



COAH Fact Sheet

Many inaccurate statements have been disseminated regarding the process by which we are trying to provide hard working New Jersey residents with the affordable housing opportunities they deserve. This fact sheet helps clear the air about COAH and provides residents with accurate information regarding what affordable housing is and how COAH works.

What is affordable housing?

Affordable housing is housing that is available to people of moderate income at a reasonable price. It is often built as townhomes or apartments but might also be a modest, well-kept single-family home. A typical two-bedroom townhouse would sell for \$81,000 and a typical two-bedroom apartment would rent for \$700. A unit is generally considered affordable if the owner pays approximately 28% (30% for renters) or less of his/her gross income on housing costs. Housing costs include the base rent as well as the cost of utilities for renters and include mortgage payments, property taxes, insurance, and homeowner's association fees for owners. Families, singles, and seniors can qualify for affordable housing.

Who benefits from affordable housing?

Working class families who are struggling to make ends meet, seniors, and people with disabilities all benefit from affordable housing. Children who have grown up in the community and now entered the workforce but cannot find an affordable place to live benefit from affordable housing. Senior citizens that can no longer afford to keep up their homes and people with disabilities seeking to live independently in the community need housing that is affordable on a fixed income. Teachers, firefighters, child care workers, home health aides, pre-school workers, and physician's assistants whose services contribute to the quality of life and attractiveness of communities also need affordable housing. The fastest growing sector of the economy in suburban areas is the service sector. Providing a range of housing opportunities within your community helps to ensure that the various services we all use at some point in our lives are available and convenient. Many people are surprised to learn that households earning up to 80 percent of area median income qualify for affordable housing. In Essex County and Ocean County, a family of four making around \$67,000 qualifies for affordable housing. In Hunterdon County a family of four can earn \$77,360 and still qualify. And these incomes change yearly. Providing affordable housing close to places of employment decreases road congestion, reduces commuting time, and saves energy.

What municipalities?

Growth share is a way to measure a municipality's affordable housing needs based on actual growth that takes place. Under growth share, one unit among every five housing units created in a municipality must be affordable; one affordable housing unit must be provided for every 16 jobs created in a municipality, measured by new commercial development. A municipality zones to accommodate affordable housing among market rate development. But keep in mind that a municipality is only responsible for building affordable housing when they have built market rate housing and commercial development. If neither market rate units nor commercial development are built, affordable units do not have to be built, because no growth has taken place.

I understand that my taxes will go up drastically if our town is forced to meet the state's affordable housing requirements. Is this true?

Absolutely not! This untrue fear tactic is being used by individuals to prevent hard working families and young people from obtaining the affordable housing they need. State law does not require the use of property taxes to fund affordable housing. The facts are that municipalities have many ways to meet affordable housing requirements without raising property taxes. They can collect local development fees based on market rate housing and commercial development to help pay for affordable housing. This money can be kept locally by towns participating with COAH. These towns also have priority access to a new statewide pool of funding for affordable housing, which is expected to provide up to \$160 million each year. Currently, over \$200 million in unspent development fee funds are sitting in municipal affordable housing trust funds. This money must be used for affordable housing. Additionally, there are federal programs for affordable housing. The Housing and Economic Recovery Act of 2008 just signed into law in July will bring millions of dollars of new money into New Jersey. Federal tax credits and support from the Federal Home Loan Bank are available. There is also the private sector, which can provide affordable housing as part of inclusionary developments that mix market and affordable housing, at no cost to the taxpayer.

Affordable housing means new school children in our school district. We can't afford it!

Affordable housing does not generate any more school children than the market rate housing that is built in your community. Also, Governor Corzine has implemented a new school funding formula, where money for public schools is based on actual child enrollment. So as new students move into your community, additional funding will be provided by the State to your school district depending on the unique educational needs of the children.

Will property values be affected by all this affordable housing?

This is yet another myth being spread by affordable housing opponents. There is no data to show that property values are affected by the proximity of affordable housing, particularly when affordable housing is included with market rate housing. COAH's rules encourage municipalities to plan for affordable housing that is integrated with the market rate housing, which is the basis of the growth share concept. Again, affordable housing is for working class families, seniors, people with disabilities, and children who have grown up in the community and now entered the workforce but cannot

find an affordable place to live. It is for teachers, firefighters, child care workers, home health aides, pre-school workers, and physician's assistants. These represent people we all know, the hard working individuals who simply seek an affordable place to live.

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Why is COAH charging an affordable housing fee to homeowners when they rebuild their home, especially from a fire? Why is COAH requiring affordable housing to be built when one house is just replacing another?

COAH does not permit municipalities to pass through the pro-rata cost of constructing an affordable housing unit to individual homeowners when a family's house is being rebuilt. In fact, we prohibit this practice. In addition, in response to comments *on* this issue, [COAH recently proposed a rule](#) that would exempt owner-occupied homes that are replaced from a growth share obligation, including those homes replaced as a result of natural disaster.

I have heard that COAH is forcing my municipality to grow exponentially and that our town is being forced to meet impossible affordable housing goals. Is this true?

COAH is not forcing municipalities to grow. As a result of *the* Court's 2007 decision, COAH has identified a *need* for 115,000 affordable units statewide over 20 years between 1999 and 2018, or about 5,750 units annually. Affordable housing opponents are suggesting that municipalities must grow six or seven times more than this to meet affordable housing requirements. This is false. Growth share says that for every five units of housing built, one of these must be affordable. So a municipality that builds 20 market rate units would have to build 5 affordable units. The reverse, however, is simply not true. If a municipality builds 20 affordable units, they are not required to also build 80 market rate units. The obligation is triggered by market rate growth; affordable housing does not drive *the* growth. Additionally, it must again be noted that a municipality is only responsible *for* building affordable housing when they have built market rate housing and commercial development. When growth does occur, affordable housing should be built as part of that growth. Last year, the state added 23,000 homes and 49.6 million square feet of non-residential construction. This is an opportunity for sound affordable housing planning.

COAH says we have vacant land such as backyards, parks, and highway medians on which we must build affordable housing.

COAH would never require or permit affordable housing development to be placed in homeowners' backyards, parks or in the median of a highway. These ludicrous claims are being used by people trying to keep affordable housing out of their community. COAH used the best statewide data available to determine the amount of vacant land available in New Jersey. COAH is aware that local data may be more accurate than statewide data. Any municipality may submit actual local data to COAH and we will work with municipalities and adjust the projections accordingly. In fact, COAH has created [worksheets](#) your town can use to do these calculations now and make any needed adjustments.

I am hearing that our community will have to choose between open space preservation and meeting affordable housing goals. Why is COAH thwarting our open space and farmland preservation efforts?

COAH's new rules will not prevent a community from meeting its *open* space goals. Municipalities *can undertake sound* planning that involves both open space preservation and affordable housing goals. It may involve creating downtown centers where people can shop and live, while protecting outlying farmland. It may involve redeveloping a brown field site, or providing affordable housing over existing storefronts. Remember, where to place affordable housing is a decision of the municipality, not of COAH.

Will our municipality be required to build affordable housing on environmentally sensitive sites, preserved parkland or preserved farmland?

No. COAH would not approve affordable housing proposed by the municipality on environmentally sensitive sites. COAH follows all DEP and other rules in place to protect the environment and our State's water supply.

COAH's revised rules are incompatible with new DEP requirements, and the requirements of other agencies, such as the Highlands Council and the Pinelands Commission. We are being pulled in different directions by the State.

This is false. COAH used the latest DEP rules on protecting water quality and preventing flooding. We agree it is important for all State agencies to work together. We are working on Memoranda of Understanding with DEP, the Highlands Council, the Pinelands Commission, the Meadowlands Commission, Fort Monmouth, the Casino Redevelopment Authority, and the State Planning Commission to ensure that our rules provide affordable housing opportunities while protecting critical environmental resources. [The Legislature just passed a law](#) that requires 20 percent of all housing built in these regional areas (Highlands, Pinelands, Meadowlands, Fort Monmouth) to be affordable, creating a new opportunity to provide affordable housing as a part of market rate growth. The Legislature also recognized the need for regional planning to help protect the State's environmental resources while promoting affordable housing based on infrastructure and transportation. Governor Corzine signed [Executive Order 114](#) on September 5th, which calls on the Highlands Council to work cooperatively with COAH, the DEP, and DCA on protecting the State's water supply while providing affordable housing opportunities.

Why do we have to provide affordable housing?

The realistic opportunity for affordable housing was determined to be a constitutional obligation by the NJ Supreme Court in 1975, in the case of Southern Burlington County NAACP v. Township of Mt. Laurel ([Mt. Laurel I](#)). In its 1983 [Mt. Laurel II decision](#), the Supreme Court reaffirmed and expanded the Mt. Laurel doctrine and stated that all municipalities share in the obligation. The Supreme Court also provided guidance in determining a municipality's fair share and approved use of the builder's remedy for municipalities that do not voluntarily meet their constitutional obligation. On July 2, 1985 the [Fair Housing Act \(FHA\)](#) was enacted as the legislative response to the Supreme Court rulings. The Act created COAH as the voluntary

administrative alternative to the Courts. The Act also stipulated that while COAH is a voluntary process, not participating leaves municipalities at risk of a builder's remedy lawsuit. In this type of lawsuit, a builder sues a municipality on the basis that it has not provided its fair share of affordable housing, and then the Court can dictate where and how much affordable housing the municipality provides and at what density. In [January 2007](#) the Court declared that COAH had to revise its methodology to allow for the creation of more affordable housing units.

Where can I find my municipality's affordable housing obligations?

The municipal affordable housing obligations include three components: rehabilitation share, prior round obligation, and projected growth share. [Click here](#) to view the current municipal affordable housing obligations and projections.

What is the time frame for when affordable housing must be built?

The Court has dictated that the provision of affordable housing is an ongoing constitutional obligation. Municipalities must plan for their affordable housing obligation to be addressed by 2018 and must build affordable housing in keeping with market rate growth.

So much is in flux in the area of affordable housing. Why should our municipality participate in the COAH process and how can we be expected to meet a December deadline?

We understand the concern about moving forward given all of the changes in the affordable housing arena. But based upon the Court decisions, affordable housing is an ongoing requirement of our State's constitution, and delaying the provision of affordable housing will only mean fewer options down the road for your municipality. If you delay, you may lose valuable opportunities to capture affordable housing now in a way that promotes sound planning and allows you to also preserve open space. It also means municipalities will be at risk of a builder's remedy lawsuit and in that circumstance, you lose your ability to decide how and where affordable housing will be provided. COAH is working hard to keep you informed of all changes and recently hosted a series of 10 seminars attended by over 500 municipal officials and planners. We are providing guidance on the new law so that your path to meeting your affordable housing needs is clear and understandable. Municipalities have until December 31, 2008 to submit affordable housing plans and we are available now to help you with your planning. To further delay will only limit your municipality's options and risk both your affordable housing and your open space goals.

We do not wish to participate and our municipality may just opt out of COAH altogether.

Even though the affordable housing obligation is mandatory under the constitution, participation in COAH's process is voluntary. However, municipalities that are not participating in the COAH process run the risk of being sued for exclusionary zoning and forced into a builder's remedy lawsuit. In a builder's remedy lawsuit, municipalities lose their ability to choose where and how affordable housing will be provided and the development may conflict with the municipality's master plan. Under COAH, municipalities can plan for their affordable housing needs through a public process and also have priority access to many affordable housing funding sources. It will be easier and less costly to meet both affordable housing and other goals of the municipality, such as open space efforts, when participating voluntarily through COAH.

How can our municipality meet our affordable housing obligation?

Municipalities need to put zoning or other affordable housing programs in place to create a realistic opportunity for the affordable housing need to be addressed. COAH provides a flexible array of options for providing affordable housing, including 100 percent affordable projects using a non-profit or for-profit partner, zoning for affordable housing, purchasing existing homes in the community and making them affordable for working class families and seniors, building affordable units over retail stores in downtowns or preserving existing affordable units into the future, among other options. COAH is available to assist municipalities. Planning for affordable housing need not be a daunting process.

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