits, permits were issued for approximately 22,896 housing units in 2014. This represents a more than 100 percent increase from the 11,145 housing starts in the recessionary year of 2009. Hudson County in particular has seen an extraordinary amount of new residential construction. Most of the State's new housing unit growth is concentrated in the northeastern and central parts of the state, within metropolitan New York, as shown in Table 40 in Appendix A.

Since 2010, the State's renter occupied units have increased while the number of owner occupied units has dropped, in line with a national trend. This trend does not seem to have any regional focus, it has occurred fairly evenly throughout the State. More and more New Jersey households are renting than owning their own housing. At the same time, the number of new multi-family structures has grown while the number new of single-family structures has declined. The largest additions to multi-family housing stock have occurred in Bergen, Middlesex, and Morris counties, which together account for a majority of the growth in the State's multi-family structures. Each of these counties lost single-family homes, which may suggest increased conversion of housing stock from single-family to multi-family.

Burlington, Camden, Gloucester, Hunterdon, Passaic, and Sussex counties have lost multi-family structures since 2010. However, each of these counties except Sussex County had substantial gains in single family units, as shown in Table 41 in Appendix A.

Housing Occupancy

There are nearly 3.6 million housing units in New Jersey. The State has experienced a significant increase in housing density. Housing density is greatest in the urban counties of North Jersey, along the Atlantic coast, and in the suburban areas of Gloucester, Camden, and Burlington counties, as shown on Map 28 in Appendix A.

When the State's vacant units are examined by type, seasonal, recreational, or occasional use vacancies account for the largest proportion of all vacant units, followed by vacant rental units and vacant for sale units. Table 42 in Appendix A shows the distribution of the State's vacant units by type.

After subtracting vacation homes and homes for migrant workers, only 7.5 percent are considered vacant. These vacancy rates are slightly below the national average. Essex, Cumberland, and Salem, amongst the State's poorest counties, have the highest non-seasonal vacancy rates, while Bergen, Middlesex, and Sussex have the lowest. Table 43 in Appendix A shows the distribution of the State's vacant and occupied units.

When vacancy types are examined as a proportion of all vacancies, New Jersey compares closely to the nation as a whole. The State has a slightly above average proportion of seasonal, recreational, or occasional use vacancies and a slightly higher proportion of vacant units for rent. Seasonal, recreational, or occasional use vacancies account for a majority of vacancies in Cape May, Atlantic, Ocean, and Sussex counties, as shown in Table 42 in Appendix A.

Housing Quality

Compared to the nation, New Jersey has a below average concentration of deficient housing in terms of incomplete kitchen and plumbing facilities. Roughly 1 in 138 homes in New Jersey lack complete kitchen facilities and 1 in 287 homes lack complete plumbing facilities. Union, Salem, and Cape May counties have the highest proportions of housing without complete kitchen facilities, while Salem, Union, Passaic, and Atlantic have the highest proportions lacking compete plumbing facilities, as shown in Table 44 and Maps 29-30 in Appendix A.

New Jersey's share of overcrowded housing is similar to that of the nation. 3.4 percent or roughly 1 out of 30 housing units has more than one occupant per room. Overcrowding is a much more severe problem for households that rent compared to owner-occupied households. Passaic, Union, and Hudson counties have the highest proportions of overcrowding in general. Passaic, Union, and Atlantic counties have the largest concentrations of overcrowding in owner-occupied housing. Passaic, Union, and Middlesex counties have the largest concentrations of overcrowding in renter-occupied housing. Table 45 in Appendix A shows the State's overcrowded housing stock by county in 2013.
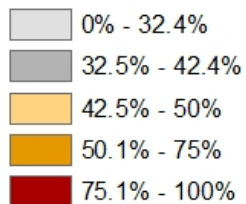
Housing Stock Age

Compared to the nation as a whole, New Jersey has relatively old housing stock. Most of the State's housing is at least 45 years old, while most of the nation's housing is no more than 35 years old. 41.4 percent of the State's housing is over 55 years old, compared to 29.2 percent nationally. Union, Essex, Passaic, and Bergen counties have the State's oldest housing stock, while Ocean, Somerset, Sussex, and Burlington counties have the newest, as shown in Table 46 in Appendix A.
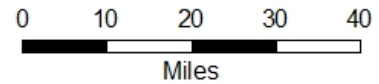
The densest concentrations of older housing can be found in the State's urban centers and older suburbs, also home to large concentrations of minorities and the poor, as shown in the following map.

Percent of Housing Units Built before 1960 (2009-2013 Estimates)

Distribution by Census Tract

- 0% - 32.4%
- 32.5% - 42.4%
- 42.5% - 50%
- 50.1% - 75%
- 75.1% - 100%

Statewide Average = 42.4%

N

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Prepared By: Local Planning Services 2015

Data Sources: NJOIT-OGIS, U.S. Census Bureau,
2009-13 American Community Survey 5-Year Estimates.

0 10 20 30 40
Miles

Counties labeled on map: SUSSEX, PASSAIC, BERGEN, WARREN, MORRIS, ESSEX, HUDSON, UNION, HUNTERDON, SOMERSET, MIDDLESEX, MERCER, MONMOUTH, BURLINGTON, OCEAN, CAMDEN, GLOUCESTER, SALEM, ATLANTIC, CUMBERLAND, CAPE MAY

Housing Values

The 2013 median value of an owner-occupied home in New Jersey was $307,700. The largely suburban counties of Bergen, Morris, and Somerset have the most expensive housing, while the southern counties of Camden, Salem, and Cumberland have the least. Since 2000, there has been an 83 percent increase in housing values in the State. The median home value in Cape May, Hudson, and Ocean counties more than doubled. However since 2010, with the subprime lending crisis and the resulting national downturn in the housing market, there was a rise in upside-down mortgages and subsequently, an increase in foreclosures. Since 2010, home values have declined, most significantly in Passaic, Essex, Union, and Warren counties. Only Somerset County has seen an increase in home values since 2010, as shown in Table 47 in Appendix A.

Housing Affordability

The U.S. Census Bureau considers households spending more than 30 percent of their gross income on housing costs to be cost-burdened.[7] In 2013, the Census Bureau reported that 42.5 percent of the State's occupied housing units, which includes households at all income levels, have a cost burden of 30 percent or more. More than one in three have a burden in excess of 35 percent. Generally, renters are more cost burdened than homeowners. Over time, the problem has grown for renter households; cost-burdened renters grew from 49.4 percent of renter households in 2009 to 53.8 percent in 2013, a 4.4 percent increase. Passaic, Essex, and Atlantic counties have the highest percentages of homes where the occupants are cost-burdened. Cumberland, Passaic, and Ocean counties have the highest percentage of renter-occupied homes with cost burdens. Essex, Passaic, and Atlantic counties have the highest percentage of owner-occupied homes with cost burdens, as shown in Table 48 in Appendix A.
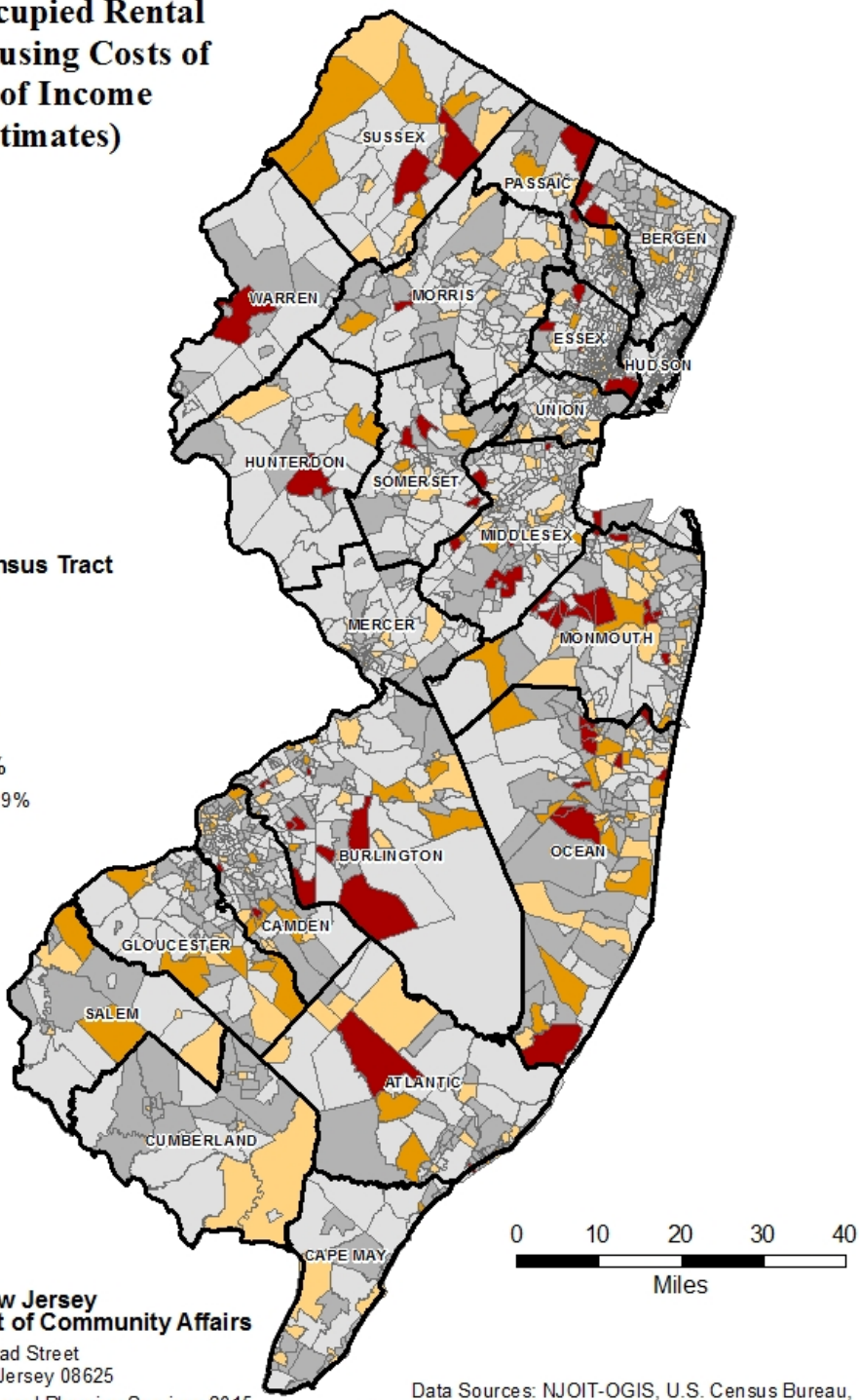
Areas of high rental cost burden are distributed fairly evenly throughout the State with strong representation in New Jersey's economically stable suburban areas as well as in some urban centers such as Newark.

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[7] Mary Schwartz and Ellen Wilson. 2006. "Who Can Afford To Live in a Home? A look at data from the 2006 American Community Survey." U.S. Census Bureau.

Percent of Occupied Rental Units with Housing Costs of 30% or More of Income (2009-2013 Estimates)

Distribution by Census Tract

- 0% - 53.9%
- 54% - 70%
- 70.1% - 80%
- 80.1% - 90%
- 90.1% - 100%
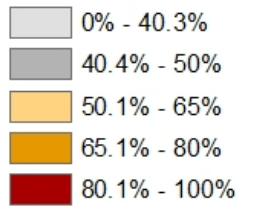
Statewide Average = 53.9%

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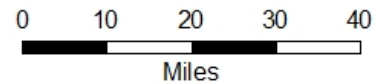Prepared By: Local Planning Services 2015

Data Sources: NJOIT-OGIS, U.S. Census Bureau,
2009-13 American Community Survey 5-Year Estimates.

Percent of Owner-Occupied Units with Housing Costs of 30% or More of Income (2009-2013 Estimates)

Distribution by Census Tract

- 0% - 40.3%
- 40.4% - 50%
- 50.1% - 65%
- 65.1% - 80%
- 80.1% - 100%

Statewide Average = 40.3%

SUSSEX
PASSAIC
BERGEN
WARREN
MORRIS
ESSEX
HUDSON
UNION
HUNTERDON
SOMERSET
MIDDLESEX
MERCER
MONMOUTH
BURLINGTON
OCEAN
CAMDEN
GLOUCESTER
SALEM
ATLANTIC
CUMBERLAND
CAPE MAY

N

0   10   20   30   40
Miles

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Data Sources: NJOIT-OGIS, U.S. Census Bureau,
2009-13 American Community Survey 5-Year Estimates.

The National Low-Income Housing Coalition's 2015 Out of Reach report ranked New Jersey as the 5th most expensive state for renting a two-bedroom apartment.[8] The Coalition estimated the Fair Market Rent for a two-bedroom apartment in the State to be $1,309 and the annual income necessary to afford such an apartment as $52,347 per year.

Foreclosures

In 2014, there were approximately 20,299 residential foreclosures in New Jersey, equating to a foreclosure rate of 5.7 per 1,000 housing units. About 1 in every 176 homes or 0.57 percent of all New Jersey housing units had a foreclosure filing in 2014. Atlantic, Sussex, Gloucester, and Camden counties had the highest foreclosure rates.

The number of annual foreclosures in the State declined seven percent from 21,836 in 2010 to 20,299 in 2014. However despite the statewide trend, some counties saw large increases. There was a 23.1 percent increase in foreclosures in Gloucester County and an 18.8 percent increase in Atlantic County. Hudson and Somerset counties experienced the largest percentage reductions in foreclosures at 30.7 and 18.1 percent respectively. It is important to note in 2010 the New Jersey Supreme Court issued an order requiring mortgage lenders to prove compliance with State housing laws, which caused a sharp decline in foreclosure filings. In addition, a foreclosure moratorium was temporarily imposed in areas most severely-impacted by Superstorm Sandy in 2012. Table 49 in Appendix A shows the State's foreclosure filings in 2014. Map 31 in Appendix A shows elevated foreclosure rates in the more rural parts of the State, with concentrations in South Jersey and northwestern New Jersey.

Analysis

Generally, the State's housing stock is aged, with the oldest stock located in urban northeastern counties where minorities and low-income residents are a greater portion of the population. Despite the age of the housing stock, the amount of housing that is categorized as deficient in terms of incomplete kitchen and plumbing is below the national average. Rental housing, typically more affordable to low and moderate income households, is more prevalent in the northeastern counties. Nevertheless, the data suggest a continuing need for infill redevelopment and affordable rentals in a range of unit sizes in that part of the State.

Likely due to the State's urbanization and dense development in those urbanized regions, New Jersey has a large proportion of multi-family housing and a smaller proportion of single family housing than the rest of the nation. The State's single family housing is widely dispersed throughout the State, with most of the multi-family housing concentrated in Bergen, Essex, Hudson, and Middlesex Counties. Housing with more than three bedrooms is the lowest in Hudson, Essex, and Passaic counties, suggesting a need for more three or more bedroom units in these areas. Housing density is greatest in the urban counties of North Jersey, along the Atlantic coast, and the suburban areas of Gloucester, Camden and Burlington

counties. Demand for multi-family housing in the State is strong. Over time, the number of new multi-family structures has increased while the number of new single family units has dropped. The suburban North Jersey counties of Bergen, Middlesex, and Morris counties together account for a majority of the growth in the State's multi-family structures. While the northern half of the State has the multitude of multi-family units to accommodate an increasing number of households who desire that type of unit, the selection in the south is more limited. Since 2000, the number of New Jersey households renting rather than owning their housing has increased in thirteen counties, central and south, suggesting a greater need for rental housing outside urban northeastern New Jersey as well.

Cumberland and Salem have the highest non-seasonal housing vacancy rates. This suggests that demand to live in these counties is relatively low, making them less likely to attract private investment in new unit construction. In Essex County high non-seasonal vacancy rates, suggest an abundance of substandard and abandoned housing.

Bergen, Gloucester, Hudson, Somerset, and Middlesex counties account for the majority of the State's housing growth since 2010. Hudson County, in particular, has seen an extraordinary amount of new residential construction since 2010. Since 2010, home values have declined, particularly in Passaic, Essex, and Warren counties. Somerset County, an area that has seen strong job growth, has also seen increased housing demand and a concomitant increase in home values since 2010.

Despite the recent drop in housing values in most areas of the State, housing affordability remains a challenge in the State. Reflecting the premium attached to housing in the metropolitan New York area, New Jersey has an above average share of households that are cost-burdened. Northern counties that are part of metropolitan New York have the highest concentration of housing problems and cost burdens. Amongst low and moderate income households, members of racial and ethnic minority households are more likely to experience housing problems than members of white households. Homeowner cost burdens are most prevalent in Union, Essex, Passaic, and Bergen counties. This suggests a need for more affordable units available for purchase in those counties. Renters are more cost burdened than homeowners, a problem that has been growing since 2009. Areas of high rental cost burden are distributed fairly evenly throughout the State, and are strongly represented in many suburban neighborhoods.

Past Impediments and Past Actions

The State has acted to the address the increase in foreclosures that arose after the submission of the last AI in the following matter:

2007 –**Foreclosure Prevention and Asset Preservation Program**, was funded through NeighborWorks America, and provided financial support, technical assistance and training for community-based revitalization efforts. HMFA partnered with housing counseling agencies across the state to assist homeowners facing possible foreclosure. Over 400 households were served.

2008 –**Mortgage Assistance Pilot (MAP)** program was created to provide temporary financial assistance to income-eligible New Jersey homeowners who wished to remain in their homes but were in imminent danger of foreclosure due to short term financial problems beyond their control. The average loan amount per client was $15,000 and 165 households were assisted.

2008 –**National Foreclosure Mitigation Counseling Program (NFMC**) provides free housing counseling services to homeowners facing the possibility of foreclosure. To date, HMFA has received $8 million dollars in funds and assisted 13,000 households trying to stay in their homes.

2009 – **New Jersey Judiciary Foreclosure Mediation Program (NJJFM)** helps homeowners resolve residential foreclosure actions by proposing workout and payment arrangements, or exit strategies, with the help of mediators that work with both the distressed borrowers and the lenders. To date, nearly 14,000 households have been assisted.

2012 - **New Jersey HomeKeeper Program** was funded from US Treasury's Hardest Hit Fund and provided financial assistance to New Jersey homeowners who were at risk of foreclosure as a direct result of unemployment or underemployment. The assistance was in the form of a 0% interest rate, deferred-payment second mortgage loan to cover arrearages and/or a portion of the homeowner's monthly mortgage payment. Although now closed to new applicants, the program assisted 6,000 households; the average loan amount was $40,000.

Areas of Concern

- A greater need for housing renovation, rehabilitation, and conversion, particularly in urban North Jersey.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost-burdened housing.

- Overcrowding is a much more severe problem for households that rent compared to owner-occupied households.

> *Impediment:* Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost-burdened housing.

- Disproportionate concentration of subsidized multi-family units in North Jersey.
  Impediment: Racial and ethnic housing concentration.

- A need for affordable rental housing in high-opportunity suburban areas of the State and a general need for additional affordable rental units throughout the State.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost burdened housing.

- A high concentration of housing problems and cost burdens in urban North Jersey counties, particularly for low-income and minority households.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost burdened housing; Racial and ethnic housing concentration.

SUPERSTORM SANDY IMPACT ANALYSIS

Superstorm Sandy had serious consequences for the region's housing stock. The storm severely damaged 40,500 owner occupied primary residences and over 15,600 renter occupied homes.[9] Housing damage was primarily concentrated in the counties along the Atlantic coast. Roughly half of the housing units with major or severe damage were located in Ocean, Monmouth, and Atlantic counties, with Ocean County accounting for nearly one-third of all such damaged homes. Superstorm Sandy also damaged the largest proportion of all homes in these counties. The storm also affected the tax bases of a number of municipalities in these counties. In the aggregate, assessed real property value declined by a staggering $18.4 billion across the three counties from 2011 to 2013.[10] Ocean County lost 10.5 percent of its real property tax base, while Atlantic lost 9.1 percent and Monmouth, 3.7 percent. However, these counties have high concentrations of seasonally, recreationally, or occasional use homes, each valued well above the state average. 13.2 percent of all housing in Ocean County falls under this category, followed by Atlantic County at 12.5 percent, and Monmouth County at 4.4 percent. This suggests that much of the most severely affected housing were second or shore vacation homes owned by households more capable of absorbing the storm's economic impact. Within these counties, Brick, Toms River, and Stafford townships as well as Union Beach borough experienced some of the worst effects from the storm. The table below shows the number of housing units damaged by Hurricane Sandy by county.

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[9] New Jersey Housing and Mortgage Finance Agency. SFY2012 Annual Report.
[10] New Jersey Division of Taxation. 2011 and 2013 County Equalization Tables.

Table 50: Housing Units Damaged by Superstorm Sandy

	2013 Housing Units	Major and Severe Damaged Units	Major and Severe Damage Rate	% of All Major and Severe Damaged Units
New Jersey	**3,578,260**	**56,075**	**1.6%**	**100.0%**
Atlantic	127,288	8,744	6.9%	15.6%
Bergen	355,099	2,848	0.8%	5.1%
Burlington	177,010	138	0.1%	0.2%
Camden	205,780	100	0.0%	0.2%
Cape May	98,680	2,446	2.5%	4.4%
Cumberland	56,196	144	0.3%	0.3%
Essex	313,760	397	0.1%	0.7%
Gloucester	111,438	45	0.0%	0.1%
Hudson	274,540	4,407	1.6%	7.9%
Hunterdon	49,658	19	0.0%	0.0%
Mercer	144,228	35	0.0%	0.1%
Middlesex	298,129	1,975	0.7%	3.5%
Monmouth	259,791	11,467	4.4%	20.4%
Morris	190,770	71	0.0%	0.1%
Ocean	279,034	22,240	8.0%	39.7%
Passaic	176,171	36	0.0%	0.1%
Salem	27,546	172	0.6%	0.3%
Somerset	125,062	73	0.1%	0.1%
Sussex	62,150	50	0.1%	0.1%
Union	200,769	643	0.3%	1.1%
Warren	45,161	25	0.1%	0.0%

Source: FEMA, 2013 FEMA Information and Data Analysis Data 20521; U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates.

Overall, owner occupied housing units represented the vast majority of all units severely impacted by the storm. Impacts to renters were greatest in Monmouth, Hudson, and Atlantic counties, as shown below.

Table 51: Housing Units Severely Damaged by Superstorm Sandy by Unit Type

	Major and Severe Damage - All Units	Major and Severe Damage - Rental Units	Major and Severe Damage - Owner Units	Rental Units % of Units with Major and Severe Damaged	Owner Units % of Units with Major and Severe Damaged
New Jersey	**56,075**	**15,611**	**40,464**	**27.8%**	**72.2%**
Atlantic	8,744	3,288	5,456	37.6%	62.4%
Bergen	2,848	784	2,064	27.5%	72.5%
Burlington	138	19	119	13.8%	86.2%
Camden	100	48	52	48.0%	52.0%
Cape May	2,446	632	1,814	25.8%	74.2%
Cumberland	144	17	127	11.8%	88.2%
Essex	397	169	228	42.6%	57.4%
Gloucester	45	6	39	13.3%	86.7%
Hudson	4,407	1,606	2,801	36.4%	63.6%
Hunterdon	19	1	18	5.3%	94.7%
Mercer	35	12	23	34.3%	65.7%
Middlesex	1,975	662	1,313	33.5%	66.5%
Monmouth	11,467	3,438	8,029	30.0%	70.0%
Morris	71	5	66	7.0%	93.0%
Ocean	22,240	4,598	17,642	20.7%	79.3%
Passaic	36	16	20	44.4%	55.6%
Salem	172	104	68	60.5%	39.5%
Somerset	73	9	64	12.3%	87.7%
Sussex	50	4	46	8.0%	92.0%
Union	643	190	453	29.5%	70.5%
Warren	25	3	22	12.0%	88.0%

Source: FEMA, 2013 FEMA Information and Data Analysis Data 20521

Maps 32-34 in Appendix A show the distribution of damaged units by county.

Superstorm Sandy significantly reduced the supply of rental housing stock. The most severely impacted county, Ocean, lost 1,012 renter-occupied units or 2.3 percent of its occupied rental housing stock. Cape May County, a county where the majority of housing is for seasonal, recreational, or occasional use, lost almost a quarter of its occupied rental housing. At the same time, displacement caused by the storm increased demand for rental housing. The increased demand, coupled with the storm-related depletion of rental stock, substantially increased rents in some areas in the months following the storm. Taken together, the loss of units, low vacancy rates and increased costs created particular hardships for low and moderate income households seeking affordable rental units. The State's foremost unmet rental

need is in the repair or replacement of storm-damaged rental housing stock, which will stabilize the rental market and create more affordable housing.

Table 52: 2011-2013 Renter-Occupied Housing Units

	2011 Renter-Occupied Housing	2013 Renter-Occupied Housing	2011-2013 Change in Renter-Occupied Housing	2011-2013 % Change in Renter-Occupied Housing
New Jersey	**1,107,149**	**1,141,916**	**34,767**	**3.1%**
Atlantic	33,007	34,076	1,069	3.2%
Bergen	117,396	119,763	2,367	2.0%
Cape May	10,286	7,922	-2,364	-23.0%
Essex	150,392	152,597	2,205	1.5%
Hudson	163,876	172,062	8,186	5.0%
Middlesex	97,699	103,700	6,001	6.1%
Monmouth	55,948	61,075	5,127	9.2%
Ocean	44,420	43,408	-1,012	-2.3%
Union	72,978	80,592	7,614	10.4%
Sandy County Total	**746,002**	**775,195**	**29,193**	**3.9%**
Non-Sandy County Total	**361,147**	**366,721**	**5,574**	**1.5%**

Source: U.S. Census Bureau, 2011 and 2013 American Community Survey 1-Year Estimates.

Superstorm Sandy also affected public housing. Nearly all public housing authorities (PHAs) in New Jersey reported roof damage from high winds and minor to moderate flooding. Additionally, many PHAs identified resilience and mitigation needs, such as a need for back-up generators, a need to relocate critical infrastructure, and a need to elevate public housing units that were storm-damaged but repaired.

Other subsidized affordable multi-family housing projects were also affected by Superstorm Sandy, including projects funded under the Low Income Housing Tax Credit Program, bond-financed properties, housing financed primarily for older adults or persons with disabilities, and units occupied by Housing Choice Voucher (HCV) recipients located in flood plains. After the storm, it was reported that 2,188 federally-subsidized units in 192 multi-family properties were damaged and that 740 HCV recipient households were displaced. Several assisted properties experienced ground floor water intrusion from the flooding and many experienced loss of power. At least one such property experienced damage to the units that exceeded the property's resources to repair; this property has submitted an application to the program under CDBG-DR first allocation funds. Twenty-six of fifty subsidized housing projects responded to a survey by New Jersey Housing and Mortgage Finance Agency (HMFA) to assess the needs for resiliency or hardening measures. Most of these housing projects cited the need for hurricane-proof windows, generators, and elevation of HVAC systems.

The nine counties most heavily impacted by Superstorm Sandy contained the vast majority, 71 percent, of the State's HUD subsidized housing in 2013. Between the years immediately preceding and following the storm, the number of HUD subsidized units rose by 3,192 in those counties. During the same period, HUD subsidized housing in the rest of the State decreased. The largest increases in subsidized housing were in Essex, Union, and Hudson counties. In the same time period, Cape May lost 2.2% (29) subsidized units, Middlesex, 5% (546), and Monmouth 5.9% (535). These counties also saw median household income gains over this period. Table 53 in Appendix A shows changes in subsidized housing units in 2011-2013.

Ocean, the most severely impacted county, contained only 3.2 percent of total HUD subsidized housing in the state. The second most impacted county, Monmouth only had a 6 percent share of the State's HUD subsidized units. Two of the nine counties with the largest shares of subsidized housing, Essex and Hudson, had relatively few homes with major or severe damage, below the average for Sandy-impacted counties. Table 54 in Appendix A shows storm-damaged housing in relation to concentrations of HUD subsidized housing in 2013.

The counties declared the most impacted by Superstorm Sandy, are home to over 65 percent of the State's minorities. However within this group, the most heavily damaged counties, Ocean, Monmouth and Atlantic, housed a relatively small share of the State's minorities at the time the storm hit. The three counties together contained less than 9 percent of New Jersey's minority population. In addition, those counties accounted for just over 9 percent of the State's immigrant population, and have immigrant population concentrations well below the State average.

The proportion of single parent households was higher in Sandy counties, but was lower than the State average in the two most severely affected counties, Monmouth and Ocean.

The population concentration of the disabled in Sandy-affected counties stood at 10.1 percent compared to 10.4 percent in the non-Sandy counties, a negligible difference. However, Atlantic and Ocean counties had slightly above average concentrations of the disabled. The disabled within these counties largely live in age-restricted communities and are homeowners. Tables 55-57 in Appendix A show storm-damaged housing in relation to concentrations of state and federal protected classes in 2012.

In sum, given the geographic distribution of the State's protected populations, it is unlikely that Superstorm Sandy disproportionately impacted these populations relative to other populations in the State. On average, within the Sandy-affected counties, counties with the greatest concentrations of these populations tended to be those less heavily impacted by the storm.

Examining the impact of the storm on the State's minority and poverty level populations, Superstorm Sandy did not substantially impact the poverty, racial, or ethnic makeup of the counties most strongly affected by the storm, as shown in Maps 35-46 in Appendix A. In addition, an analysis of HUD data

suggests that the storm did not have a substantial impact on the overall subsidized housing stock available to low income households.

Limited English Proficiency Four-Factor Analysis

The Department of Community Affairs is responsible for administering Community Development Block Grant Disaster Recovery (CDBG-DR) funds in the nine counties most impacted by Superstorm Sandy, which include Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union counties.

Pursuant to the non-discrimination requirements of Title VI at 24 CFR 1.4, DCA must take steps to ensure meaningful access for Limited English Proficient (LEP) individuals to federally funded DCA programs and activities. As described in Federal Register Docket No. FR-4878-N-02, dated January 22, 2007, the starting point for ensuring meaningful access is a four-factor analysis that takes into account the:

1) Proportion of LEP persons in the eligible service population
2) Frequency with which LEP individuals come in contact with the programs
3) Nature and importance of the service provided by the programs
4) Resources available to the recipient and costs

DCA undertook a four factor analysis for the nine most impacted counties. The findings are presented here and were used to inform DCA's Language Access Plan (LAP) and outreach efforts to ensure that LEP individuals have meaningful access to CDBG-DR funded programs. The State will expand the four part analysis, as described below, to the remaining twelve counties.

Four-Factor Analysis

1. The number or proportion of LEP persons served or encountered in the eligible service Population

All data used to estimate the proportion of LEP persons in the nine county service area comes from the Census Bureau's American Community Survey (ACS) 3-year file (2009–2011) – Table "B16001: Language Spoken at Home by Ability to Speak English for the Population 5 Years and Older." DCA received a file prepared by the Migration Policy Institute from HUD's Office of Fair Housing and Equal Opportunity (FHEO). The file provided county level ACS estimates of the LEP population by language spoken. Estimates in the file were rounded to the nearest hundred.

For all counties in New Jersey, including the nine most impacted, no LEP population other than Spanish speakers exceeds 5 percent of the county's population. However, each county, with the exception of Cape May, has more than 1,000 individuals that speak a language other than English or Spanish. Bergen

County has the most, with 18 different languages meeting that threshold. Across the nine counties, there are 24 languages that meet the threshold.

DCA worked with FHEO to determine how many languages to focus on in its LAP. DCA observed that the fourth highest LEP population in each county does not exceed 1 percent of the total population. Based on this analysis of the data, DCA and FHEO met on June 23, 2014 and agreed that DCA would focus on the top three languages in each county where the specific LEP population is equal to or exceeds 1,000 people.

That agreement was incorporated into the Voluntary Compliance Agreement (VCA) entered into between DCA, FHEO, the Latino Action Network, and New Jersey State Conference of the National Association for the Advancement of Colored People, and the Fair Share Housing Center. In accordance with the VCA, DCA is focusing its efforts to provide meaningful access to the top three foreign language speaking populations in each of the most impacted counties. This includes 11 different language speaking populations. DCA will also provide language access services to foreign language speaking populations that do not constitute the top 3 in the county but are one of the 11. For example, in Essex County, there is a small LEP population that speaks Gujarati (600 individuals). Even though Gujarati is not one of the top three languages in Essex County, DCA will provide the 600 LEP individuals with language access services.

DCA compiled data on the top three LEP populations in the nine most impacted counties at the census tract level. Concentrations of LEP populations are divided into ranges as follows:

1. 0%
2. >0% to 25%
3. >25% to 50%
4. >50% to 75%
5. >75% to 100%.

This allows DCA to analyze where the greatest numbers of LEP individuals by language are located in each county. DCA is also taking into account those census tracts with a high concentration of LMI populations and where damage was sustained as it plans its LEP outreach.

2. The frequency with which LEP individuals come into contact with CDBG-DR programs

CDBG-DR programs address the long-term needs of New Jersey's Sandy-impacted residents and communities by providing direct assistance to homeowners, tenants, developers, landlords, businesses and local governments. The frequency with which LEP individuals interact with a program will depend on the nature of the program. Of particular importance will be those instances when DCA or one of its subrecipients is providing a direct service to an individual, business or household. For example, homeowners, renters, rental property owners, and small business owners who apply for various CDBG-DR programs are likely to have frequent contact with the program. This may include such interactions as filing applications, meetings with advisors to review applications, initial site inspections, approval of final

construction designs, preconstruction meetings, and submission of receipts and proof of construction work. For these programs, DCA's strategy ensures that these populations have meaningful access throughout the process.

3. The nature and importance of the program, activity, or service provided

The more important the activity, information, service, or program, or the greater the possible consequences of the contact to the LEP persons, the more likely language services may be needed. Those programs that provide a means of helping individuals obtain or get back into damaged housing, are critically important to LEP individuals. There remains significant need to support the replacement and development of multifamily housing to serve renters who were displaced by Superstorm Sandy. The importance of CDBG-DR programs for LEP individuals has been demonstrated by the response to outreach efforts.

4. The resources available to DCA and costs

DCA has and will take all reasonable steps to provide meaningful access for LEP persons to DCA CDBG-DR programs and activities. However the availability of resources may limit the provision of language services in some instances. "Reasonable steps" may cease to be reasonable where the associated costs substantially exceed the benefits. DCA's LAP and outreach plan will balance the needs of the LEP community with the resources available. Activities aimed at providing meaningful access to the LEP population will be incorporated and funded across all of the CDBG-DR programs outlined in the State's Action Plans as well as the new programs outlined in the VCA:

- $240 million for existing programs to assist renters, including $200 million that is part of the third allocation of funding and $40 million from existing programs where needs will otherwise not be met or are not as substantial.

- $40 million for the LMI Homeowners Rebuilding program, which is described in detail in the State's Substantial Amendment #7 to the Action Plan (with an initial $10 million set-aside for mobile homeowners). We are currently seeking approval to add another $29 million to this program.

- $15 million for tenant-based rental assistance in addition to the $17 million already proposed by the State.

In addition, DCA has committed $2 million for extensive outreach to LMI homeowners and renters of which LEP individuals will likely overlap.

Analysis

Given the geographic distribution of the State's protected class populations, and their concentrations within the counties most severely affected by the storm, it is unlikely that Superstorm Sandy disproportionately impacted these populations relative to other populations in the State. Moreover, Superstorm Sandy did not substantially impact the poverty, racial, or ethnic makeup of the counties most strongly affected by the storm. Superstorm Sandy more severely impacted areas where the State's HUD subsidized units were not heavily concentrated. However the significant reduction in rental units available after the storm in Ocean County, the most heavily damaged county, suggests that the housing choices for all renter households tightened as a result of the storm.

When considering the Limited English Proficiency population in all counties in New Jersey, including the nine most impacted, no LEP population other than Spanish speakers exceeds 5 percent of the county's population. Given these findings, it is unlikely that Superstorm Sandy disproportionately impacted the State's LEP population.

Past Actions

After the storm, DCA issued 1,000 tenant based Housing Choice vouchers under a special rule that allowed the Department to award them to victims of Superstorm Sandy. In addition, DCA held multiple events where the Department brought together landlords and voucher holders to facilitate a match.

Two and a half years after Superstorm Sandy struck New Jersey, thousands of families across the state have rebuilt and returned to their homes, or are making progress toward rebuilding and returning to their homes, with the assistance of federal grants administered by the State.

- More than $1.3 billion in federal housing assistance his been disbursed or has been committed to Sandy-impacted families

- Approximately 8,300 homeowners are actively participating in the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program to repair their homes.
  - Of the 6,900 homeowners who have already signed a grant award 6,700 are in the construction process or obtaining temporary and final certificates of occupancy.
  - More than $500 million has been disbursed to homeowners, or nearly half of all the dollars expected to be expended in the RREM Program.
- With a third round of CDBG funds approved in April 2015, the State expects to award grants to all eligible homeowners currently participating in RREM.

While thousands of homes and rental units are repaired, many Sandy survivors have had to juggle mortgage payments, rent, and repair costs. In addition to $190 million dispersed by FEMA for rental assistance, the State implemented critical recovery programs to address this need.

Homeowner Resettlement Program	Nearly $186 million To 18,589 Households
Sandy Homeowner and Renter Assistance Program (SHRAP)	$98.5 million To More Than 11,000 Households
Rental Assistance Program	$9.5 million

- The Landlord Incentive Program, which makes grants available to rental property owners allowing them to expand the State's inventory of affordable housing for low and moderate-income households, will assist at least 500 families.

- The Tenant Based Rental Assistance Program provides short-term, temporary tenant-based rental assistance in the form of a voucher to assist eligible low and moderate income households with their rent in the nine counties most impacted by Superstorm Sandy. DCA is projecting that the $32 million program will provide rental assistance to 1,100 households.

Areas of Concern

- A loss of occupied rental units in Ocean County, constraining the supply of rental units and limiting housing choice for lower income households.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost burdened housing.

SPECIAL NEEDS AND ACCESS

Population Profile

Disabled Population

In 2013, 10.6 percent of the total New Jersey population was reported to have some type of disability. A 2012 Department of Labor and Workforce Development report noted that disabilities are more prevalent among the elderly and women. Since women have a longer life expectancy, over 55 percent of the State's population considered to have a disability is female. Data also show that three-fourths of the disabled population is white, 12.9% is African American, 8.8% is Hispanic and 5.4% is Asian. The percentage of Hispanic and Asian persons who are reported to a have disability is smaller than the proportion of Hispanics and Asians in the State's general population. The opposite is true for African-Americans and white individuals reported to have a disability. Given the overrepresentation of African-American and whites and the underrepresentation of Hispanics and Asians, this data may reveal more about who reported than it does about the real status of disabled populations. In addition, immigrant

populations comprise a smaller fraction of those with a disability when compared with the native population.

Examining this population by type of disability reveals that 57% live with an ambulatory disability. Individuals who are not able to live independently due to a physical, mental or emotional problem constitute 37.5%, and those with a cognitive disability account for 34.8% of all who reported having a disability. From 2000 to 2013, the share of the population that is physically disabled's declined 6.9 percent as shown in Table 59 in Appendix A.

Cumberland and Salem counties have the largest percentage of individuals with disabilities, while Somerset and Morris have the lowest. Essex County contains the State's largest concentration of children with disabilities, accounting for roughly one in eight of the State's children with disabilities. Essex also accounts for the largest number of disabled between the ages 18-64 disabled, at 12.8 percent. Ocean County has the largest number of the senior (over 65) disabled at 10.5 percent. This is likely due to its desirability as a popular retirement destination. There are communities in Passaic, Middlesex, Mercer, Burlington, and Ocean counties that have concentrations of people with disabilities as shown in Map 48 in Appendix A. Passaic, Mercer, Essex, Middlesex, Burlington, and Ocean counties contain pockets with particularly heavy concentrations of residents who are physically disabled as shown in Map 49 in Appendix A.

Essex County has the largest concentration of the State's population with disabilities as well as areas of racially and ethnically concentrated poverty. It is the third poorest county in the State by median household income. It is likely that some portion of the disabled population in Essex County is living in an area of concentrated poverty.

Poverty and the Population with Disabilities

New Jersey's poverty rate for the population with disabilities exceeds the non-disabled rate by 7 percent. However the State's poverty rate for the population with disabilities population is a full 5.5 percent below the national average. The disabled/non-disabled poverty gap is lower as well.

Fifty three percent of individuals with reported disabilities are out of the workforce.[11] Individuals with disabilities who work are more likely to work part-time. People with disabilities, on average, earn less than those without disabilities and have a higher poverty rate. Of interest, the poverty rate for veterans with disabilities is considerably lower than for all individuals with disabilities.

Hudson, Essex, Cumberland, Passaic, and Atlantic counties have the highest poverty rate for the population with disabilities, while Morris, Burlington, Somerset, and Sussex have the lowest. Hudson and Passaic counties in northeastern New Jersey have seen particularly large increases in their poverty rates for the disabled population compared to the rest of the State, as shown in Table 60 in Appendix A.

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[11]Sen-Yuan Wu. 2012. "New Jerseyans and Disabilities." Department of Labor and Workforce Development. Labor Market and Demographic Research.

The federal Supplementary Security Income program (SSI) provides supplementary income to low income individuals who are over age 65, blind, or disabled. Because of these eligibility requirements, receipt of SSI is an indirect indicator of the population served.

It is estimated that 4.5 percent of New Jersey households received SSI in 2013, a proportion that is 0.9 percent below the national average. Essex, Camden, Hudson, Bergen, and Middlesex counties contain particularly large shares of the State's SSI households.

Since 2000, the number of SSI households has risen by 1 percent. The 2000-2013 increase in SSI households was the highest in Cumberland, Camden, and Atlantic counties and the lowest in Hudson and Passaic, as shown in Table 61 in Appendix A.

Housing Accessibility

Of the people with disabilities who stayed in an emergency shelter or transitional housing so far this year, those with physical disabilities, account for the largest share in both types of housing, followed by those with a substance abuse disability and those with a developmental disability.

According to New Jersey's 2015 Point in Time count over 5,900 families lived in an emergency shelter or transitional housing facility this year. Of those, 651 have a disability or were victim of domestic violence.

Table 62: Single Person Households in Emergency Shelter or Transitional Housing, by Disability Type

Condition	Emergency Shelter	Transitional Housing
Chronic Health Condition - Disability (admission)	12.8%	14.3%
Developmental Disability (admission)	12.8%	16.0%
HIV/AIDS - Disability (admission)	0.8%	1.4%
Physical Disability (admission)	47.0%	41.9%
Substance Abuse - Disability (admission)	26.6%	26.4%

Source: Homeless Management Information System (NJ Collaborative)

As of July 15, 2015, 8,932 households with one member having a disability currently hold rental assistance vouchers from DCA.

Table 63: DCA Administered Rental Assistance to Disabled Households

Program	Number of Active Vouchers	Number of Disabled Households with Vouchers	Percent Disabled
HCV Project-Based	1,285	489	38.1%
HCV Tenant Based	15,178	7,059	46.5%
HOPWA	137	137	100.0%
Mod-Rehab	641	275	42.9%
Shelter Plus Care	205	205	100.0%
VASH	767	767	100.0%
Total	18,213	8,932	49.0%

Source: DCA Housing Pro

Tenant-based Housing Choice Vouchers are the most commonly held vouchers for households having at least one member with a disability. African-Americans are strongly represented among voucher holders, well in excess of their share of the population with reported disabilities. In addition, Hispanics are modestly more represented among voucher holders than their share of the population with disabilities would suggest. Whites and Asians are much less represented compared to their shares of persons with disabilities.

Table 64: Race and Ethnicity Voucher Holders with a Disability

Race	HCV Project - Based	HCV Tenant - Based	HOPWA	Mod-Rehab	Shelter Plus Care	VASH
White	235	3,952	29	134	102	248
Black/African American	248	3,034	107	137	103	512
Asian	2	33	1	1	0	3
American Indian/Alaska Native	1	15	0	0	0	1
Pacific Islander	3	25	0	3	0	3
TOTAL	**489**	**7,059**	**137**	**275**	**205**	**767**

Ethnicity	HCV Project - Based	HCV Tenant - Based	HOPWA	Mod-Rehab	Shelter Plus Care	VASH
Hispanic	80	1,559	14	86	17	50
Not Hispanic	409	5,500	123	189	188	717
TOTAL	**489**	**7,059**	**137**	**275**	**205**	**767**

Households with a member having a disability make up a 9.3 percent of DCA's Housing Choice Voucher wait-list. Those households form the largest share of the Housing Choice Voucher waitlist in Cape May, Burlington, Salem, and Hunterdon counties.

Table 65: "Disabled" Share of DCA Housing Choice Voucher Wait List

	HCV Wait-Listed Disabled Families	Disabled Families % of Wait-Listed Total
New Jersey	**614**	**9.3%**
Atlantic	69	18.6%
Bergen	18	3.8%
Burlington	1	33.3%
Camden	149	14.2%
Cape May	73	37.8%
Cumberland	13	4.9%
Essex	0	0.0%
Gloucester	23	9.2%
Hudson	3	3.6%
Hunterdon	42	25.0%
Mercer	31	4.8%
Middlesex	10	2.9%
Monmouth	5	1.8%
Morris	10	2.0%
Ocean	1	1.3%
Passaic	4	0.7%
Salem	135	29.7%
Somerset	5	2.8%
Sussex	9	5.2%
Union	13	2.7%
Warren	0	0.0%

Source: Housing Pro, May 6, 2015

Enabling Persons with Disabilities to live in the Community

The State through the NJ Department of Human Services (DHS) is committed to expanding home and community based services (HCBS) as part of its long-term care reform efforts to rely less on institutionalization. The DHS, including its Divisions of Aging Services, Disability Services, Developmental Disabilities (DDD), Medical Assistance and Health Services (Medicaid) and Mental Health and Addiction Services (DMHAS), are working together with community partners to implement change.

Currently, DHS provides wrap around supportive housing services are available to support individuals to successfully integrate into the community. Services include referral and linkage to entitlements, medical and behavioral health services, referrals to employment and education services, support with budgeting, socialization, illness management, crisis intervention, lease-up and tenancy-support services to name a few with a plan to be able to bill Medicaid in January 2017 (dependent on regulation promulgation). In addition, there are specialty supportive services for individuals with significant medical issues, individuals with significant forensic histories, and individuals with a dual diagnosis of a developmental disability and mental illness.

In early 2012, New Jersey received approval from the Centers for Medicare & Medicaid Services (CMS) for a new Medicaid Section 1115 (a) five-year demonstration: the NJ Comprehensive Waiver (NJCW). In connection therewith, New Jersey began a statewide health reform effort that will increase existing managed care programs to include managed long term services and supports and expand home and community based services to certain populations. Among other key components, this includes the move to managed care for long-term services and supports; increased flexibility so that seniors and individuals with physical disabilities at risk of nursing home placement can choose the home and community-based services they need and live where they prefer; expanded support services for people with intellectual and developmental disabilities; and enhanced access to community-based mental health and addiction services. As demonstrated by the CMW, the State is committed and obligated to create a long-term services and supports system that emphasizes home and community based services and relies less on institutionalization.

To support the expansion of home and community-based services for New Jersey seniors and people with disabilities, CMS awarded the State $110.1 million for the Federal Balancing Incentive Payment Program (BIP). DHS has leveraged the BIP funds to build the community-based infrastructure for managed long term services and supports MLTSS and to increase access to non-institutional services and supports.

MLTSS expands home and community health based services, promotes community inclusion, and ensures quality and efficiency. MLTSS uses NJ FamilyCare managed care organizations (MCOs) to coordinate all services for members: acute, behavioral and primary health care services, and their long term services and supports.

Additionally, the BIP revenue is helping to expand HCBS programs within the DDD and the DMHAS. Supportive housing programs have, and are continuing to see significant growth, as additional awards are made each state fiscal year.

The BIP has also furthered New Jersey's expansion of home and community- based services for individuals served by DHMAS through supportive housing, residential intensive support teams and programs for assertive community treatment. Since 2006, the DMHAS has been expanding capacity to serve individuals in the most integrated community-based setting. This expansion has enabled individuals to lead healthier lives fully integrated into the community as opposed to remaining in institutional settings.

The DHS Division of Developmental Disabilities (DDD) SFY 16 budget includes $2 million to fund 200 new housing subsidies for individuals receiving supports through DDD. An additional $73.4 million has been added to DHS's budget for both housing and services and is intended to assist 180 individuals leaving developmental centers, emergency situation, and to reduce the waiting list for families waiting for housing and services.

The State is expanding living options in the community for people with developmental disabilities. The Department of Human Services (DHS) has developed a process for allowing developmental center residents and their families and/or guardians to learn about and choose from among a number of different types of housing and services. DDD has qualified more than 100 agencies to provide these services and to meet varying levels of behavioral and medical needs. The State together with these community based organizations provides for a full range services that include:

- accessible housing
- healthcare
- nursing services
- mental health services
- physical, speech and occupational therapies
- social and recreational activities, and
- opportunities for employment

DDD currently funds some housing costs for more than 8,000 individuals currently living in the community. DDD is in the process of separating housing costs from the costs of services and converting existing housing payments to subsidies that will be administered through the NJ Housing and Mortgage Finance Agency (HMFA). Through a cooperative agreement with HMFA, DHS will have a total of approximately 11,000 individual housing subsidies. Most of those subsidies are being utilized. There are 3,168 people waiting for housing subsidy. The census in our five developmental centers is 1,624.

The Division of Mental Health and Addiction Services supports about 2,600 subsidies and supports about 4,800 supportive housing slots including State Rental Assistance Program, Section 8 and Shelter Plus Care slots.

As part of the DMHAS Olmstead class, there are 200 additional housing subsidies plus services. Specifically, 150 subsidies and services for individuals in a state psychiatric hospital and 50 for individuals who are homeless, at risk of homelessness or at risk of hospitalization and diagnosed with a serious mental illness.

Homeless Population

NJ Counts, the State's Point-in-Time (PIT) homelessness count was last conducted on January 27, 2015 and February 3, 2015. The count was originally scheduled to take place only on the 27th, however there was a blizzard predicted for that night, which led about half of the counties in the State to postpone PIT activities until the night of February 3rd. The count found 10,211 homeless men, women and children across the state of New Jersey. This is a decrease of 1,645 persons (13.9 percent) from 2014. Essex, Burlington, and Hudson counties have the largest concentrations of homeless persons.

**Table 67: Number of Homeless Persons by County
and Percentage of State Total, 2015**

	Total Homeless Persons	% of Total NJ Homeless
New Jersey	**10,211**	**100.0%**
Atlantic	548	5.4%
Bergen	340	3.3%
Burlington	1,347	13.2%
Camden	611	6.0%
Cape May	157	1.5%
Cumberland	201	2.0%
Essex	1,723	16.9%
Gloucester	120	1.2%
Hudson	917	9.0%
Hunterdon	140	1.4%
Mercer	600	5.9%
Middlesex	604	5.9%
Monmouth	456	4.5%
Morris	384	3.8%
Ocean	605	5.9%
Passaic	459	4.5%
Salem	38	0.4%
Somerset	342	3.3%
Sussex	57	0.6%
Union	504	4.9%
Warren	58	0.6%

Source: Monarch Housing Associates

The number of homeless persons in emergency shelter, transitional housing and safe havens decreased 10 percent, 27.9 percent and 60 percent respectively between 2014 and 2015. The overall homeless population in New Jersey has decreased at an average rate of 7.6 percent per year over the last 5 years.

NJ Counts 2015 key findings compared to NJ Counts 2014 include:

- Of the 7,441 total homeless households, 1,346 were families (a family is defined as a household with at least one child under the age of 18 and one adult), a 21 percent decrease;

- 1,425 persons identified as chronically homeless, a slight decrease of 74 persons (4.9 percent); and

- 974 persons were living un-sheltered, a slight increase of 43 persons (4.6 percent).

Of the 974 un-sheltered persons, 609 (62.5%) reported having some kind of disability.

Table 68: New Jersey's Five Year Point In-Time Count Comparison of the Homeless

	2011	2012			2013			2014			2015			5 Year Total	
	Count	Count	Change	Percent Change	Count	Change	Percent Change	Count	Change	Percent Change	Count	Change	Percent Change	Change	Percent Change
New Jersey	**14,078**	**13,025**	**-1,053**	**-7.5%**	**12,002**	**-1,023**	**-7.9%**	**11,845**	**-157**	**-1.3%**	**10,211**	**-1,634**	**-13.79%**	**-3,867**	**-27.5%**
Atlantic	474	631	157	33.1%	748	117	18.5%	546	-202	-27.0%	548	2	0.37%	74	15.6%
Bergen	1,521	454	-1,067	-70.2%	346	-108	-23.8%	369	23	6.6%	340	-29	-7.86%	-1,181	-77.6%
Burlington	1,035	823	-212	-20.5%	671	-152	-18.5%	1,024	353	52.6%	1,347	323	31.54%	312	30.1%
Camden	733	662	-71	-9.7%	641	-21	-3.2%	675	34	5.3%	611	-64	-9.48%	-122	-16.6%
Cape May	412	245	-167	-40.5%	271	26	10.6%	306	35	12.9%	157	-149	-48.69%	-255	-61.9%
Cumberland	97	99	2	2.1%	145	46	46.5%	183	38	26.2%	201	18	9.84%	104	107.2%
Essex	1,505	1,504	-1	-0.1%	1,646	142	9.4%	1,655	9	0.5%	1,723	68	4.11%	218	14.5%
Gloucester	185	209	24	13.0%	214	5	2.4%	531	317	148.1%	120	-411	-77.40%	-65	-35.1%
Hudson	1,536	2,087	551	35.9%	942	-1,145	-54.9%	821	-121	-12.8%	917	96	11.69%	-619	-40.3%
Hunterdon	80	101	21	26.3%	82	-19	-18.8%	105	23	28.0%	140	35	33.33%	60	75.0%
Mercer	843	1,009	166	19.7%	668	-341	-33.8%	632	-36	-5.4%	600	-32	-5.06%	-243	-28.8%
Middlesex	930	1,145	215	23.1%	1,031	-114	-10.0%	802	-229	-22.2%	604	-198	-24.69%	-326	-35.1%
Monmouth	559	650	91	16.3%	918	268	41.2%	588	-330	-35.9%	456	-132	-22.45%	-103	-18.4%
Morris	446	281	-165	-37.0%	346	65	23.1%	389	43	12.4%	384	-5	-1.29%	-62	-13.9%
Ocean	545	649	104	19.1%	684	35	5.4%	617	-67	-9.8%	605	-12	-1.94%	60	11.0%
Passaic	847	518	-329	-38.8%	444	-74	-14.3%	376	-68	-15.3%	459	83	22.07%	-388	-45.8%
Salem	80	78	-2	-2.5%	44	-34	-43.6%	38	-6	-13.6%	38	0	0.00%	-42	-52.5%
Somerset	387	295	-92	-23.8%	312	17	5.8%	323	11	3.5%	342	19	5.88%	-45	-11.6%
Sussex	107	74	-33	-30.8%	73	-1	-1.4%	106	33	45.2%	57	-49	-46.23%	-50	-46.7%
Union	1,471	1,456	-15	-1.0%	1,648	192	13.2%	1,691	43	2.6%	504	-1,187	-70.20%	-967	-65.7%
Warren	285	55	-230	-80.7%	128	73	132.7%	68	-60	-46.9%	58	-10	-14.71%	-227	-79.6%

Source: Monarch Housing Associates

State Homeless Programs

Under the State's Homeless Outreach Program, Projects for Assistance in Transitioning from Homelessness (PATH) the following individuals were served during SFY 2014:

- 2,474 unduplicated individuals were served (about 21 percent of the State's estimated 2014 homeless population)
- 512 program participants were linked to temporary housing
- 550 program participants were linked to permanent housing

Analysis

Persons with disabilities are more likely to have income- related challenges in securing adequate housing than those without disabilities. Hudson, Passaic, Camden, Cumberland and Atlantic counties are experiencing a rise in low-income populations with disabilities. This suggests a growing need for accessible affordable in these counties.

New Jersey's homeless population is strongly concentrated in the northern part of the State. However, the homeless population has declined since 2011. Fewer individuals in the State lack the ability to secure any form of housing, a sign of progress in the provision of housing for all citizens of New Jersey.

Past Impediments and Past Actions

In its 2011 AI, DCA made several recommendations to address the housing needs finding individuals with disabilities.

First, it recommended that creation of more affordable and accessible housing to meet the need of persons with disabilities. DCA continues today to provide funding through its programs in order to create accessible housing units and to provide rental assistance to disabled households.

Second, DCA stated that it would continue to support the development of housing options and programs to permit persons with disabilities to reside in non-institutional settings. The State recently obtained a Section 811 grant to help provide housing for persons who are being discharged from state institutions; DCA has committed to use 40 SRAP vouchers for this purpose, and the Department of Human Services will provide additional vouchers.

Third, it indicated an intention to apply for additional Federal vouchers to assist the disabled population. DCA is committed to seeking such assistance where available.

In addition, the State has moved to address the housing needs of the special needs population in other ways. For example, as described elsewhere in this AI, the State created the Interagency Council on Homelessness, which on December 31, 2014 issued a report setting forth a ten year plan to end homelessness. In conformance with the recommendations in the report, the Governor's Office recently convened a working group, made up of public and private sector members, to help effectuate the Council's proposals. The working group has already begun meeting for this purpose.

Areas of Concern

- A high concentration of the population with disabilities in Essex County.
  Impediment: A concentration of subsidized housing in neighborhoods with relatively high levels of poverty.

- A high proportion of people with disabilities on the DCA housing voucher wait list in Cape May, Burlington, Salem, and Hunterdon counties.

Impediment: The need for housing for special needs populations, including the disabled, veterans, and the homeless although those populations overlap.

- A need for affordable, accessible housing for those with disabilities that meet their needs, particularly in Hudson, Passaic, Camden, Cumberland, and Atlantic counties.
  Impediment: The need for affordable, accessible housing for special needs populations.

FAIR HOUSING COMPLIANCE AND INFRASTRUCTURE

Community Reinvestment Act Analysis

CRA Performance Ratings

The Federal Deposit Insurance Corporation (FDIC) undertakes regular reviews of the State's chartered banks to ensure compliance with the Community Reinvestment Act of 1997. The State's banks are reviewed to ensure that they meet the credit needs of all parts of the communities they serve, including low and moderate income neighborhoods. Based on the review, each bank is assigned a rating of "Satisfactory", "Outstanding" or "Needs to Improve." With the exception of a one-time spike in 2013, the percentage of banks given a rating of "Needs to Improve" has gradually declined since 2010. Of the eight reviews completed so far in 2015, none have produced a rating of "Needs to Improve". Table 61 in Appendix A show the CRA performance ratings for State-chartered banks from 2010 to 2015.

When examining the percentage of reviews with a rating of satisfactory or better since 2010, with the exception of a one-time dip in 2013, more and more of the State's banks have made acceptable efforts to meet the needs of low and moderate income neighborhoods, as shown by Figure 2 in Appendix A.

CRA Small Business Lending

In 2013, the vast majority of the 180,908 small business loans in New Jersey were for amounts below $100,000. 79.7 percent were granted in middle or upper income neighborhoods, while 18.6 percent were made in low to moderate income neighborhoods. The largest loan amounts were most commonly granted in middle or upper income neighborhoods, as shown by Figure 3 in Appendix A.

Since 2013, a majority of the State's small business loans in low income neighborhoods occurred in Ocean and Essex counties and the lowest number have been granted in Salem, Morris, and Cape May counties. However, these three counties taken together only contain six of the state's 193 low-income neighborhoods, while Essex County contains 66 and Ocean County, 14, as shown by Tables 70-71in Appendix A.

When loans are considered on a per neighborhood basis, middle and upper income neighborhoods still receive more small business loans than low and moderate income neighborhoods. The number of loans per low-income neighborhood is highest in Ocean County, by a significant margin. Notably, Hunterdon

County has an exceptionally high moderate-income neighborhood loan rate. Salem by far has the lowest number of loans per low income neighborhood, followed by Camden and Cape May counties. Table 72 in Appendix A shows the small business neighborhood loan rate by neighborhood income level in 2013.

Housing Discrimination Complaints

HUD Housing Discrimination Complaints

There were approximately 1,305 housing discrimination complaints referred to HUD relative to New Jersey from January 2001 to June 2015. Bergen and Essex counties by far had the largest number of cases, while Salem and Sussex counties had the fewest.

Essex, Atlantic, Hudson, Bergen, Mercer, and Camden counties had the highest complaint rates, while Sussex, Somerset, and Hunterdon counties had the lowest, as shown in Table 73 in Appendix A.

New Jersey Division of Civil Rights Housing Discrimination Complaints

The New Jersey Division of Civil Rights (DCR) provided data on the number of discrimination cases that it received during State Fiscal Year 2010 and continuing through SFY2015 as well as the type of complaint. These complaints include those received by HUD and forwarded to the Division. Overall, the Division's Housing Investigations Unit received 118 new housing discrimination cases in FY 2014. Since SFY2010, the number of DCR cases received each year has been trending down, particularly in Bergen County. Table 74 in Appendix A shows the number of housing cases received by DCR in SFY2010 through SFY2014.

In SFY2014, of the State's 21 counties, Bergen, Essex, and Mercer had the most cases, together accounting for 39 percent of total cases across the State. A group of the State's predominantly rural counties, including Salem and Cumberland counties in the south and Sussex and Warren counties in the northwest, had no cases at all.

When examining SFY2014 cases on a population-controlled basis, Mercer, Somerset, Hunterdon, and Cape May counties have the highest incidences of cases, suggesting an elevated level of housing discrimination compared to the rest of the State. Table 75 in Appendix A shows the percentage breakdown of DCR housing cases by county in SFY2014.

Over the period beginning in SFY2010 and continuing through SFY2015, physical disability complaints have been the most common type of complaint, followed by race and source of income, as shown in Table 76 in Appendix A.

While physical disability complaints were the most common type in the State from SFY2010 to SFY2013, race took the top spot in SFY2014. However the number of race complaints has declined by roughly 42

percent since SFY2010, suggesting a declining incidence of housing discrimination based on race. Cognitive disability, national origin, and familial status are the next most common types of complaints, as shown by Table 77 in Appendix A.

Notably, sexual orientation and gender identity complaints only account for a combined 0.8 percent of complaints (7) over the four year period, as shown by Figure 54 in Appendix A.

New Jersey has made substantial progress in combating housing discrimination. Since SFY2010, the number of housing complaints received by DCR has dropped from 2.71 complaints per 100,000 residents to 1.13 in SFY2013, a 58.3 percent reduction in the complaint rate. Although the complaint rate rose slightly in SFY2014 to 1.32, driven by a spike in race and national origin complaints, it remains substantially lower than in SFY2010, SFY2011, and SFY2013. Table 75 in Appendix A and Figure 5 show the number of housing complaints received by DCR per 100,000 residents.

Map 50 in Appendix A shows the geographic distribution of DCR cases by population. Areas with high concentrations of cases can be found in select neighborhoods within Gloucester, Atlantic, Middlesex, Union, Warren, Sussex, and Bergen counties.

Predatory Lending

Predatory lending is the use of unfair and abusive mortgage lending practices that result in a borrower paying more through high fees or interest rates than the borrower's credit history warrants. Predatory lending typically involves at least one, and perhaps all three of the following elements:

- Making unaffordable loans based on the assets of the borrower, rather than on the borrower's ability to repay an obligation ("asset-based lending")
- Inducing a borrower to refinance a loan repeatedly in order to charge high points and fees each time the loan is refinanced
- Engaging in fraud or deception to conceal the true nature of the loan obligation from an unsuspecting or unsophisticated borrower.

These practices occur most frequently in the subprime lending market and usually target lower-income and minority borrowers.

The New Jersey Homeowners Security Act (N.J.S.A. 46:10B-22 *et seq*.) prohibits the following with respect to all home loans:

- Financing certain credit insurance premiums or debt cancellation agreements.
- Recommending or encouraging default on an existing mortgage loan prior to and in connection with a refinance of that loan.
- Charging a late fee in excess of 5% of the past due payment.
- Accelerating indebtedness at the creditor's sole discretion.

- Charging a fee for a borrower's payoff balance information.

With respect to high-cost home loans (i.e., loans with an Annual Percentage Rate three or more percentage points greater than the Treasury security yields on the date of origination[12]), the Homeowners Security Act also prohibits:

- Negative amortization (i.e., when the principal balance of the loan increases even though all payments are being made).
- Increasing the interest rate after default.
- Requiring more than two periodic payments to be paid in advance from the loan proceeds.
- Lending to a borrower who finances points and fees, without first receiving certification from an HUD/DOBI approved third-party nonprofit credit counselor, that the borrower has received counseling on the loan transaction.
- Making direct payment to home improvement contractors out of the loan proceeds, instead of (1) to the borrower, (2) jointly to the borrower and contractor, or (3) to a third-party escrow selected by the borrower.
- Charging a fee for modification or deferral of the loan.
- Charging points and fees if the proceeds of a high-cost home loan are used to refinance an existing high-cost home loan held by the same creditor as note holder.
- Foreclosure of a home in New Jersey by means other than the judicial foreclosure procedures of this State.
- Financing points and fees in excess of 2% of the total loan amount.

The law provides the New Jersey Department of Banking and Insurance with the following authority:

- To impose a civil penalty up to $10,000 per violation (40% of which is dedicated to nonprofit groups for consumer finance education programs).
- To issue a cease and desist order.
- To temporarily suspend a license on an emergent basis.
- To suspend, revoke, or refuse to renew any license issued by the Department.
- To bar a predatory lender from industries regulated by the Department of Banking and Insurance.

To detect possible evidence of predatory lending, rate spreads on conventional home purchase mortgage loans are examined below. Table 78 in Appendix A shows high cost conventional mortgage loans as a percentage of total mortgage loans in 2013. 0.3 percent or roughly one out of every 300 loans in the State was high-cost in 2013. Cumberland, Atlantic, and Salem counties in the south had the largest proportions of predatory mortgage loans, while Ocean, Atlantic, Cape May, and Monmouth counties had the largest number, together accounting for a majority of all high-cost mortgage loans. Hunterdon and Sussex counties had no reported high-cost mortgage loans.

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[12] Neil Bhutta and Glenn Canner. 2009. "Did the CRA cause the mortgage market meltdown?" *Community Dividend.* Federal Reserve Bank of Minneapolis.

Credit Discrimination

Although federal and state laws prohibit lenders from discriminating against applicants for any reason, some creditors still refuse to extend an applicant credit based on his/her race, sex, age, religion, or marital status. Both the New Jersey Division of Consumer Affairs and the New Jersey Department of Banking and Insurance are available to assist individuals who feel that they are a victim of credit discrimination. Both agencies act to ensure that New Jersey residents' rights are protected.

Home Mortgage Disclosure Act Data Analysis

The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and has since been amended several times. It is intended to provide the public with loan data that can be used to determine whether financial institutions are serving the housing credit needs of their communities and to assist in identifying possible discriminatory lending patterns. HMDA requires lenders to publicly disclose the race, ethnicity and sex of the mortgage applicant, along with loan application amounts, household income and the census tract in which the home is located, along with information concerning their actions related to the loan application. HMDA data from 2013 was used to analyze the differences in denial rates for conventional home purchase mortgages.

95,413 applications were submitted for conventional home purchase mortgages in 2013. 61 percent (58,233 applications) were approved for a mortgage, 56.5 percent (53,880 applicants) accepted the mortgage and 10 percent (9,934 applicants) were denied. Borrowers received over $18.3 billion in mortgage loans, averaging $340,322 per borrower.

Table 79: Conventional Mortgage Home Purchase Application Actions

	Applications Received in 2013	Loans Originated	App. Approved but not Accepted	Applications Approved	Applications Denied
Num. of Applications	95,413	53,880	4,353	58,233	9,934
% of Applications	100.0%	56.5%	4.6%	61.0%	10.4%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

Whites account for the largest group of mortgage applicants at 66.3 percent, a percentage slightly below their proportion of the State's population (68.2 percent). However whites account for 71.5 percent of those approved for mortgages. Whites, by far have the lowest mortgage denial rates, while American Indians, Alaska Natives, and African-Americans have the highest, more than twice that of whites. Hispanics, including white Hispanics, have a denial rate of 17.3 percent, below that of African-Americans but above that of all whites.

Table 80: Conventional Mortgage Home Purchase Application Actions by Race/Ethnicity

Race/Ethnicity	Applications Received in 2013	Loans Originated	App. Approved but not Accepted	Applications Approved	Approval Rate	Applications Denied	Denial Rate
White	63,267	38,791	2,865	41,656	65.8%	6,272	9.9%
Black or African American	2,414	1,213	117	1,330	55.1%	485	20.1%
Asian	13,681	8,173	716	8,889	65.0%	1,690	12.4%
American Indian or Alaska Native	182	74	10	84	46.2%	51	28.0%
Native Hawaiian or Other Pacific Islander	271	144	12	156	57.6%	47	17.3%
Race Unknown	15,598	5,485	633	6,118	39.2%	1,389	8.9%
Hispanic or Latino	4,563	2,449	230	2,679	58.7%	774	17%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

Overall, applicants with more than 120 percent of Area Median Income make up the majority (54.6 percent) of applicants.

Table 81: Applicants by Income Range

Income Range	Applicants	% of Total Applicants
Less than 50% of AMI	11,209	11.7%
50-79% of AMI	13,049	13.7%
80-99% of AMI	9,391	9.8%
100-119% of AMI	9,062	9.5%
120% or More of AMI	52,088	54.6%
Income Unknown	614	0.6%
TOTAL	**95,413**	

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

The debt-to-income ratio is the most widely cited reason for mortgage loan denials for all racial and ethnic groups except American Indians and Alaska Natives. For this group, credit history is the most common reason.

Only 13 percent of applicants making less than 50% of Area Median Income were denied a home mortgage loan. Only 13.5 percent of those making between 50 and 79 percent of Area Median Income were denied a loan.

Low to moderate income applicants account for a slightly higher share of denials than their share of applicants. Applicants making less than 50% of AMI represent 14.6 percent of all denials, but 11.7 percent of all applicants. Conversely, higher income applicants have a lower proportional share of denials.

Table 82: Denials by Income Range, 2013

Row Labels	Number of Denials	% of All Denials	% of All Applicants	Difference
Less than 50% of AMI	1,454	14.6%	11.7%	2.9%
50-79% of AMI	1,766	17.8%	13.7%	4.1%
80-99% of AMI	1,085	10.9%	9.8%	1.1%
100-119% of AMI	901	9.1%	9.5%	-0.4%
120% or More of AMI	4,627	46.6%	54.6%	-8.0%
Income Range Unknown	101	1.0%	0.6%	0.4%
TOTAL	**9,934**			

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

For low income applicants, the debt-to-income ratio plays the most significant role in denials, followed by collateral and credit history. Collateral, incomplete credit applications and credit history play a much more significant role in denials for higher income applicants.

Table 83: Denials by Type by Income Range, 2013

Income Range	Collateral	Credit application incomplete	Credit history	Debt-to-income ratio	Employment history	Insufficient cash (down-payment, closing costs)	Mortgage insurance denied	Other	Unverifiable info.
Less than 50% of AMI	219	173	214	661	98	81	13	161	94
50-79% of AMI	322	223	277	626	66	112	25	178	133
80-99% of AMI	231	168	166	330	32	69	16	131	77
100-119% of AMI	203	145	118	242	23	69	10	108	65
120% or More of AMI	1,147	958	604	838	92	296	31	594	371
Income Unknown	21	5	10	21	5	10	2	5	10

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

Table 84: Denial Type % of Total Denials by Income Range, 2013

Income Range	Collateral	Credit application incomplete	Credit history	Debt-to-income ratio	Employment history	Insufficient cash (down-payment, closing costs)	Mortgage insurance denied	Other	Unverifiable info.
Less than 50% of AMI	15.1%	11.9%	14.7%	45.5%	6.7%	5.6%	0.9%	11.1%	6.5%
50-79% of AMI	18.2%	12.6%	15.7%	35.4%	3.7%	6.3%	1.4%	10.1%	7.5%
80-99% of AMI	21.3%	15.5%	15.3%	30.4%	2.9%	6.4%	1.5%	12.1%	7.1%
100-119% of AMI	22.5%	16.1%	13.1%	26.9%	2.6%	7.7%	1.1%	12.0%	7.2%
120% or More of AMI	24.8%	20.7%	13.1%	18.1%	2.0%	6.4%	0.7%	12.8%	8.0%
Income Unknown	20.8%	5.0%	9.9%	20.8%	5.0%	9.9%	2.0%	5.0%	9.9%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

Table 85: Application Denials by Type by Race/Ethnicity, 2013

Race/Ethnicity	Collateral	Credit application incomplete	Credit history	Debt-to-income ratio	Employment history	Insufficient cash (downpayment, closing costs)	Mortgage insurance denied	Other	Unverifiable info.
White	1,385	1,027	826	1,800	213	404	69	755	476
Black or African American	88	54	117	135	7	29	11	57	28
Asian	367	337	145	417	58	133	8	220	156
American Indian or Alaska Native	9	10	12	9	2	1	0	2	3
Native Hawaiian or Other Pacific Islander	6	12	12	16	0	2	1	2	4
Race Unknown	290	232	278	343	36	68	8	141	83
Hispanic or Latino	149	99	123	262	35	60	13	87	56

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

Although debt-to-income ratio is the leading reason for mortgage denials, for poor credit histories are more powerful factors in mortgage denials for African-Americans, Native Hawaiians, and Other Pacific Islanders than other racial groups. Amongst applicants of all racial groups, a majority were denied due to a high debt-to-income ratio, poor credit history, or lack of collateral.

Table 86: Denial Type % of Total Denials by Race/Ethnicity, 2013

Race/Ethnicity	Collateral	Credit application incomplete	Credit history	Debt-to-income ratio	Employment history	Insufficient cash (downpayment, closing costs)	Mortgage insurance denied	Other	Unverifiable info.
White	22.1%	16.4%	13.2%	28.7%	3.4%	6.4%	1.1%	12.0%	7.6%
Black or African American	18.1%	11.1%	24.1%	27.8%	1.4%	6.0%	2.3%	11.8%	5.8%
Asian	21.7%	19.9%	8.6%	24.7%	3.4%	7.9%	0.5%	13.0%	9.2%
American Indian or Alaska Native	17.6%	19.6%	23.5%	17.6%	3.9%	2.0%	0.0%	3.9%	5.9%
Native Hawaiian or Other Pacific Islander	12.8%	25.5%	25.5%	34.0%	0.0%	4.3%	2.1%	4.3%	8.5%
Race Unknown	20.9%	16.7%	20.0%	24.7%	2.6%	4.9%	0.6%	10.2%	6.0%
Hispanic or Latino	19.3%	12.8%	15.9%	33.9%	4.5%	7.8%	1.7%	11.2%	7.2%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

Maps 51-58 in Appendix A show mortgage denials rates for the largest categories of racial and ethnic minorities from 2010 through 2013.

On a county basis, Cumberland and Salem counties have elevated African-American denial rates, at least ten percent above the State average. These counties have higher denial rates for all racial and ethnic groups than the State as a whole; however the difference in African-American denial rates well exceeds that difference. For Hispanics, denial rates are at least 10 percentage points above the average in Atlantic, Hudson, and Camden counties.

Table 87: Denials by Race by County, 2013

	White	Black or African American	Asian	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Race Unknown	Hispanic or Latino
New Jersey	**9.9%**	**20.1%**	**12.4%**	**28.0%**	**17.3%**	**19.6%**	**10.4%**
Atlantic	11.7%	20.7%	20.5%	50.0%	40.0%	12.1%	25.3%
Bergen	10.3%	17.7%	12.7%	23.1%	26.1%	8.3%	15.8%
Burlington	7.1%	19.8%	12.5%	10.0%	0.0%	8.3%	8.5%
Camden	8.6%	17.9%	14.6%	100.0%	25.9%	9.2%	20.9%
Cape May	7.9%	20.0%	9.8%	33.3%	0.0%	9.4%	10.5%
Cumberland	14.7%	33.3%	21.1%	75.0%	0.0%	11.8%	16.9%
Essex	9.6%	21.6%	11.0%	14.3%	20.0%	7.4%	17.0%
Gloucester	8.0%	22.1%	4.2%	37.5%	0.0%	6.2%	18.6%
Hudson	14.1%	23.6%	15.6%	40.7%	12.8%	10.6%	22.6%
Hunterdon	8.7%	21.4%	12.1%	33.3%	28.6%	6.8%	15.9%
Mercer	8.9%	24.2%	10.6%	20.0%	14.3%	14.8%	13.5%
Middlesex	11.5%	16.9%	12.3%	34.6%	13.2%	11.2%	17.3%
Monmouth	10.1%	20.0%	11.1%	16.7%	9.1%	10.4%	18.7%
Morris	8.4%	19.8%	10.7%	30.0%	16.7%	5.6%	11.7%
Ocean	10.1%	17.9%	19.4%	11.1%	8.3%	5.9%	19.6%
Passaic	11.9%	17.7%	19.0%	14.3%	27.3%	10.9%	17.5%
Salem	13.5%	30.0%	0.0%	0.0%	0.0%	14.3%	8.3%
Somerset	7.7%	14.8%	9.4%	0.0%	27.3%	6.2%	11.7%
Sussex	12.5%	22.2%	0.0%	0.0%	0.0%	8.3%	15.6%
Union	10.3%	20.1%	8.9%	50.0%	16.7%	8.1%	18.1%
Warren	9.5%	27.3%	15.8%	0.0%	0.0%	13.8%	5.3%
County Unknown	30.6%	62.5%	31.0%	0.0%	0.0%	35.9%	50.0%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

When controlling for income by examining applicants earning more than 120 percent of Area Median Income, significant differences in racial and ethnic group denial rates persist. Denial rates for African-Americans exceed the State average by more than eight percentage points in Warren, Sussex, and Cumberland counties. Overall denial rates for this income range exceed the State average by 0.5 percent in Warren County, by 0.8 percent in Cumberland County, and are below the State average by 0.3 percent in Sussex County. This suggests that African-Americans in particular are being denied at higher rates beyond any higher denial trend within these counties. Denial rates for Hispanics exceed the State average by more than seven percentage points in Atlantic, Sussex, and Hudson counties, differences that also greatly exceed the gap between individual total denial rates and that of the State.

Table 88: Denial Rates by Race by County - 120% or More of AMI, 2013

	White	Black or African American	Asian	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Race Unknown	Hispanic or Latino
New Jersey	**8.0%**	**14.1%**	**11.0%**	**16.0%**	**13.3%**	**9.7%**	**8.9%**
Atlantic	8.6%	13.5%	24.1%	100.0%	50.0%	14.8%	19.4%
Bergen	8.8%	15.9%	12.1%	22.2%	26.7%	9.3%	13.5%
Burlington	5.8%	15.4%	8.8%	0.0%	0.0%	9.2%	5.6%
Camden	6.1%	16.4%	11.6%	100.0%	12.5%	8.8%	0.0%
Cape May	6.3%	0.0%	9.1%	0.0%	0.0%	11.1%	4.2%
Cumberland	8.7%	22.2%	20.0%	0.0%	0.0%	9.1%	7.1%
Essex	8.2%	14.4%	8.4%	0.0%	33.3%	6.8%	8.7%
Gloucester	6.7%	7.9%	0.0%	0.0%	0.0%	7.2%	14.3%
Hudson	12.1%	14.8%	14.6%	25.0%	13.2%	11.7%	16.5%
Hunterdon	7.1%	12.5%	7.9%	0.0%	33.3%	6.1%	8.7%
Mercer	6.5%	15.2%	10.1%	0.0%	16.7%	18.8%	4.8%
Middlesex	9.5%	6.3%	10.6%	28.6%	5.3%	14.0%	15.6%
Monmouth	8.3%	8.7%	9.7%	18.2%	12.5%	13.3%	14.3%
Morris	6.7%	14.5%	9.2%	33.3%	0.0%	5.2%	5.8%
Ocean	7.4%	20.0%	0.0%	0.0%	0.0%	8.1%	11.3%
Passaic	8.8%	11.1%	17.7%	20.0%	22.2%	11.2%	13.1%
Salem	11.2%	0.0%	0.0%	0.0%	0.0%	6.3%	0.0%
Somerset	7.0%	15.1%	7.9%	0.0%	12.5%	5.9%	7.1%
Sussex	8.2%	28.6%	0.0%	0.0%	0.0%	10.0%	20.0%
Union	7.5%	14.0%	7.5%	33.3%	0.0%	5.9%	12.9%
Warren	8.0%	42.9%	9.1%	0.0%	0.0%	16.1%	0.0%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

In examining gender differences in denial rates, the State denial rate for females is slightly higher than males, although only by 0.9 percentage points. The gender gap in denial rates is greatest in Salem (6.7 percent), Cape May (3.9 percent), and Cumberland (2.5 percent) counties, all rural counties in the southern part of the State.

Table 89: Denials by Gender by County, 2013

	Number of Male Applicants	Number of Female Applicants	Male Denials	Female Denials	Male Denial Rate	Female Denial Rate
New Jersey	**60,689**	**23,006**	**6,446**	**2,654**	**10.6%**	**11.5%**
Atlantic	1,639	729	198	111	12.1%	15.2%
Bergen	7,325	2,582	798	312	10.9%	12.1%
Burlington	2,970	1,238	250	104	8.4%	8.4%
Camden	2,424	1,123	255	109	10.5%	9.7%
Cape May	2,509	584	182	65	7.3%	11.1%
Cumberland	309	150	48	27	15.5%	18.0%
Essex	3,640	1,460	402	155	11.0%	10.6%
Gloucester	1,751	740	153	61	8.7%	8.2%
Hudson	4,023	1,590	615	249	15.3%	15.7%
Hunterdon	1,167	468	98	50	8.4%	10.7%
Mercer	2,114	815	205	93	9.7%	11.4%
Middlesex	5,793	1,844	703	236	12.1%	12.8%
Monmouth	5,772	2,123	597	231	10.3%	10.9%
Morris	4,642	1,771	402	165	8.7%	9.3%
Ocean	4,532	1,880	458	208	10.1%	11.1%
Passaic	2,153	917	265	133	12.3%	14.5%
Salem	243	77	31	15	12.8%	19.5%
Somerset	3,236	1,190	274	108	8.5%	9.1%
Sussex	945	346	117	43	12.4%	12.4%
Union	2,800	1,096	298	138	10.6%	12.6%
Warren	607	246	64	29	10.5%	11.8%
County Unknown	95	37	33	12	34.7%	32.4%

Source: Consumer Financial Protection Bureau, 2013 Home Mortgage Disclosure Act Data

When denial rates for racial and ethnic minorities are examined over a three-year period, consistent patterns emerge at the county level. When African-American mortgage denial rates are considered from 2010 to 2013, which smooths out the effects of single-year changes in denial rates, Essex and Hudson counties in northeastern New Jersey emerge with highly elevated denial rates compared to the rest of the State. These differences were found to be statistically significant after conducting a z test for the difference in two population proportions. Notably, these differences remained elevated in 2013, although the sample size was not large enough to demonstrate statistical significance for that year alone.

Table 90: African American Denials by County, 2010-2013

	Black Denial Rate 2010-13	Difference from State Average	Statistically Significant?
New Jersey	**20.8%**	**0.0%**	
Atlantic	18.8%	-2.1%	
Bergen	18.6%	-2.2%	
Burlington	23.1%	2.3%	
Camden	22.3%	1.5%	
Cape May	13.6%	-7.2%	
Cumberland	27.7%	6.9%	
Essex	24.7%	3.9%	X
Gloucester	20.7%	-0.1%	
Hudson	24.0%	3.2%	X
Hunterdon	7.5%	-13.3%	X
Mercer	19.3%	-1.5%	
Middlesex	16.0%	-4.8%	X
Monmouth	20.7%	-0.1%	
Morris	13.8%	-7.0%	X
Ocean	18.9%	-1.9%	
Passaic	20.9%	0.1%	
Salem	18.2%	-2.6%	
Somerset	16.1%	-4.7%	X
Sussex	20.0%	-0.8%	
Union	21.1%	0.3%	
Warren	23.1%	2.3%	
County Unknown	52.0%	31.2%	X

Source: Consumer Financial Protection Bureau, 2010- 2013 HMDA

When Hispanic denial rates are considered, Atlantic, Camden, Cumberland, Hudson, Passaic, and Union counties show elevated denial rates that are statistically significant. Notably, these counties contain areas where Hispanics are heavily concentrated low-income urban centers such as Atlantic City, Camden, Bridgeton, Vineland, Jersey City, Paterson, and Elizabeth. Hispanic denial rates in these counties continued to be elevated in 2013, with the denial difference for Atlantic and Hudson counties proving statistically significant even with only one year of data.

Table 91: Hispanic Denials by County, 2010-2013

	Hispanic Denial Rate 2010-13	Difference from State Average	Statistically Significant?
New Jersey	**17.7%**	**0.0%**	**X**
Atlantic	23.9%	6.2%	X
Bergen	15.3%	-2.3%	X
Burlington	7.4%	-10.3%	X
Camden	24.0%	6.4%	X
Cape May	11.6%	-6.0%	X
Cumberland	27.0%	9.4%	X
Essex	18.6%	1.0%	
Gloucester	15.2%	-2.5%	
Hudson	23.9%	6.2%	X
Hunterdon	13.1%	-4.5%	X
Mercer	15.0%	-2.7%	
Middlesex	15.3%	-2.3%	X
Monmouth	14.6%	-3.1%	X
Morris	9.5%	-8.2%	X
Ocean	16.7%	-1.0%	
Passaic	20.1%	2.5%	X
Salem	8.3%	-9.3%	
Somerset	13.1%	-4.6%	X
Sussex	20.1%	2.5%	
Union	20.7%	3.0%	X
Warren	8.7%	-9.0%	X
County Unknown	52.0%	31.2%	X

Source: Consumer Financial Protection Bureau, 2010- 2013 HMDA

Fair Housing Infrastructure

Federal Fair Housing Law

The Civil Rights Act of 1866 establishes that all citizens of the United States have the same right to inherit, purchase, lease, sell, hold, and convey real and personal property. Between 1866 and 1968 the law was interpreted only to prohibit racial discrimination in housing by government or public action, such as restrictive zoning and the enforcement of restrictive covenants. In 1968, the Supreme Court

ruled that the Act prohibited all racial discrimination, private as well as public, in the sale or rental of property.

It was not until 1968 that specific fair housing legislation was enacted in Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act). With the Supreme Court decisions and passage of Title VIII, the private housing market was subject to federal laws prohibiting discrimination for the first time.

Title VIII prohibits discrimination in the provision of housing based on race, color, religion, sex, or national origin. These population groups are known as protected classes. Title VIII authorizes HUD to investigate and attempt to resolve complaints. The Fair Housing Act Amendments of 1988 amended Title VIII to include people with disabilities and families with children as protected classes.

State Fair Housing Law

The New Jersey Law Against Discrimination (N.J.S.A. 10:5-12) prohibits discrimination in housing because of ancestry, race, color, national origin, nationality, religion, sex, familial status and handicap, marital or domestic partnership or civil union status, gender identity or expression, disability, affectional or sexual orientation and source of lawful income or source.

Since the LAD provides the same substantive rights, procedures, remedies, and the availability of judicial review comparable to the federal law, HUD has designated the LAD as "substantially equivalent." As a result, under the Federal Fair Housing Assistance Program (FHAP), HUD contracts with the New Jersey Division of Civil Rights to investigate and rule on fair housing cases on its behalf.

Fair Housing Agencies and Programs

State Fair Housing Organizations

The Division of Civil Rights continues to combat housing discrimination in New Jersey by enforcing the Law Against Discrimination in New Jersey.

Fair Housing Initiatives Program

Under the Fair Housing Initiatives Program (FHIP), the Fair Housing Council of Northern New Jersey (the Council) conducts fair housing private enforcement, education, and outreach for the entire state of New Jersey. The Council conducts intakes, investigates, and refers FHIP funded complaints of housing discrimination to the U.S. Department of Housing and Urban Development (HUD). The Council works closely with HUD, the U.S. Department of Justice, and the New Jersey Division on Civil Rights to develop and process systemic complaints of housing discrimination, including recruiting and training testers and conducting rental and sales tests. The Council also provides education and outreach on fair housing and the requirements of the federal Fair Housing Act by addressing community organizations and distributing flyers to faith based, veterans, religious, and disability advocacy groups, as well as to local merchants and grass roots organizations. Moreover, the Council purchases newspaper, print, and journal advertisements to advertise the project and its services.

It maintains an informational website (http://fairhousingnj.org/) and has developed, published and distributed fair housing brochures in English, Spanish and other languages as needed to inform people of their fair housing rights. The Council maintains close contact with HUD, the New Jersey Division of Civil Rights (FHAP agency), and private advocacy groups to develop materials for education and outreach.

Geographically, southern and northeastern New Jersey are areas of concentrated focus.   Persons served by this program include all persons who are protected under state and federal fair housing laws. A special emphasis is placed on discrimination against the disabled and on familial status discrimination.

Federal Fair Housing Agency

HUD's Office of Fair Housing and Equal Opportunity (FHEO) enforces federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice.

Fair Housing Assistance Program (FHAP): NJ Division on Civil Rights

SFY2014 Fair Housing Initiatives Program (FHIP) Awards:

Fair Housing Council of Northern New Jersey
FY13 Private Enforcement Initiative –
Multi-Year Component - $302,487.00

The Council will use this grant to serve the entire State of New Jersey. The Council will conduct intake, investigate, and refer FHIP funded complaints of housing discrimination to HUD. The Council will work closely with HUD, the U.S. Department of Justice, and the New Jersey Division of Civil Rights on developing and processing systemic complaints of housing discrimination, including recruiting and training testers and conducting rental and sales tests. The Council will provide education and outreach on fair housing and Title VIII by addressing community organizations and distributing flyers to faith based, veterans, religious, and disability advocacy groups, as well as to local merchants and grass roots organizations. The Council also will purchase newspaper, print, and journal advertisements to advertise the project and its services.

Fair Housing Council of Northern New Jersey
Education and Outreach Initiative –
General Component - $125,000.00

The Council will use this grant to conduct education and outreach throughout the State of New Jersey. The Council will plan, develop and conduct workshops on housing discrimination; plan, develop and conduct a media and web-based marketing campaign; and develop, publish and distribute fair housing brochures in English, Spanish and other languages as needed that will inform people of their fair housing rights. This project will involve close contact with HUD, the New Jersey Division of Civil Rights (FHAP agency), and private advocacy groups on developing materials for education and outreach. The areas of

concentration will focus on southern and northeastern New Jersey. Persons to be served in this project include all persons who are protected under state and federal fair housing laws. A special emphasis will be placed on discrimination against the disabled and on familial status discrimination.

Fair Housing Survey

The following survey querying perceptions of fair housing issues was posted on the Department of Community Affairs' website on June 8, 2015. In addition, an e-mail notice was distributed to over 3,000 nonprofits, for-profits, local governments and other interested parties statewide. One hundred and fifty-three (153) agencies and individuals responded to the survey, which is presented below.

New Jersey Department of Community Affairs
Analysis of Impediments Survey

As part of its participation in federal community development programs, the State of New Jersey is required to certify to HUD that it will affirmatively further fair housing. One of the steps in the certification process is for the State to conduct a survey to identify impediments to fair housing choice that exist within the State. The questions in this survey are intended to reflect your experience with fair housing issues and will assist the State in determining impediments of significance. Thank you for your participation in this survey.

* 1. For statistical purposes, please identify your occupation:

● Disability Advocate

● Fair Housing Advocate

● Property Manager

● Housing Developer

● Government Official

● Public Housing Authority Official

● Other (Please Specify) [＿＿＿＿＿＿＿]

● Consultant

● Health Care Provider

● Housing Counselor or Educator

● Lawyer

● Mortgage Lender

● Real Estate Professional

Other (Please Specify)

* 2. What do you believe to be the main cause, or causes, of impediments to fair housing choice? Impediments are any actions, omissions, or decisions taken because of race, color, national origin, religion, sex, familial status, disability, creed, ancestry, nationality, marital status or domestic partnership or civil union status, gender identity or expression, affectional or sexual orientation, and source of lawful income or source of lawful rent payment, that restrict housing choices or the availability of housing choices, or have that effect. Select all of the areas identified below that you believe apply.

☐ Employment issues- lack of job training opportunities

☐ Jobs, housing and mass transit are not located near each other

☐ Inadequate enforcement of existing fair housing laws

☐ Lack of accessible housing in range of unit sizes

☐ Lack of affordable housing in a range of unit sizes

☐ Landlord's discriminatory or unethical practices

☐ Land use and zoning laws that make developing affordable housing difficult and expensive

☐ Language/cultural barriers

☐ Lending practices/predatory lending

☐ Other (Please Specify) [_____] Other (Please Specify)

2a. Is there a lack of awareness of fair housing rights and responsibilities by any of the following (check all that apply):

☐ elected officials   ☐ government employees   ☐ New Jersey residents

☐ landlords   ☐ real estate professionals   ☐ lenders

☐ insurance companies   ☐ Other [_____]

3. Rate each statement below indicating the degree to which possible barriers to fair housing exist.
* 3a. The concentration of affordable housing in certain geographic areas

● Not a Barrier ● Minor Barrier ● Moderate Barrier ● Severe Barrier ● Don't Know

* 3b. Discrimination against persons based on race, color, national origin, religion, sex, familial status, disability, creed, ancestry, nationality, marital status or domestic partnership or civil union status, gender identity or expression, affectional or sexual orientation, and source of lawful income or source of lawful rent payment

● Not a Barrier ● Minor Barrier ● Moderate Barrier ● Severe Barrier ● Don't Know

* 3c. The lack of housing information translated into other languages, especially Spanish

● Not a Barrier ● Minor Barrier ● Moderate Barrier ● Severe Barrier ● Don't Know

* 3d. Land use and zoning barriers

● Not a Barrier ● Minor Barrier ● Moderate Barrier ● Severe Barrier ● Don't Know

4. Rate each group's knowledge and awareness of fair housing laws:
* 4a. Residents

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4b. Large property landlords and property managers

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4c. Small property landlords and property managers

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4d. Real estate agents

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4e. Bankers and lenders

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4f. Appraisers

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4g. Local and State government officials

●   Full Knowledge and Awareness   ●   General Knowledge and Awareness

●   Lack of Knowledge and Awareness   ●   Don't Know

* 4h. Insurance companies

● Full Knowledge and Awareness   ● General Knowledge and Awareness

● Lack of Knowledge and Awareness ● Don't Know

* 5. Do you believe that people report incidents of housing discrimination?

● Yes ● No ● Don't know

* 5a. If not, what are the reasons for this failure to report?

☐ Do not know where to report   ☐ Are not sure of their rights

☐ Afraid of retaliation   ☐ Do not think reporting would make a difference

* 6. Where do people go to report incidents of housing discrimination?

☐ Human rights group   ☐ Civil rights group

☐ HUD   ☐ Local government officials

☐ Fair housing organization ☐ Friend or family member

☐ Housing authority   ☐ HIV case manager/housing coordinator

☐ Lawyer/Legal Services   ☐ Other [＿＿＿＿＿＿＿]

* 7. Do you believe that, in general, there is an overconcentration of minorities in poor neighborhoods?

● Yes ● No ● Don't know

* 8. Do you believe that, in general, there is an overconcentration of affordable housing in poor neighborhoods?

● Yes ● No ● Don't know

* 9. What steps do you think the State should take to address the impediments to fair housing choice that you have Identified?

* 10. Please describe any actions taking place in your community to promote fair housing.

Survey Results

Generally, survey respondents indicated that a lack of affordable housing in a range of unit sizes, a location mismatch between jobs, housing and transit, and discrimination against State and federal protected classes are sizable barriers to fair housing choice in the State. Respondents also indicated that concentration of affordable housing in certain geographic areas is also a significant barrier.

Respondents reported a lack of awareness of fair housing rights and responsibilities by State residents and small property landlords and property managers. However they largely recognized a general awareness on behalf of large property landlords and property managers, real estate agents, bankers and lenders, appraisers, state and local government officials, and insurance companies.

There was a strong consensus that people generally do not report instances of housing discrimination and that people largely do not believe such reporting will make a difference, are unsure of their rights, and do not know where to report discrimination. A slight majority believe that people go to fair housing organizations to report such instances. An overwhelming majority agreed there is an overconcentration of minorities in poor neighborhoods, while a plurality think there is an overconcentration of affordable housing in such neighborhoods.

When asked to recommend specific actions the State can take to ameliorate these problems, just over a third of respondents recommend providing more affordable housing or more funding for affordable housing, while just under three in ten suggested more or improved housing education and training initiatives for the general public, landlords, lending institutions, or fair housing officers. Nearly one in seven recommended stricter enforcement of fair housing laws or municipal Mt. Laurel inclusionary housing obligations. About 6 percent recommended an educational media campaign while fewer than 5 percent suggested more job training and job creation to boost incomes to ensure housing affordability.

Fair Housing and Compliance and Infrastructure Determinants

Analysis

There is strong evidence that housing discrimination has been declining in New Jersey. Housing discrimination complaints to the New Jersey Division of Civil Rights (DCR) have generally been declining since 2010. HUD housing discrimination complaints are more numerous in urbanized North Jersey counties. However, Mercer, Somerset, Hunterdon, and Cape May counties have the highest incidences of DCR cases by population, suggesting elevated levels of housing discrimination in those counties as compared to the rest of the State.

Physical disability complaints have been the most common type of complaint, followed by race and source of income. As noted, the number of these complaints in each category has been dropping. Sexual orientation and gender identity complaints account for a tiny portion of all complaints and have not changed much. Neighborhoods with the heaviest concentrations of complaints by population are largely found across North Jersey with the exception of Hunterdon County, and in the counties of Atlantic, Burlington, Camden, Gloucester, and Ocean in the south.

As noted in this AI, State law prohibits a landlord from refusing to accept a lawful source of payment, particularly a Section 8 voucher. Such actions by landlords could act as a barrier to fair housing access.

Bank compliance with the Community Reinvestment Act has improved since 2010. More and more of the State's banks have made efforts to meet the needs of low and moderate income neighborhoods. This suggests progress toward guaranteeing access to lending and credit for low and moderate income households across the State. Although fewer small business loans are distributed to low and moderate income neighborhoods than middle and upper income neighborhoods, there is evidence that such loans are available in such communities. Areas with the highest rates of low-income neighborhood loans tend to be in economically vibrant Central Jersey counties where job growth has surpassed the State average. This suggests that in the State's areas of greatest economic opportunity, loans are available to small businesses in low-income communities.

Predatory loans are most common in the State's rural southern counties. This implies that this region may be an appropriate area of focus for lending enforcement activities. Low to moderate income loan applicants were denied at a slightly higher rate than their proportion of all applicants. For low income applicants, the debt-to-income ratio plays the most significant role in denials, followed by collateral and credit history. However mortgage denial rates are elevated for racial and ethnic minorities, even at comparable income levels with whites. Mortgage denial rates are particularly high in Essex and Hudson counties for African-Americans, and in Atlantic, Camden, Cumberland, Hudson, Passaic, and Union counties for Hispanics, suggesting the need to address special housing discrimination challenges in these areas.

The debt-to-income ratio is the most widely cited reason for mortgage loan denials for all racial and ethnic groups except American Indians and Alaska Natives. Although debt-to-income ratio is the most commonly cited reason for mortgage denials, poor credit histories are more significant factors in mortgage denials for African-Americans, Native Hawaiians, and Other Pacific Islanders than other racial groups. This implies a need for credit counseling for these populations to establish credit histories that will be mortgage ready.

African-American denial rates are elevated in Essex and Hudson counties while Atlantic, Camden, Cumberland, Hudson, Passaic, and Union counties have considerable higher Hispanic denial rates. The problem is particularly persistent and strong in Atlantic and Hudson counties, suggesting a need for heightened enforcement there.

Under the Fair Housing Initiatives Program (FHIP), the Fair Housing Council of Northern New Jersey conducts fair housing private enforcement, education, and outreach for the entire state of New Jersey. Geographically, southern and northeastern New Jersey are areas of concentrated focus, because data suggest these areas have higher levels of housing discrimination.

When citizens and stakeholders were asked about access to affordable housing, the majority identified as impediments: a lack of affordable housing in a range of unit sizes; the mismatch between jobs, housing and mass transit; and subsidized housing concentrated in particular high poverty areas.

An overwhelming majority agreed there is an overconcentration of minorities in poor neighborhoods and that discrimination against State and federal protected classes is a barrier to fair housing choice. A lack of public and small property landlord and property manager knowledge of fair housing rights and responsibilities was also widely acknowledged and there was a strong consensus that people do not know where to report housing discrimination and believe nothing will change if they do.

When asked to recommend specific actions for the State to consider to ameliorate these problems, the most popular suggestions were to provide more affordable housing or more funding for affordable housing, improve or expand housing education and training initiatives, and to impose stricter enforcement of fair housing laws or municipal Mount Laurel inclusionary housing obligations.

Past Impediments and Past Actions

Lack of fair housing knowledge:

In both its 2006 and 2011 AIs, DCA cited as an impediment a lack of knowledge on the part of the public about Fair Housing laws in general, and what actions constitute discrimination in particular. DCA indicated that the problem applied to housing industry representatives and tenants alike.

DCA has utilized a variety of tools in order to address this ongoing problem. These include:

- Conducting a media campaign in conjunction with New Jersey Network, to provide public service announcements for television and radio

- Developing a fair housing web page with links to additional fair housing materials
- In cooperation with New Jersey's Office of Faith Based Initiatives, distributing hard copies of bilingual fair housing materials through various outlets throughout the State, including Section 8 field offices, housing counseling agencies, and faith-based and community-based agencies
- Distributing fair housing calendars and posters highlighting fair housing issues
- Distributing predatory lending brochures
- Establishing a toll-free fair housing hotline

With a continuing influx of new residents into the State, the lack of knowledge of fair housing law remains an issue in 2015. In this AI, DCA has proposed a number of steps to continue its ongoing efforts to address this problem by educating the public as to their rights and responsibilities. Some of these expand upon tools used in prior years, such as distributing bilingual housing information at different locations around the State. Others are new proposals, for example, providing information on fair housing issues, and dealing with individuals with Limited English Proficiency, to landlords of multiple unit dwellings.

Areas of Concern

- The relatively small low-income loan rates in Salem, Cape May, and Camden counties, suggesting lending institutions in these counties are less effective at meeting the lending needs of their communities.
  Impediment: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing and fair housing protections.

- Relatively higher rates of housing discrimination complaints in Mercer, Somerset, Hunterdon, and Cape May counties than in other counties.
  Impediment: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing and fair housing protections.

- Persistently high rates of mortgage denials for racial and ethnic minorities, even after controlling for income, particularly in Atlantic, Camden, Cumberland, Essex, Hudson, Passaic, and Union counties.
  Impediment: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing and fair housing protections.

- Lack of affordable housing in suitable unit sizes.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost-burdened housing.

- A location mismatch between jobs, housing and mass transit.
  Impediments: A concentration of subsidized housing in neighborhoods with relatively high levels of poverty.

- Lack of public knowledge of housing rights and the appropriate venues to report discrimination
  Impediment: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing and fair housing protections.

- Lack of education for small property owners and landlords on State and federal fair housing laws.
  Impediment: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing and fair housing protections.

- Insufficient affordable housing relative to demand.
  Impediment: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost burdened housing.

- Existing affordable housing stock is too heavily concentrated in areas with high concentrations of minority poverty.
  Impediments: A concentration of subsidized housing in neighborhoods with relatively high levels of poverty, racial and ethnic housing concentration.

SECTION 4: RECENT FAIR HOUSING CASES

Franklin Tower One, L. L.C. v N.M., 157 N.J. 602 (1999).

Franklin Tower involved the landlord of an eighteen-unit residential building in West New York, who refused to accept a Section 8 voucher based on a desire to avoid becoming "entangled" with the "bureaucracy" of the Section 8 program. The landlord then filed an eviction complaint alleging non-payment of rent. In defense, the tenant argued that N.J.S.A. 2A:42-100 – which prohibits landlords from

discriminating against tenants based on the source of any lawful rent payment [1] – prevents landlords from refusing to accept Section 8 vouchers. The trial court entered a judgment of possession in favor of the landlord and ordered the tenant to pay the rent due. On appeal, the N.J. Supreme Court reviewed the Section 8 program, as well as the State's strong policy of protecting tenants from eviction, as evidenced by the State's Anti-Eviction Act. The Court concluded that the landlord's refusal to accept the Section 8 voucher violated both "the letter and the spirit" of N.J.S.A. 2A:42-100. According to the Court, the statute encompassed Section 8 vouchers and furthered the State's goal of preventing discrimination against tenants. To permit a landlord to decline participation in the program in order to avoid the bureaucracy of the program would create the risk that there would be no Section 8 housing available.

Mt. Holly Gardens Citizens in Action, Inc. v. Township of Mt. Holly, 658 F.3d 375 (3d Cir. 2011)

In this case, a citizens' group and various present and former residents challenged the Township's implementation of a redevelopment plan that affect a neighborhood known as the Gardens. That neighborhood, comprising 30 acres and containing 329 homes before the institution of the redevelopment plan, had the highest concentration of minority residents in the Township (46.1% African-Americans and 28.8% Hispanic, in the 2000 census data). The neighborhood also suffered from various problems, including disrepair of various properties and a high crime rate. As a result, the Township designated the area as one in need of redevelopment under State law, and began to acquire neighborhood properties for demolition. The Township prepared a relocation plan for current neighborhood residents, including a monetary payment and a no-interest loan for a future home purchase. However, the estimated cost of new homes in the area was still well outside the range of affordability for a significant portion of the neighborhood's residents.

Plaintiffs alleged violations of the Fair Housing Act and equal protection, among other things. The District Court granted summary judgment to the Township defendants, finding that 1) plaintiffs had failed to establish a prima facie case of discrimination under the FHA and 2) plaintiffs had not shown how an alternative course of action would have had a lesser impact.

On appeal, the Third Circuit reversed. The court applied the test applicable to disparate impact cases and found that, when viewed in the light most favorable to plaintiffs, the evidence established a prima facie case of a disparate impact. The court stated that the District Court had erred in rejecting plaintiffs' statistical evidence that demonstrated the disproportionate impact of the project on Township minorities. The District Court also failed to draw the proper inferences, for purposes of prima facie analysis, from census data showing that only 21% of County residents could afford units in the redeveloped Gardens. The court went on to note that the lower court erred in rejecting a reasonable inference in favor of plaintiffs by looking to the absolute number of minorities in the county who could afford homes, as opposed to whether the minority residents were disproportionately affected (a

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[1]   N.J.S.A. 2A:42-100 provides that "No person, firm or corporation or any agent, officer or employee thereof shall refuse to rent or lease any house or apartment to another person because of the source of any lawful income received by the person or the source of any lawful rent payment to be paid for the house or apartment."

proportional analysis). And, the court stated that the fact that the redevelopment plan treated all current residents of the Gardens (minority and non-minority) the same was not the issue; the issue was not equal treatment but rather disproportionate impact on minorities. The court found that the contrasting submissions by the parties created genuine issues of fact that required further review. The court vacated the District Court's order granting summary judgment and remanded the case for further proceedings. In 2013, the U.S. Supreme Court granted the Township's writ of *certiorari*; later that year, the Court dismissed the matter at the request of the parties.

SECTION 5: COMMENTS AND RESPONSES

Comment: Taken as a whole, the AI is deficient in terms of describing the methodology behind its identification of impediments and the proposed actions to address them. In this regard, the AI is required to contain an analysis of governmental and private actions and omissions that contribute to creating impediments to fair housing choice, and a discussion of their roles in crafting solutions. In addition, at various points the AI indicates an intention to continue (or expand) programs that were implemented in the past; it needs to provide evidence of the efficacy of such programs. It cannot simply repeat impediments from prior years, and must set timetables and metrics for future performance.

Response: The AI explains, in detail, the process and methodology underlying the AI. As the AI explains, the State engaged in an intensive collection and review of the best available data sources. These included numerous federal and State sources, all of which are identified in the AI. The result of that process was the creation of maps and tables (all provided to the public in the AI and accompanying Appendix), setting forth the data that underlies the State's analysis in an accessible form. Upon request, the State has provided the sources and underlying data in order to be fully transparent. In addition, the State conducted a survey to gauge public perceptions of affordable housing issues; it reviewed relevant documents, including the Fair Housing and Equity Assessment Report prepared for certain New Jersey counties by Together North Jersey; and it reviewed existing statutes, regulations, programs and policies that involve housing choice. The AI then sets forth in detail the State's analysis of that information. Most importantly, that review and analysis informed the State's identification of the listed impediments to fair housing choice, and its crafting of proposed actions to address them. Each of these proposed courses of action includes a projected timetable, although these are in certain instances, tied to factors outside the State's control such as the receipt of federal or State funds and the permissible uses of such funds.

Thus, contrary to the commentary, the AI fully explains the State's process and demonstrates that the process was comprehensive and appropriate, in that the State reviewed and considered all necessary information and reached conclusions based on a thorough analysis of the appropriate and relevant data. This data-driven process identified the current impediments, whether they have appeared in prior AIs or not, and issues facing fair housing choice in New Jersey today that need to be addressed at this time.

The actions that are proposed represent serious, substantive attempts to address those impediments. The State will annually over the term of the AI, determine which proposals are working as intended, which are not, and what changes are appropriate or necessary in order to adapt accordingly.

Comment: The process to solicit public input into the draft AI, which included a survey, and the holding of a single public hearing, was insufficient under the Fair Housing Planning Guide.

Response: The State engaged in a robust process to solicit public input similar in scope to that used by many other States and consistent with that used by New Jersey in its prior AIs.   The use of a survey to help identify impediments to fair housing choice is a recognized and accepted method of soliciting public comment, used by many states, as well as by New Jersey in its prior AIs. In connection with the current AI, the survey was posted on the DCA website starting on June 8, 2015. In addition, the Department distributed the survey by e-mail notice to over 3,000 nonprofits, for-profits, units of local government, and other interested parties statewide, and then sent follow up emails to encourage participation. An initial public hearing to solicit input on the public's perception on impediments to fair housing took place on April 24, 2015. Another hearing was held following release of the draft AI; notice of that hearing and the start of the public comment period on the draft AI were posted on the DCA website on July 16. The hearing was held in Trenton on July 30. The hearing was held at the DCA building in Trenton in order to provide as central and accessible a location as possible. Finally, the State accepted written comments on the draft AI through August 17, 2015.   This process, including both the widely distributed survey and two public hearings, fully comports with the requirements of the Fair Housing Planning Guide. Additionally, the State intends to continue a dialogue with all stakeholders during the period of implementation of the Con Plan and AI.

Comment: The draft Con Plan, which was released prior to the release of the draft AI, must be amended to conform to the actions and programs proposed to address impediments to fair housing identified in the AI.

Response: The Con Plan has been amended to reflect the proposed actions contained in the AI.

Comment: Exclusionary zoning (resulting in part from State tax policies) represents the core impediment to fair housing choice in New Jersey, and the use of inclusionary housing is the best method for dealing with this impediment. The AI does not adequately address this issue.

Response: The AI does recognize the importance of the issue of exclusionary zoning. Impediment #5 in the AI acknowledges "the continuation of land use and zoning barriers to the production of housing for low-income households in some localities." The AI notes, however, that zoning in New Jersey is

exercised at the local level; the State has no ability mandate zoning changes. In response to this impediment, the AI proposes several courses of action: first, as part of an education campaign, to develop materials geared specifically to local governments on the topic of land use and zoning and the requirements of the Fair Housing Act; and second, through DCA's Office of Local Planning Services, to offer licensed planners to local governments as consultants on local land use issues, which include the promotion of inclusionary development where such development is appropriate. This latter activity is in fact ongoing at this time. Thus, the AI both recognizes and responds appropriately to the issue of exclusionary zoning.

Comment: The AI fails to adequately discuss the State's failure to adopt constitutionally compliant rules to guide Mt Laurel affordable housing compliance.

Response: The AI sets forth in detail the full history of the Mount Laurel doctrine and the constitutional obligation for municipalities to provide a realistic opportunity for their fair share of affordable housing. This includes a description of COAH's efforts to adopt third round methodology regulations, a lengthy process that ended when COAH deadlocked on two votes and was thus unable to adopt draft regulations. The AI also describes the subsequent decision by the State Supreme Court, which dissolved the State Fair Housing Act's exhaustion of administrative remedies requirement, and enabled the courts to resume their original role as the forum of first resort for evaluation municipal compliance with the Mt. Laurel obligation. The AI thus contains a full and accurate discussion of the current status of affordable housing compliance through the Mt. Laurel process.

Comment: The State cannot simply note that zoning is a municipal function without further discussion. The AI must contain a review of the State's role in this area, and specifically how the State can utilize its resources to influence local land use and zoning decisions, such as withholding funds.

Response: As discussed above, the AI does set forth a proposed role for the State in this regard. First, the AI indicates that the State, as part of an education campaign, will develop materials geared specifically to local governments on the topic of land use and zoning, and the requirements of the federal Fair Housing Act. Second, the AI notes that DCA has already established the Office of Local Planning Services (LPS), in order to make professional planners available to consult with local governments. LPS planners have particular expertise in fair housing issues and can bring that expertise to bear in advising local governments. LPS staff assist those municipalities that ask for help to update a municipal Master Plan, conduct a market analysis, draft a redevelopment plan, as well as other planning exercises. In that capacity, LPS planners promote, where appropriate, the use of inclusionary zoning as a land use tool. In addition, the AI proposes that LPS investigate the possibility of conducting workshops for local government officials in those towns where they are not actively providing planning assistance, in order to encourage sustainable new development and redevelopment, and best planning practices.

The AI does propose ways in which the State can reasonably interact with local units of government in an effort to impact local land use and zoning decisions; approaches that the State believes are both sensible and realistic. The bottom line, however, is that as the AI describes, zoning in New Jersey is a municipal function, by constitutional and legislative direction, which by definition limits the State's role. And, as described in the AI, the recent State Supreme Court decision making the courts once again the forum for resolution of Mt Laurel matters further limited that role. The AI must accurately recognize and report these facts.

Comment: The State has a responsibility as to New Jersey municipalities' compliance with the requirement to affirmatively further fair housing, and cannot provide federal community development funds to municipalities that fail to do so.

Response: The State provides federal community development funds to municipalities (and counties) through the CDBG Small Cities grant program. Applicants for those funds must provide evidence that they appointed a Fair Housing Officer. They must also certify that they will adhere to the Fair Housing Act of 1968 and Housing and Community Development Act of 1974 through a Resolution by the governing body. Additionally, they must submit a Community Development and Housing Needs Statement as part of their grant application.

Comment: The State has in past AIs, and once again, proposed providing fair housing education; this should be done consistent with the outreach and marketing program prepared in response to the VCA.

Response: The State agrees with the commenter about the importance of providing education on the issue of fair housing rights and responsibilities. Impediment #4 in the AI is a "lack of public information about fair housing rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing protections." To address that impediment, the AI proposes ten different courses of action (a number of which are directed to the LEP community), including, for example: DCA setting up a website to serve as a "one stop shop" to provide the public with information about housing discrimination laws and where to find assistance on housing issues; DCA distributing bilingual fair housing information to various locations around the State; DCA sponsoring educational workshops on fair housing laws; and DCA distributing, to all owners of multi-family rentals and to developers, fair housing information including information on providing assistance to LEP individuals. In addition to the actions specified in the AI, the State is willing to work with members of the public in order to refine these approaches or to consider further options. DCA will explore with the State Division of Civil Rights, the possibility of jointly acting to provide fair housing education.

Comment: The State should focus its programs, including in particular its use of vouchers, on the issue of mobility, thus providing housing opportunities in areas of high opportunity and helping to address the issue of current concentrations of race/ethnicity and poverty. Otherwise, there is simply a reinforcement of existing patterns of segregation. The State should also provide counseling to program recipients as to the different opportunities available to them.

Response: Under Impediment #3 the State proposes to improve upon its current efforts to expand access to housing opportunities outside areas of concentrated poverty by establishing a housing counseling component within the Housing Choice Voucher program. The State will set aside 100 Housing Choice Vouchers a year to be used by recipients who take advantage of the counseling and choose to relocate. The State committed to providing "real choice" in housing. As commenters recognize, the State has in the past used SRAP vouchers in targeted counties for this purpose, and in the current AI the State proposes awarding 300 additional ten year Project-Based Assistance vouchers to subsidize the rent of very-low income and disabled households, to be used only in municipalities with poverty rates under 10%. Commenters also recognize that the State previously amended its Qualified Action Plan (QAP) rules for 9% tax credits in order to address this issue, by limiting the percentage of tax credits that can be awarded in municipalities with poverty rates above 8.1%.

Comment: The State should exercise more oversight of the use of vouchers by the State's various PHAs.

Response: While the State cannot dictate to the PHAs, the State intends to create a closer working relationship and open lines of communications regarding policy directions.

Comment: In its discussion of actions to address Impediment #1, declining housing affordability for low-income households, with a rising proportion of such households experiencing inadequate or cost-burdened housing, the AI fails to provide sufficient detail on how the funds discussed will be allocated.

Response: With regard to HOME funds, DCA anticipates spending 50% for rental and 50% for homeowner units. The intention is to create 100 new units between 2015 and 2019. In addition, DCA has allocated $2.5 million of HOME funds to help rehabilitate approximately 125 existing homeowner units. DCA's preference is to use those funds in non-entitlement areas. With regard to the Small Cities program, funds are awarded solely to non-entitlement areas. Over the next five years, it is expected that $5 million will be allocated to help rehabilitate approximately 250 existing homeowner units. Finally, with regard to the Neighborhood Revitalization Tax Credits program, historically, 65% of such funds have gone for housing and/or economic development activities, split approximately evenly between the two activities.

Comment: One impediment to choice in the QAP is the amount of points under municipal discretion; for example, five points are awarded on the basis of redevelopment designations, thus effectively providing municipalities with the ability to designate areas as in need of redevelopment even where they do not objectively merit that designation.

Response: The State agrees that this represents a legitimate concern. It will conduct, in time for the next cycle, an analysis to determine if municipalities have been using redevelopment designations in the manner described and, if so, will explore appropriate changes in the process to address the issue.

Comment: The State should commit to extending its Language Access Plan (LAP), as that plan was revised to address the LEP community in the nine counties most directly impacted by Superstorm Sandy, to the rest of the State. The State should build on this effort and implement a consolidated outreach effort to benefit the LEP community.

Response: In its list of actions to address Impediment #2 (a rising proportion of people with limited English proficiency), the AI clearly states that "DCA proposes to expand the four factor LEP analysis conducted in nine of the State's twenty one counties (those most directly impacted by Superstorm Sandy) to the remaining twelve counties in order to ascertain the languages primarily spoken in those counties and to similarly target outreach and need for housing assistance to those populations." In addition, the AI includes nine other proposed courses of action specifically designed to address the issue of the State's LEP population.

Comment: The AI cites transit villages as a possible source of affordable housing; however, the criteria for such villages contained on the State Department of Transit website mention only mixed-use, not mixed-income housing.

Response: Pursuant to N.J.S.A. 52:27D-329.9(b), a developer of a project consisting of newly-constructed residential units being financed in whole or in part with State funds, including specifically transit villages designated by the Department of Transportation, shall be required to reserve at least 20 percent of the residential units constructed for occupancy by low or moderate income households. One commenter referenced this statute but questioned the State's enforcement of this law; the State has always enforced this law. It should also be noted that, although the law applied only to projects at least partially funded with State funds, historically, the Transit Village Task Force has not recommended a municipality for designation until it has confirmation that affordable housing is or will be a part of the redevelopment/ transit village area.

Comment: While supporting the State's use of certain programs for special needs populations, such as the Special Needs Housing Partnership between HMFA, DCA, and DHS, and the Section 811 work with housing for individuals leaving State institutions, these, and other State programs should be expanded to cover a wider range of the special needs population.

Response: The State will convene, within six months, a working group to consider what other actions the State could undertake on behalf of the New Jersey special needs population.

Comment: The State should create tenant based, as well as the current project based, vouchers to serve the special needs population.

Response: The State currently reserves 10% of SRAP vouchers for the special needs population.

Comment: The AI fails to focus its analysis properly on the protected classes. Any barriers to fair housing choice must be analyzed not merely in economic terms, but as they relate specifically to those classes.

Response: We disagree with this assessment. The State's protected classes are indeed the focus of analysis in numerous places in the AI including the demographic analysis (Tables 1-24 in the Appendices), housing discrimination complaints (Tables 76 and 77 in the Appendices), and the impact of Superstorm Sandy (Tables 55-57 in the Appendices). The special housing needs and corresponding state strategies for families and the disabled are also discussed throughout the document. Moreover, the AI's examination of housing stock trends includes concentrations of multi-family rental units and units of 3 or more bedrooms, which meet the unique needs of larger low-income families. In each case, relevant data informed the impediments and actions identified within the AI.

Comment: The Sandy analysis in the AI is insufficient, and relies on assumptions without any data analysis; there must be some discussion of the specific issue of access by protected classes to the recovery programs.

Response: Extensive data analysis including a review of the State Superstorm Sandy Action Plan was completed to determine the locations of New Jersey residents most in need of housing recovery programs offered by DCA (LMI Program, TBRA, Sandy Housing Counseling, FRM). The findings presented in the Superstorm Sandy Impact Analysis are based on the data presented within the AI and Appendices. In addition to the county-level analysis, census tract level maps showing concentrations of minority populations were examined for proximity to the most severely affected coastal areas. The following information was gathered at the census tract level to aid this process:
- Low-to-Moderate Income (LMI) population

- Homeowners with eligible levels of damage, who did not apply to the RREM Program
- Renters who applied for FEMA Individual Assistance
- Limited English Proficiency (LEP)

In most cases, the most severely affected coastal areas did not have large concentrations of minorities, suggesting that most of the severe damage was suffered by non-minority households. That data-driven finding does not in any way diminish the other primary finding of the section that Sandy created hardships in securing affordable rental housing for minority and immigrant low and moderate income households.

DCA developed and executed comprehensive outreach to the LEP and LMI communities in each of the nine counties most impacted by Sandy. Areas of highest priority for outreach activities were those census tracts with significant concentrations of LMI populations and homeowners and renters with Sandy-related damage who had registered with FEMA. These tracts were then analyzed for the LEP needs that exist within each census tract. Through analysis at the census tract level, DCA was able to drill even deeper and provide materials and translation services that were specific to the needs of a particular census tract.

Comment: There is no discussion of the <u>Westchester</u> case or its implications. The AI focuses on affordable housing, not fair housing. There should be a proper race-based analysis.

Response: In <u>United States ex rel. Anti-Discrimination Center v. Westchester County</u>, 668 F. Supp. 2d 548, 569 (S.D.N.Y. 2009), Westchester disputed that it was required to analyze race when analyzing impediments to fair housing choice. The court disagreed holding that grantees must analyze the impact of race on housing opportunities and analyze impediments to fair housing choice resulting from race discrimination or segregation. Although it acknowledged repeated instances of intolerance and discrimination within its borders, Westchester County failed to analyze race-based impediments to fair housing in its AI.   As a result, the court found that Westchester County had "utterly failed to comply with the regulatory requirement that the County perform and maintain a record of its analysis of the impediments to fair housing choice in terms of race."

In contrast, New Jersey's AI complies with all applicable requirements. The AI addresses both affordable and fair housing, as appropriate under the guidelines of the Fair Housing Planning Guide. For example, overall housing affordability is assessed, in addition to access to mortgage financing by race and gender. Moreover, the AI contains numerous detailed race-based analyses including housing discrimination complaints, mortgage denials, concentrated poverty rates, income levels, and segregation patterns. The AI also contains detailed demographic information, thorough analyses of data pertaining to dissimilarity and racially/ethnically concentrated areas of poverty, and a frank discussion of segregation within the State. The State's AI recognizes racial and ethnic concentrations as an impediment to fair housing and identifies a number of specific actions intended to address that particular impediment.

Comment: The AI fails to recognize as the key impediment the intentional perpetuation of patterns of racial segregation (which underlies the land use decisions by towns), or the State's own accountability in this regard.

Response: Contrary to the comment, the AI does in fact address the issue of segregation, in the discussion of Segregation/ Integration and R/ECAPs. The Section notes that historical patterns of urbanization and suburbanization resulted in some instances in concentration of the State's racial and ethnic groups in separate and distinct geographic areas. Recent immigration trends have reinforced certain of these patterns. The AI thus recognizes that New Jersey has made progress in reducing racial and ethnic segregation and isolation. And, the AI sets forth that the State has shown consistently lower levels of segregation across all groups when compared to several neighboring states.

Comment: The AI fails to focus its analysis properly on the protected classes. For example, there is no analysis in the AI of the issue of the specific housing needs of families with children. Any barriers to fair housing choice must be analyzed not merely in economic terms, but as they relate specifically to those classes.

Response: The State's protected classes are indeed the focus of analysis in numerous places in the AI including the demographic analysis (Tables 1-24 in the Appendices), housing discrimination complaints (Tables 76 and 77 in the Appendices), and the impact of Superstorm Sandy (Tables 55-57 in the Appendices). The special housing needs and corresponding state strategies for families and the disabled are also discussed throughout the document. Moreover, the AI's examination of housing stock trends includes concentrations of multi-family rental units and units of 3 or more bedrooms, which meet the unique needs of larger low-income families.

Comment: The AI needs to redefine "disabled."

Response: The categories included under the "disabled" definition are listed in Table 59 on page 46 of the Appendices. These include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, independent living difficulty, as defined in the U.S. Census Bureau's American Community Survey.

Comment: The AI needs to designate impediments as public or private in nature.

Response: The AI does indeed discuss the impact of public and private impediments as *distinct* barriers to fair housing. More broadly, public impediments are discussed in the Zoning and Publically Supported

Housing Patterns sections, while private impediments are covered in the Fair Housing Compliance and Infrastructure section. Throughout the AI, public and private impediments are discussed separately and the sector origin of these impediments is clear from the text.

Comment: The fine-grained data in the AI is not used to its greatest potential. There is no overlay of census tract maps of racial, ethnic concentration, income levels, geographic or numerical availability of affordable housing of various sorts from various federal and state programs, job opportunities, access to transportation, education opportunities, and other components. The maps are not brought together in a way to help identify where the work needs to be done and what kind of work is necessary to produce better results.

Response: Several of the maps in the AI overlay concentrations of subsidized housing with concentrations of poverty and racial minorities (see AI Appendices pages 75-80). Too many layers of overlay would render the maps too busy to interpret. For this reason, various measures are shown separately (i.e. racial concentrations, median household income), but can be easily compared side-by side in a printed version.

The analysis sections within the AI pull together the trends from the maps and tables into a coherent narrative. In addition, there are numerous places within the AI where areas of focus for necessary results are described. For example, the AI identifies declining housing affordability for low-income households in urban North Jersey. In addition, the AI highlights special housing discrimination challenges in Mercer, Somerset, Hunterdon, and Cape May counties; identifies a special need for housing renovation, rehabilitation, and conversion in urban North Jersey; and notes a relative lack of multi-family housing options in South Jersey. All of these important findings proceed directly from analysis of the tables and maps of census tract data. These and the 'Areas of Concern' subsections within the Analysis sections of the document proceed directly from the data and inform the actions and strategies outlined in the Impediments and Action section.

Comment: While the AI contains a significant amount of data, much of the data is presented at the county level, which does not adequately explore the issue of segregation at the local level.

Response: Data are presented at the county level to provide an up-to-date picture of trends affecting access to fair housing in New Jersey. Finer–level data for census tracts and municipalities are only available for 5 year estimates of 2009 through 2013, a period which partially falls within the scope of analysis of the prior AI and does not reflect the full impact of Superstorm Sandy. For this reason, a county-level analysis was conducted to examine recent trends and the latest conditions as of 2013. This analysis was supplemented by maps at the census tract level showing local phenomena for the period between 2009 and 2013. These maps not only identify patterns at the municipal level, but also within municipalities and across groups of municipalities. This is a more useful presentation than long tables of

New Jersey's 565 municipalities and 2,010 census tracts. The maps were analyzed and findings included in the Analysis sections of the AI.

The AI does indeed examine segregation at the local level. A summary of segregation levels within the State's major cities in comparison to other major cities is found in Table 12 of the AI. Neighborhood–level segregation and segregation trends within each of the state's 21 counties are analyzed in the form of county dissimilarity indices. The AI specifically identifies the state's areas of minority concentration at the municipal level (see Table 16 and Map 13 in the Appendices), discusses these concentrations, and maps minority concentrations at the neighborhood level (Map 4). Moreover, throughout the document, discussion of county trends is supplemented by discussion of local trends and specific municipalities where appropriate.

Comment: The AI's analysis of R/ECAPs is based on county-level data. The State should follow Massachusetts' example and use 5-year American Community Survey data to locate R/ECAPs by region and community, noting specific communities and cities in which R/ECAPs are located.

Response: This statement is not correct. The commenters appear to be referring not to the R/ECAP analysis, but rather the concentrated poverty by racial group analysis within the general R/ECAP section. This concentrated poverty analysis does indeed use 2009-13 American Community Survey 5-Year Estimates census-tract level (neighborhood) data to determine neighborhood segregation levels within counties. This data source is cited explicitly under each of the concentrated poverty tables. The R/ECAP analysis in the AI shows the regional distribution of the state's R/ECAPs on a map and specifically identifies in which municipalities they are located.

Comment: The Together North Jersey report is more thorough, showing most of its data items at the municipal or census tract level, where local patterns of disparity may exist beyond the county level.

Response: Like the Together North Jersey report, the AI primarily presents municipal and tract level data in the form of maps and most commonly presents tabular data at either the county or state level. Throughout the AI, trends unique to specific municipalities are presented in addition to the county trends where appropriate. Similar to the Together North Jersey report, the AI presents municipal level data on racial concentrations in Table 16 in the Appendices.

Comment: The results of the Poverty and Race Research Action Council's report "Do Federally Assisted Households Have Access to High Performing Public Schools?" should have been addressed in the AI. The report notes that households that receive HUD assistance or Federal Housing Assistance in New Jersey are very likely to live adjacent to poorly performing neighborhood schools, more so than in other states. This means that their children are attending the worst-performing schools.

Response: There are a number of important shortcomings and limitations to the PRRAC report. The PRRAC report examines the academic proficiency of the nearest elementary school to subsidized households. This would not take into account the large and growing number of children attending charter, private, parochial, and special public schools, that often perform better than neighborhood public schools. Utilization of such alternative schools is especially common within poorly performing school districts, yet is not accounted for by the analysis. In addition, the PRRAC analysis completely ignores middle and high school proficiency, which is very relevant to life outcomes.

The PRRAC report uses subsidized households (i.e. that are in public housing, receive Section 8 or Housing Choice Vouchers, etc.) as of 2008 and educational proficiency data for the 2008-2009 school year. This is seven years ago: at the beginning of the Great Recession, before the current Administration took office, and before many important DCA housing policy changes occurred. This outdated data would reflect neither current conditions nor any of the progress the Department has made in developing project-based SRAPs and LIHTC units in high-opportunity, low-poverty areas nor any potential educational achievement gains realized over the past seven years. Department of Education data show that following the PRRAC report's period of analysis, there has been an improvement in combined reading and math 4th Grade proficiency in city schools, schools with over 50% Eligible for Free Lunch (low-income), and for African-American and Hispanic students.

Comment: The AI ignores the importance of transit accessibility to lower-income households and the need for locating affordable housing near transit in both suburban and urban settings. Moreover, the AI fails to contain any discussion of housing location in relation to community assets, such as transportation, schools, and jobs. The AI also fails to present data on job opportunities in relation to affordable housing. The report should include employment trends cross referenced with population trends.

Response: The major impediments reflected in the AI are determined based upon an analysis of all relevant data, including those described by the commenter. The data analyses specifically included within the AI relate more clearly and directly to the identified impediments and provide the clearest picture of access to the fair housing in New Jersey.

Comment: **The Together North Jersey report draws attention to differences in socioeconomic indicator variables between different types of municipalities, something that is unaddressed by the AI.**

Response: Although such an analysis may have served the purposes of the Together North Jersey FHEA, such an analysis is not common in State analyses of impediments and is subject to severe limitations. The Together North Jersey report defines "inclusive" municipalities to be those that have "a rental housing supply that comprises at least 20% of the total housing stock and multi-family housing supply with three or more units per structure that comprises at least of 20% of the supply" (page 2-1). An analysis of the state's housing stock reveals that such units are heavily concentrated in urbanized areas of the state with high population density. This housing stock was developed to meet the needs of the population migrating to those areas in the previous century. A DCA analysis of inclusionary zoning ordinances showed that municipalities with such ordinances in place are broadly distributed throughout the State, with heavy representation in suburban North Jersey counties where economic opportunity is the greatest. Such an analysis would have been more appropriate in identifying current municipal barriers to developing affordable housing, rather than only identifying characteristics of places with housing stocks presently aligned to the needs of low-income households.

Comment: Recognizing a declining incidence of overt discrimination is not the proper purpose of an analysis of impediments report. The process is supposed look at the conduct of the government agencies that receive HUD money.

Response: Per HUD guidelines, the Analysis of Impediments is intended to be much more than an internal look at the conduct and progress of grantees, but a comprehensive analysis of conditions limiting fair housing choice within their jurisdiction. Among these is housing discrimination. The Consolidated Annual Performance Evaluation Report (CAPER) more specifically focuses on grantee conduct.

Federal guidelines in the Fair Housing Planning Guide cite examination of discrimination as an appropriate "issue of analysis" for the AI:

- HUD requires the broad objectives of affirmatively furthering fair housing to include effects to "Analyze and eliminate housing discrimination in the jurisdiction" and "…foster compliance with the nondiscrimination provisions of the Fair Housing Act." (page 1-3)

- The Fair Housing Planning Guide offers "discrimination in housing" as a potential area of study in an AI (pg 2-19)

- HUD suggests "Jurisdictions should be aware of the extent to which discrimination or other causes that may have a discriminatory effect play a role in producing the more severe conditions for certain groups." (pg 2-21)

- The Fair Housing Planning Guide mentions that "As an introduction to the AI, jurisdictions should include information about:

- …The number and types of complaints that have been filed alleging housing discrimination, including complaints in which the Secretary of HUD has issued a charge of discrimination or suit has been filed by the Department of Justice or private plaintiffs." (pg 2-28)

- "AI areas for review should include the following:

….Review of areas of minority and disabilities concentrations for patterns of discrimination, e.g., lending, rentals, or sales" (pg 3-10)

Comment: The State's analysis of housing discrimination complaints failed to gauge the meaning and import of the lack of formal discrimination complaint filings. The lack of findings signals problems generated by systematic discrimination that keeps minority homebuyers from getting to the point of discriminatory rejection.

Response: The analysis of housing discrimination is designed to analyze trends over time and across geographies in compliance with the requirements of the Fair Housing Planning Guide:

"As an introduction to the AI, jurisdictions should include information about: …The number and types of complaints that have been filed alleging housing discrimination, including complaints in which the Secretary of HUD has issued a charge of discrimination or suit has been filed by the Department of Justice or private plaintiffs." (pg 2-28)

The AI accurately notes that the number of housing discrimination complaints filed with the State Division of Civil Rights has declined from FY 2010 to FY 2014. In particular, the number of complaints based on race has dropped during that period, by a factor of approximately 42%.   These facts are noteworthy, and are consistent with the fact that overall patterns of segregation within the State have likewise declined. Having said that, the AI recognizes that other factors may impact the filing of such complaints; the survey conducted in preparation of the AI indicated that a majority of those responding to the survey believe that people generally do not report incidents of housing discrimination, for a variety of reasons, including lack of knowledge of their rights, not knowing where to report, and a belief that reporting would not make a difference. The State is thus fully aware of this issue, and the need to provide additional education in this area.

The data cannot illuminate the impact of unnamed and unmeasured discriminatory barriers not captured by such complaints or impute specific reasons for a relative lack of such complaints. The available data do not reveal any particular reasons for the presence or lack of discrimination complaints; therefore citing particular reasons would be speculative.

Comment: The AI should have given areas of "white concentration" more emphasis. Doing so would have revealed that the efforts of such communities to promote and preserve the status quo are the primary, underlying cause and generator of minority and poverty concentration and residential segregation. This is exemplified by Ocean County, where race-based NIMBYism has resulted in extreme segregation patterns there. In this county, Superstorm Sandy has made already unacceptable housing situation in Ocean County significantly worse. Seasonal and formerly seasonal units occupied by low-income and minority families were destroyed by the hundreds.

Response: The commenter's Ocean County analysis is highly misleading and does not accurately measure the actual level of segregation in Ocean County. The commenter mentions a large number of towns that are all or nearly all white as evidence of intentional racial exclusion. What the commenter labels intentional exclusion is the case across rural New Jersey counties simply because most of the African-American population migrated from the South to select urban centers where there were jobs.

Still, Census data show that African-Americans are actually *less* segregated from whites in Ocean County than the rest of the state, evidenced by its dissimilarity index score of 49.6 compared to 66.8 statewide. Segregation patterns in Ocean County are actually less severe than in the rest of New Jersey. Moreover, black/white segregation levels have actually fallen there from 2000 to 2013; the dissimilarity index dropped by 4.9 points over that period. Racial *desegregation* has actually occurred faster in Ocean County than in the State as a whole (2.4 point drop). Therefore present-day racism and exclusion cannot be imputed from the data as the primary cause of segregation within Ocean County; nor can it be assumed that segregation is especially pernicious there, as the commenter suggests.

The commenter's assessment of Superstorm Sandy's effect on low income and minority families in Ocean County is without any data to back it up. The data reviewed by the State does not support the commenter's assertion regarding low income minority family in Ocean County.

Comment: The AI needs to review prior State actions taken with regard to fair housing choice, and analyze the degree of success of those efforts.

Response: The AI does in fact specifically review prior State action taken to address impediments to fair housing choice. The AI includes several sections captioned "Past Impediments and Past Actions". These sections set forth descriptions of past actions proposed by the State in prior AIs as means of addressing

impediments, and describe what steps were taken by the State to carry out the actions proposed. Where those actions proved successful, they have been continued or expanded in the current AI.

SECTION 6: IMPEDIMENTS AND ACTIONS

As detailed in the previous pages, the State engaged in a robust process to identify impediments to fair housing choice. The State has done much to direct its resources where those resources would positively affect communities. Yet, work remains to be done. Based on the data generated for this analysis, the State has identified the following impediments and recommended courses of action to address those impediments:

Impediment # 1: Declining housing affordability, particularly for low-income households, with a rising proportion of low-income households experiencing inadequate or cost-burdened housing.

Actions:

With the funding available to the DCA, it will provide housing rehabilitation assistance to cost-burdened households that cannot afford to make necessary home improvements in order to alleviate substandard or unsafe conditions; funds will also be used in order to create more affordable rental properties. The State will utilize the resources of the State's Small Cities and HOME programs for rehabilitation assistance and the State Affordable Housing Trust Fund and Low Income Housing Tax Credits to create new affordable units. DCA has already taken the first step. The 2016 draft Small Cities Plan increases the set aside allocation for housing rehabilitation by 125% from $1M to $2.25M. The State will allocate $500,000 for neighborhood rehabilitation activities and will provide low income households with up to $20,000 to ameliorate substandard conditions in the HOME program.   Time frame: State Fiscal Year 2016 and as new funds become available.

In addition, upon receipt of funding from the National Housing Trust Fund, those funds will be used to build, preserve and rehabilitate rental homes for extremely and very low income households. Time frame: As funds become available.

The New Jersey Fair Housing Act provides for the collection of non-residential development fees. Those fees were suspended for several years under a moratorium. The moratorium has been lifted. If, during the courts' administration of the Fair Housing Act a local fair share plan is invalidated, any fees collected will come to the State's Affordable Housing Trust Fund. Further, the State will seek the transfer of any development fee or payment in lieu of funds that remain in local affordable housing trusts, where such funds have not been spent or committed within four years from the date of collection, as required by the FHA. Time frame: As municipalities seek validation of their fair share plans through the courts and cases occur.

The State's multi-agency Transit Village Task Force promotes transit oriented development (TOD) around transit facilities. It essentially adopted HUD's six livability principles and its interagency coordination model years before it was promoted by the federal government.   By virtue of their designation, transit villages are given funding priority in a number of state redevelopment programs. To qualify to become a transit village, a municipality must have adopted at least one TOD redevelopment plan or TOD zoning ordinance that calls for transit-supportive land uses including residential development at appropriate densities. There are currently thirty designated transit villages including such working class towns as Linden, Plainfield and Rahway in Union County, Somerville and Bound Brook in Somerset County, Irvington in Essex County, and Dunellen in Middlesex County. Timeframe: Ongoing Activity.

 The State will target several R/ECAP neighborhoods in existing Neighborhood Revitalization Tax Credit Program (NRTC) neighborhoods with easy access to transit and other assets attractive to businesses to pilot a program designed to improve the quality of life for neighborhood residents and attract new activity, both commercial and residential. In this neighborhood improvement program, the State will expand the resources available through NRTC program to provide financial and technical assistance to improve neighborhood conditions. The New Jersey Redevelopment Authority (NJRA) will utilize its established Redevelopment Training Institute and its financial tools to work with business leaders and community stakeholders in the targeted neighborhoods to assess what is feasible and develop a strategic plan for incentivizing projects that would attract housing development, jobs and revenue to the neighborhood. The State Neighborhood Revitalization Tax Credit Program (NRTC) provides business entities a 100 percent tax credit for funds provided to nonprofit entities carrying out revitalization plans in eligible cities. At least 60% of the tax credit funds must be used to produce low and moderate income housing and economic development activities; the remaining funds may be used for supportive services and other activities that promote neighborhood revitalization. Neighborhood revitalization often requires comprehensive improvements to public infrastructure, education and educational facilities, transportation, public safety, access to employment and retail amenities. Although $10 million is available annually through the NRTC program, the State will pursue other State or federal resources to further the improvement plan. Time frame: Ongoing Activity.

Impediment #2: A rising proportion of people with Limited English Proficiency, fueled by strong levels of immigration, implying more difficulty in accessing housing and understanding the home rental or purchase process.

   Actions:

As a recipient of federal assistance, DCA has taken steps to ensure that New Jersey residents have access to all of its programs by reducing language barriers. DCA developed and currently follows a Language Access Plan (LAP) that is utilized for both the State Rental Assistance Program and the Housing Choice Voucher Program and is part of the Housing Choice Voucher Administrative Plan, which is posted

on the Department of Community Affairs' web site at
http://www.nj.gov/dca/divisions/dhcr/publications/docs/adminplansfy2014_final.pdf.

DCA proposes to expand the four factor LEP analysis previously conducted in nine of the State's twenty-one counties (those most directly impacted by Superstorm Sandy) to the remaining twelve counties in order to ascertain the languages primarily spoken in those counties and to similarly better target outreach and need for housing assistance to those populations. DCA will focus on the top three languages spoken in each county where the specific LEP population is equal to or exceeds 1,000 people. Subrecipients will be required to operate under the State's LAP.   Time frame: State Fiscal Year 2016.

LEP outreach will focus on the programs that provide critical services to the Department's various constituencies. For all counties in New Jersey, including the nine most impacted, no LEP population other than Spanish speakers exceeds 5% of the county's population. The LAP can be found   at http://www.renewjerseystronger.org/plans-policies-reports/.   Time frame: State Fiscal Year 2016.

The Department will review and update the full 21 county LEP analysis when new census or other relevant data become available. Modifications to the plan will be based on:

- Census data
- The amount of contact the program has with LEP persons
- Whether the current LAP is meeting the needs of our clients
- Whether the program is meeting its goals relevant to LEP persons
Time frame: When relevant.

DCA will explore expanding ways in which the LEP population is provided housing information in a usable format. Time frame: State Fiscal Year 2016.

DCA will translate vital program documents with regard to DCA community development programs into Spanish. Time frame: State Fiscal year 2016 and ongoing.

DCA maintains a Language Line for LEP persons in the State's CDBG –DR programs. Generally, requests for translation services are fewer than ten per month.   The translation service, used to explain program requirements and to answer questions, will be expanded to include all of the State's HUD funded programs. The languages most frequently spoken are Spanish, Chinese, Tagalog, Bengali, and Vietnamese. Time frame: Ongoing activity.

DCA has also recently instituted a DCA staffed language hotline using volunteers who speak a foreign language fluently (a language bank).   Someone calling the Department who can speak enough English to ask for assistance in a foreign language is transferred to a volunteer who will translate the inquiry and email it to the appropriate staff member, who will then respond and send the information back through the translator.   This enterprise is being coordinated with the Language Bank established under the CDBG-DR LAP. Time frame: Ongoing activity.

DCA will require State Community Services Block Grant grantees (Community Action Agencies) to provide housing counseling and translation services. Time frame: Begin in State Fiscal Year 2016.

The DCA will utilize the non-profits to provide housing counseling and related services that are provided throughout the state. Housing counselors address all areas of counseling needs including housing search, pre-purchase, foreclosure prevention, post purchase education, budget and credit counseling, services for the homeless and fair housing issues, including discrimination. Time frame: State Fiscal Year 2016.

Impediment #3: A concentration of subsidized housing in neighborhoods with relatively high levels of poverty

Actions:

DCA already directs portions of State and federal funds, including State Rental Assistance (SRAP), and LIHTC funds to alleviate concentrations of poverty. DCA will expand upon its current efforts to improve access to housing opportunities outside areas of concentrated poverty by establishing an intensive counseling component to the Housing Choice Voucher (HCV) program to more strongly encourage and make it easier for its voucher holders to locate affordable housing in communities that better reflect the racial and economic diversity of the State. Tenant based Housing Choice Vouchers give recipients the freedom to choose the types of housing and the locations that best meet their needs. Nevertheless, in NJ as in many other places around the country, what best meets the perceived needs of voucher holders are units in close proximity to family and other supportive institutions, which are commonly in poor communities.   DCA will pilot a program to provide housing counselors to 100 housing Choice Vouchers holders per year to help them find rental units in the areas of higher opportunity that best meet the needs of the family, including nearby schools, public transportation, employment opportunities, healthcare facilities and other community amenities. In addition, DCA will consider modifying HCV policies to allow longer search times, higher subsidy levels in more advantageous neighborhoods, a targeted outreach to attract landlords interested in participating in the Housing Choice Voucher Program for the first time. To expedite implementation, DCA will review programs that have been successfully implemented in other jurisdictions and determine whether any of these models could be replicated in or adapted for New Jersey. DCA's review will include a study of metrics used by other programs to measure progress and successes. The goal is to develop the program to help families search in neighborhoods where their voucher will still yield an affordable rent but which is an area of greater opportunity with access to amenities that are typically not available in high poverty neighborhoods. DCA will seek input from stakeholders during the development and implementation process and, if necessary, engage a consultant. The HCV program will also offer other counseling services that will increase the likelihood of a successful transition to a new community. By way of example, those services might include financial literacy and household budgeting, job development and nutrition. Time frame: Promptly begin studying successful programs in order to develop and implement

a pilot housing counseling component to the Housing Choice Voucher (HCV) program appropriate for the State; implementation of a pilot in late Fall 2016 or early SFY 2017.

The State intends to create a closer working relationship with the Public Housing Authorities to open lines of communications regarding new housing policy directions. Time frame: SFY16

DCA has included in its 2016 Community Services Block Grant State Plan (CSBG), a new requirement that State grantees must include general housing counseling among the services provided to individuals served by those grants. DCA will also utilize some CSBG funds to provide housing counseling services statewide in convenient venues in addition to local CSBG grantee agencies. Time frame: Summer of 2016.

The State will review HMFA's system for the awarding of points in the QAP; in particular, giving points for a designated "Area in Need of Redevelopment" may not confer the advantage that was intended. If municipalities are withholding such designations to preclude affordable housing from being sited there, the State will ask the HMFA Board to consider appropriate amendments. Time frame: Fall SFY16

Through the SRAP Program, DCA will award 300 additional ten year Project-Based Assistance (PBA) vouchers to subsidize the rent of very-low income and disabled households. Projects may only be located in municipalities with poverty rates under 10.0%. Time frame: Ongoing activity.

Beginning in 2013, HMFA, the administrator of the LIHTCs in, effectuated extensive changes to the QAP, resulting in a near total overhaul of the point and ranking system for 9% tax credit allocations. Project location became a major focal point, with several new provisions added to encourage housing in higher opportunity areas. The QAP now stipulates that only 40% of the tax credits in each of the Family, Senior and Supportive Housing cycles can be awarded to projects located in "Targeted Urban Municipalities" or urban municipalities with a poverty rate greater than 8.1%. The larger share of credits (60%), are awarded to the rest of the state or "suburban" municipalities. In previous years, the QAP attempted to engineer these results through point score incentives in suburban areas; now it mandates the 60/40 split for awards (provided a sufficient number of applications are received). Time frame: Ongoing activity.

In the LIHTC program, the State will continue directing tax credits to areas of "high opportunity" (defined as those near mass transit and employment centers, or in high performing school districts) and prohibiting construction of LIHTC units in census tracts with significant concentrations of low-income housing. Time frame: Ongoing activity.

The State will continue to maintain the online New Jersey Housing Resource Center, a data base that serves as a clearinghouse for available affordable rental properties across New Jersey. The search tool provides detailed information about rental properties, enabling individuals and families looking for housing to locate a unit that best fits their needs. The site also provides a tool for rent calculations, moving costs, a budget worksheet, and rental checklists. Time frame: Ongoing activity.

DCA's Office of Local Planning Services operates as a private planning consultancy would; except that it provides its AICP/PP licensed planners to NJ communities at no cost to the municipality. They frequently include community wide 'charrettes' in their municipal planning sessions so that residents have the opportunity to participate in the developmental stages of proposed projects in their area. This allows residents the opportunity to direct some of their questions and concerns to professional planners and not only to municipal officials and developers who may have a vested interest. Time frame: Ongoing activity.

Impediment # 4: Lack of public information about fair housing law rights and responsibilities and lack of dialogue among groups with similar interest in access to fair housing and fair housing protections

Actions:

The State will request Technical Assistance from HUD to explore incorporating successfully administered fair housing education campaigns conducted elsewhere; it will make a concerted effort to exchange information with other States. NJ will also solicit ideas from community groups with first- hand knowledge of particular local needs. More specifically, DCA will develop a Fair Housing web site to serve as a "One Stop Shop" to provide the public with information about housing discrimination law and where to find information and assistance about mortgage lending, rentals, home sales, homeowner's insurance and individual counseling. Time frame: Website development is already underway.

DCA will distribute bilingual fair housing information to Section 8 Field Offices, Housing Counseling Agencies, County Boards of Social Services, New Jersey One-Stop Career Centers, and faith-based and community-based agencies located throughout the State. In addition, such materials will be distributed at the Governor's Housing and Community Development Conference in October 2015 and the League of Municipalities annual conference in November 2015. The Conference will also present a seminar in Fair Housing requirements and best practices. Time frame: Commencing in the 1st quarter of State Fiscal Year 2016.

DCA will amend the current curricula of its Housing & Redevelopment Agency training program, a requirement for new Public Housing Commissioners and Executive Directors, to include an element devoted to the Affirmatively Furthering Fair Housing mandate. Timeframe: Within 12 months.

DCA will sponsor a variety of educational workshops, trainings and community outreach activities regarding State and federal fair housing laws. Time frame: Ongoing TA is provided to grantees and developers.

The State will conduct roundtable discussions led by DCA to share best practices and recommendations for increasing the success of housing searches outside areas with concentrations of Section 8 vouchers. The group would consist of PHAs, fair housing advocacy organizations, landlords, developers and other stakeholders. Time frame: Beginning in fall 2015.

The above noted roundtables will also discuss an educational campaign to address the negative public perceptions often associated with affordable housing and residents on housing assistance. The campaign might focus on actual developments that have been successful in providing different types of affordable housing such as apartments, condominiums and townhouses, and showcase the type of tenant that is residing in these projects. The product would be used in DCA's many interactions with local governments and in appropriate venues. Time frame: As soon as funds are identified.

DCA will disseminate fair housing information including how to provide assistance to individuals with Limited English Proficiency to all owners of multi-family rentals and developers; this will cover approximately 61,000 multiple unit owners and almost one million housing units. Time frame: State Fiscal Year 2016.

DCA will coordinate with the State's Division of Criminal Justice, to provide support for complaint processing through training, technical assistance and education. Time frame: Beginning in fall 2015.

DCA will explore with the State Division of Civil Rights, the possibility of jointly acting to provide fair housing education. Time frame: SFY 2016.

DCA will apply for a federal Fair Housing Initiatives Program grant for the Education and Outreach Initiative component. The grant will provide funding for initiatives that explain to the general public and housing providers what equal opportunity in housing means, what housing providers need to do to comply with the Fair Housing Act, and what recourse is available if they do not. Time frame: To Be Determined.

With particular respect to households facing or in the foreclosure process, the NJHMFA will continue to offer free housing counseling to homeowners as it has since 2008, through funds granted by the National Foreclosure Mitigation Counseling Program (NFMC). To date, HMFA has received $8 million in funds and assisted 13,000 households trying to stay in their homes.   Since 2013, NJHMA's Comprehensive Housing Counseling Grant has provided funding to HUD certified housing counseling agencies that assist low- and moderate-income families in need of housing and budget counseling. The agency also uses funds from CDBG-DR and one-time grants from Foundations and banks to sustain the counseling services.   Approximately 2,500 families have been assisted. Time frame: Ongoing activity.

With money from US Treasury's Hardest Hit Fund, HMFA will administer a new program, The Home Saver Program (HSP), to facilitate reinstatement, refinance, recast, or permanent modification of a first mortgage loan through a principal reduction and/or reinstatement payment to lower the household monthly payment to an affordable level. Monies will be used to bring the first mortgage current before applying it to the principal balance for qualified applicants. HMFA expects to assist 345 households. All Metropolitan Statistical Areas and counties of the state were and are covered in the foreclosure prevention programs. Time frame: To launch in July 2015.

The State will refer all known instances of landlords refusing to accept a lawful source of income, in particular a Section 8 voucher, to DCR for it review. Time frame: SFY 2016

DCA will identify and recruit landlords to accept Housing Choice vouchers in areas of high opportunity. Time frame: Commencing SFY 2016.

The State will research the extent to which community opposition to placement of affordable housing acts as a deterrent to fair housing choice. The State will determine a protocol for addressing such situations. Time frame: Commencing within SFY 2017.

Impediment # 5: The continuation of land use and zoning barriers to the production of housing for low-income households in some localities.

Actions:

The State, as part of its education campaign, will develop materials geared specifically to local governments on the topic of land use and zoning and the requirements of the Federal Fair Housing Act. Time frame: As funds become available.

DCA established the Office of Local Planning Services (LPS) in 2011 to make planning assistance available to local governments. LPS planners have particular expertise in fair housing issues and in the New Jersey Municipal Land Use Law that gives zoning authority to local governments. They currently work as consulting planners to municipalities that ask for help to develop or update a municipal Master Plan, conduct a market analysis, draft a redevelopment plan and any number of other planning exercises. LPS staff works only with municipalities that pledge to work collaboratively, welcome sound planning advice, and will actively engage in the planning process. The LPS planners work as a team on each municipal project to protect and enhance the unique characteristics of each community while promoting a sustainable balance of land uses that fosters diversity. The Office will investigate the possibility and potential of conducting workshops for municipal officials and the public in towns where they are not actively providing planning assistance to promote community support for sustainable new development and redevelopment and other sessions that focus on best planning practices. Time frame: State Fiscal Year 2017.

When LPS staff interacts with municipalities in the role of consulting planners, staff shall promote (where appropriate) use of inclusionary zoning and higher densities as land use tools. Time frame: Ongoing Activity.

The State will review, during the life of the AI, the impact of zoning techniques such as lot zoning and prohibitions on multi-family housing, on housing choice; the state will determine what role, if any, it can play in addressing these types of restrictive zoning actions. Time frame: Commencing in SFY 2016

Impediment # 6: The need for housing for special needs populations, including the disabled, veterans, and the homeless.

Actions:

DCA will continue to promote the creation of more affordable and accessible housing to meet the housing needs of people with disabilities. Time frame: Ongoing Activity.

Within six months, the State will convene a meeting of stakeholders to discuss additional actions that can be taken in order to improve the access to quality housing for the State's special needs population. Time frame: Spring 2016.

New Jersey Housing and Mortgage Finance Agency (NJHMFA) will continue to administer the Special Needs Housing Partnership on behalf of the Departments of Community Affairs, Human Service and the participating municipalities that match local trust fund dollars with a state contribution to increase the number of affordable, accessible housing units for persons with special needs. DCA formed a unique partnership with the NJHMFA and the New Jersey Department of Human Services, called the Special Needs Housing Partnership Loan Program (SNHPLP) in June 2011 to create more community-living housing options for people with developmental disabilities. The program's goal is to buy existing ranch-style houses in participating municipalities that will then be made available to people with special needs so that they can live with some independence in neighborhoods of their choice. The goal is to match state and local financing to rehabilitate existing houses for permanent supportive housing and community residences for individuals with developmental disabilities. This initiative aligns with the State of New Jersey's goal to help integrate people with special needs into the community whenever possible as well as provide consumer choice over their housing options. Since the program's inception, 50 projects have been committed providing approximately 200 beds statewide, leveraging $14.6 million in partnership financing, $8.6 million in AHTF, and $1.4 million in Division of Developmental Disabilities (DDD) funding statewide. The program pipeline includes eight (8) additional projects providing 32 beds with approximately $3.1 million in partnership funding, $1 million in AHTF, and $213,000 in DDD funding. Time frame: Ongoing Activity.

DCA will continue to work to increase access to housing in the community for special needs populations. The State Department of Human Services, with assistance from its sister agencies, including DCA, will continue to support the development of housing options and programs to enable persons with special needs to reside in non-institutional settings. Time frame: Ongoing Activity.

DCA will continue to seek funding to increase the State's voucher portfolio. DCA will continue to apply for federal housing vouchers to assist New Jersey's disabled population. Time frame: Applications will follow notices of funding availability.

The State will continue to pursue Federal continuum of care funding. Time frame: Applications will follow notices of funding availability.

DCA will create permanent supportive housing for special needs populations through set asides of State and Federal rental assistance vouchers as follows:

Through a new partnership with the New Jersey Department of Children and Families (DCF), DCA will contribute 125 project based Housing Choice vouchers to pilot several Housing First models of assistance. One pilot is geared to providing safe environments for runaway, homeless and street youth under the age of 21 who are victims of sexual exploitation, abuse, human trafficking and substance abuse. In instances where family reunification is not possible, they will be provided with sustainable housing using the vouchers. Vouchers will be available to individuals and pregnant or parenting youth. This pilot will be conducted in Atlantic County, primarily in Atlantic City. DCA's second joint venture with DCF is intended to provide vouchers for child welfare involved families who are confronting homelessness. This initiative was informed by a three year pilot funded by Robert Wood Johnson Foundation and managed by the Corporation for Supportive Housing, a national non-profit organization that helps develop supportive housing to prevent and end homelessness. Family homelessness has been shown to be a cause of family dissolution. The supportive housing that can be provided with the use of vouchers will allow DCF to address the other complex challenges that plague these families. The goal is to offer evidence that supportive housing can reduce recurring welfare system involvement and foster care placements among unstably housed families with substance use and or mental health issues. Time frame: These two programs are in the developmental stages and should be fully operational by September 2015.

Another new partnership involves DCA, the NJ Department of Human Services, Camden County, Cooper Hospital and the Camden Coalition of Healthcare Providers. This initiative will provide supportive housing through the dedication of up to 50 Housing Choice Vouchers for chronically homeless individuals who cycle in and out of emergency departments and inpatient wards in Camden County and have multiple chronic medical conditions. It is designed to measure the effectiveness of the Housing First model in reducing hospital visits and services when homeless individuals with persistent medical, mental health and substance abuse issues are provided with housing and support services. The program will be evaluated based on achievement of the following outcomes:

- Reduction of chronic homelessness among the individuals served by the program
- Reduction of utilization rates for inpatient and emergency health services among program participants
- Improved health among program participants
- Reduction in the cost of healthcare for program participants

Time frame: The program will begin operation in July 2015.

On April 2, 2015, HUD awarded HMFA a Section 811 Project Rental Assistance (PRA) grant of $5,099,229 for 206 units. In order to leverage the HUD allocation, HMFA has also received additional rental assistance commitments from DCA (40 vouchers) and DHS (63 vouchers), bringing the total number of PRA units to 309. The funding will provide permanent affordable rental housing to New Jersey residents

with disabilities who are moving from a state institution or at risk of institutionalization. The support will assist the HMFA, in partnership with the Department of Human Services (DHS), to fulfill its Olmstead obligations by supporting and advancing the availability of integrated, permanent affordable housing. Time frame: NJHMFA expects to award the first vouchers in the 1st quarter of 2016.

The State will begin implementation of the State's Ten Year Plan to End Homelessness. On April 18, 2012, Governor Chris Christie signed Executive Order 92 establishing the Interagency Council on Homelessness (Interagency Council). Co-chaired by the Commissioners of the Department of Human Services (DHS) and the Department of Community Affairs (DCA), and comprised of fifteen public members and eleven ex-officio representatives of state government agencies, the Council held meetings, heard presentations and convened sub-committees to develop recommendations and present a State Plan to end homelessness in New Jersey in ten years. That document was adopted and presented to the Governor in December 2014. Significantly, it recognizes the potential of the "housing first" strategy and on targeting resources to mutually support the efforts and improve the efficiency and effectiveness of each State agency whose mission touches a homeless population. Most significantly, Governor Christie accepted the Council's recommendation to establish a working group led by the Governor's senior policy staff to begin to implement the Council's various recommendations. The Governor's Homelessness Working Group, composed of state, county and private sector members, is fully constituted and has met several times already to begin the process of implementing the Interagency Council's recommendations for eliminating homelessness, and on better coordinating State, County and local activities on homelessness. It is currently concerned with identifying short terms goals such as improving the collection and analysis of data on homelessness. It hopes to quickly move on to improving strategies by which the State can promptly transition those who become homeless into permanent housing. Time frame: Ongoing activity.

Impediment # 7: Racial and Ethnic Housing Concentration

Actions:

The State will continue to promote higher density residential zoning in Transit Oriented Development areas, when revitalization occurs through the actions of its Transit Village Task Force and through the Economic Development Authority, where it has investments. Time frame: Ongoing activity.

The State will provide housing counseling, and promote mixed use development and mixed-income communities throughout the State to help low-income working families move to neighborhoods offering greater access to job opportunities, better schools, housing and transportation. Time frame: Planning and coordination efforts will be initiated in State Fiscal Year 2017.

The Division of Civil Rights (DCR) through its Multiple Dwelling Report will continue to identify and investigate potential patterns of discrimination. The Multiple Dwelling Reporting Rule requires property owners with 25 or more rental units to submit by January 31 of each year, a report to the DCR detailing

the racial and ethnic composition of their tenants and applicants during the preceding year. More than 3,500 multiple-dwelling complexes are obligated to file reports under this regulation. The report assists DCR in identifying potential patterns of housing discrimination and includes information on the degree of access property owners provide to persons with disabilities in Section 8 rental subsidies. We will use this information to expand and target those property owners for education to lower incidents of discrimination. Time frame: Ongoing activity.

DCA also plans to explore with DCR the possibility of providing training to property owners and developers who make application for housing funds distributed by the State. Time frame: State Fiscal Year 2017.

The State through NJHMFA will continue to provide information regarding the availability of affordable rental and homeownership opportunities statewide through the New Jersey Housing Resource Center (http://www.njhousing.gov/), which: 1) provides an on-line resource for property managers to market affordable rental and sales units statewide; and 2) provides a convenient resource for prospective renters to locate affordable and accessible housing. This website is free; searches can be conducted in both English and Spanish. Time frame: Ongoing activity.

The Department of Community Affairs will continue to monitor grantees' projects and program files to ensure that all of its housing and community development funds provide benefits and opportunities to residents regardless of race, color, religion, sex, disability, familial status, and national origin. Time frame: Ongoing activity.