



# Housing Policy in New Jersey

STEVEN  
**Fulop** 2025  
DEMOCRAT FOR GOVERNOR

[stevenfulop.com](http://stevenfulop.com)



One of the most significant challenges facing New Jerseyans is the shortage of affordable housing. This impacts every resident in every corner of the state, whether they're an owner or renter, and regardless of income. The housing crisis in New Jersey presents enormous threats to public health and safety – not just for the unhoused, but for the community as a whole.

New Jersey currently builds only about 2,700 units of affordable housing annually<sup>1</sup>, a small dent in the massive 225,000 unit<sup>2</sup> shortage. At the current rate, it would take more than 80 years to eliminate the shortage. **As Governor, Steven Fulop's goal is to confront this challenge head on and DOUBLE the affordable housing production of previous years and cut the catch up time in half with his #FixNJ plan.**

1. Fair Share Housing Center. (2023). "Dismantling Exclusionary Zoning: New Jersey's Blueprint for Overcoming Segregation." P. 17. [fairsharehousing.org/wp-content/uploads/2023/04/Dismantling-Exclusionary-Zoning\\_New-Jerseys-Blueprint-for-Overcoming-Segregation.pdf](https://fairsharehousing.org/wp-content/uploads/2023/04/Dismantling-Exclusionary-Zoning_New-Jerseys-Blueprint-for-Overcoming-Segregation.pdf)

2. [nlihc.org/housing-needs-by-state/new-jersey](https://nlihc.org/housing-needs-by-state/new-jersey)



A lack of inventory and other obstacles continue to prevent prospective minority homeowners and young people from building wealth through homeownership, challenges the middle class to live beyond their means, keeps renters from accessing available apartments, and hinders economic development by limiting the available local workforce for potential employers.

**It is estimated that the annual household income needed to afford a two bedroom rental at HUD's Fair Market Rent is \$69,675 - almost double the current minimum wage.<sup>3</sup>**

**IN JERSEY CITY:**

## **Notable Accomplishments in Housing Policy**

Mayor Fulop has a track record of understanding the importance of sound housing policy. Under his leadership, Jersey City has been a statewide leader in addressing housing issues and as Governor he will expand on Jersey City's successes to better leverage state resources to properly incentivize statewide reform and foster a fairer housing market.

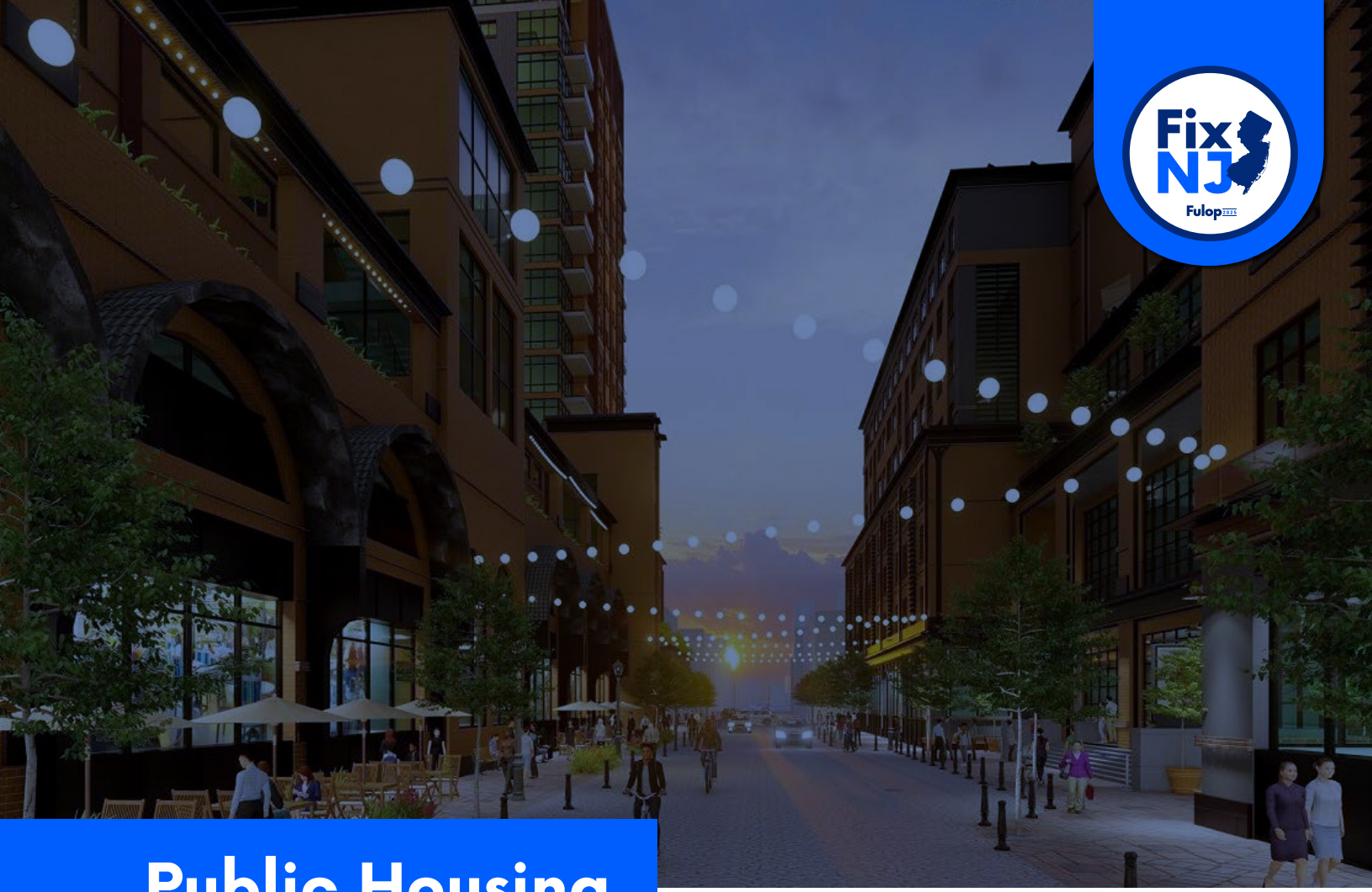


### **Bayfront**

Under Mayor Fulop, Jersey City made public investments in affordable housing at an unprecedented rate. Bayfront is a Jersey City project that represents the largest mixed income development project in the region at 8,000 units of which 35% is affordable housing. This development is a model of what can be done with innovative leadership.

### **Right to Counsel**

In June, Jersey City passed important Right to Counsel legislation, protecting the rights of renters and guaranteeing pro bono counsel for tenants facing eviction.



# Public Housing

Over the last decade, few cities across the country have been able to expand new public housing due to the Faircloth Amendment which states that housing authorities cannot legally create new public housing units; the best they can do is a one-to-one replacement. Jersey City has been an outlier by creating new public housing inventory such as the Holland Gardens project.

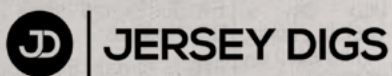
In 2018, under Mayor Fulop's leadership, the Jersey City Housing Authority (JCHA) created the Resident Empowerment and Community Engagement (RECE) Department to strengthen resident services through high quality partnerships with leading nonprofit organizations, government departments, schools, colleges/universities, and health care providers. Currently, JCHA has robust partnerships with over two dozen organizations and works with many more to provide opportunities for residents and to improve residents' quality of life.

From tackling food insecurity to digital inclusion, to early childhood centers, to workforce development, to women's healthcare, Mayor Fulop recognizes the intersection of housing and social services to move families forward.



## Affordable Housing Construction

Jersey City worked closely with Fair Share Housing to not only implement a comprehensive Inclusionary Zoning Policy, but to implement the state's first Affordable Housing Overlay Zone (AHOZ). The AHOZ expanded on the existing Inclusionary Zoning Ordinance (IZO) by taking an innovative approach that prioritizes and maintains affordability for Jersey City residents, especially communities of color and low-income families. Where Inclusionary Zoning policies tend to be more 'stick,' the AHOZ is more 'carrot.' IZOs require an affordable set aside based on a requested upzone. The AHOZ does not allow for any additional height or increase in permitted building structure, but rather relaxes any density standards creating a more gentle form of upzoning that will not disrupt smaller scale neighborhoods while still relieving the pressure for increased supply.



March 3, 2023

# Jersey City Moves Forward With \$500M Downtown Redevelopment with 50% Affordable Housing

## Market Rate Housing

Mayor Fulop firmly believes that creating more market rate housing relieves pressure on potential rental increases, stabilizes rental properties long term and ultimately creates more opportunities for home ownership. Under Mayor Fulop, Jersey City has been among the top 10 cities for housing starts in the country and has built six times more housing units per capita than New York City. Since 2013, Jersey City has led the state every year in housing starts and has been the economic engine for New Jersey.



AS GOVERNOR:

## Areas of Focus in Housing

Housing Policy is one of the most important areas that the Governor can impact. In some of the most densely populated areas of New Jersey, the median income is a third of the state household median income, yet rent in these same areas is never below 80 percent of the state average. The important conversation around housing supply is often overlooked. As Governor, Fulop will use his experience and understanding of housing policy to fight for New Jersey families.

**The goal is to make life affordable for families who want to build their futures in New Jersey.** Since housing is a major cost driver, the solution is to provide more housing opportunities for all New Jersey residents and, in particular, the most vulnerable.

Housing policy is also an important tool in addressing the racial wealth gap<sup>4</sup>, as redlining and other discriminatory practices have historically deprived minority communities, particularly Black communities, of the opportunity to build intergenerational wealth.<sup>5</sup>

4. The median net worth for New Jersey's white families is \$352,000—the highest in the nation—but for New Jersey's Black and Latina/Latino families it is just \$6,100 and \$7,300, respectively. The disproportionate rate of homeownership is one of the primary causes of the racial wealth gap."

Source: [issuu.com/woodrowwilsonschool/docs/housing\\_workshop\\_report\\_final\\_for\\_online](https://issuu.com/woodrowwilsonschool/docs/housing_workshop_report_final_for_online)

5. [njsj.org/reports/erasing-new-jerseys-red-lines-reducing-the-racial-wealth-gap-through-homeownership-and-investment-in-communities-of-color/](https://njsj.org/reports/erasing-new-jerseys-red-lines-reducing-the-racial-wealth-gap-through-homeownership-and-investment-in-communities-of-color/)



## Meeting and Exceeding the Obligations of New Jersey's Fair Housing Act

The constitutionally mandated and moral imperative for each town to provide its "fair share" of their region's affordable housing obligation can be improved by working with municipalities and housing advocates and embracing comprehensive planning principles. The State must reclaim the administrative process with the proper staff resources to review plans and enforce compliance. The courts should be the last resort due to the time spent on legal settlements and costs to municipalities that would be better spent on affordable housing production.

The starting point for changes will include convening housing advocates within the first 30 days of taking office including (Fair Share Housing, the United Black Agenda, Latino Action Network and others) that have done critical work in moving affordable housing construction forward. The starting point is not "wholesale change" but rather how as a state can we improve the process further and build on the success we have seen over the last several years. The objective is to introduce a stronger framework that is supported by the advocates within the first 100 days of taking office and this would be the first major legislation introduced in a Governor Fulop administration.

### As Governor, Steve Fulop will commit to:

- Mandate strong coordination among all state agencies to streamline approvals and ensure the full enforcement of the Mount Laurel Doctrine.
- While excluding urban areas may have made sense years ago, it is time to revisit obligations. Some exempt municipalities like Hoboken, Jersey City, Asbury Park, and Montclair are facing a shortage of affordable housing which puts further pressure on housing elsewhere.
- The State should provide funding for schools, roads, public transportation, sewers, and other infrastructure needs for municipalities that are meeting their fair share obligations through construction of units. An incentive approach with a meaningful amount of money to encourage more affordable housing is better than a punitive approach via the courts. Municipalities that do not meet their Fair Share should have less access to state money instead of only pursuing builders' remedies. A Builder's Remedy should be the exception, not the norm. Rather, arbitration or mediation by mediators who are knowledgeable on the issues of affordable housing should be the first step. This should all move in an expedited manner.
- The quality of affordable units should also be reasonably comparable to market rate units, including finishes and square footage to unit requirements.
- Require a state database with each municipality and their rankings of compliance so that residents can have more transparency into their municipality's compliance with de-segregation of housing and then tie potential state aide to the progress of each municipality around affordable housing





# Equitable Transit-Oriented Development

New Jersey boasts 244 transit station areas representing almost 200 municipalities, and it is time for the State to take the lead in coordinating a regional approach to mixed-income housing around mass transit. With 42% of the State's greenhouse gas emissions coming from vehicles, the most significant opportunity to expand affordable housing, missing middle housing, and market-rate housing near existing infrastructure is to prioritize land redevelopment around mass transit. With Fourth Round affordable housing obligations taking effect in 2025, the Fulop Administration will work with NJ TRANSIT to fast-track the production of affordable units in coordination with local jurisdictions and require a 20% inclusionary affordable housing set aside as a requirement for any negotiation with NJ TRANSIT property.

## Rework EDA Incentive Program

The New Jersey Economic Development Authority (EDA) incentive program is well intentioned but because of certain use-limitations, will ultimately leave more than \$1 Billion in eligible incentives on the table rather than utilizing those funds for housing construction. As Governor, Steven Fulop would provide more flexibility to mayors and the EDA. Local development decisions should be informed by local communities. Similar to what Fulop did in Jersey City, the incentive program and obligation should be driven by census tracts as opposed to a "one size fits all" approach. Fulop will change the program's focus to a hybrid model that will include both tax credits and **a direct cash subsidy**. This is important because a pure tax credit program is inherently inefficient due to the high transaction costs and deep discounts required to monetize multi-year tax credits that net less than \$.65 for each \$1 of tax credits.



## **Rework the Uniform Housing Affordability Controls (UHAC)**

The current construct of affordable housing accounts for need at different Area Median Income (AMI) for housing but doesn't take into account that families who make under 30% of AMI need more help and support than just a housing unit. The UHAC requirements should rework percentages to take into account social service support within the same cost construct for development.

Currently, inclusionary housing programs in New Jersey have a 30-year affordability control period. In order to create and preserve mixed-income communities and not lose affordable inventory, affordability controls on inclusionary housing units should remain in perpetuity. As Governor, Steve Fulop is committed to updating the housing policies and regulations to extend affordability controls.

## **Reforming Long Term Tax Abatement Policy**

The most successful programs for creation of affordable housing are those that instill a sense of confidence and stability from the government to potential investors. There is currently no policy or uniform standard regarding how and when long term tax abatements are applied across municipalities, which can result in divergent outcomes driven by political decision making, undermining confidence in the affordable housing development process. As Governor, Fulop will institute a consistent affordable housing tax abatement policy that would need to be adopted by the governing body, eliminating both politics and uncertainty while encouraging more affordable housing construction statewide.

## **Increase Liquidity of Tax Credits**

ASPIRE tax credits trade at a substantial discount in value largely due to an illiquid market with limited participants and unnecessary regulations. This directly impacts a project's economics. More liquidity in the tax credit market will result in more money being invested in building affordable housing. Today, credits can only be sold to corporations that pay a corporate business tax or insurance companies. As Governor, Steven Fulop would expand the credit pool to individuals or other legal entities to close the gap on trading and put those dollars into projects.



## Incentivize Accessory Dwelling Units (ADU)

The current incentive program targets large developers with large subsidies. It ignores, however, the challenges of lower density suburban areas.

ADUs function as an easy way to add housing without changing the feel or character of a neighborhood. It works well in suburban areas with strict lot size requirements and restrictions on multifamily units. They also allow retirees and others facing financial hardships to continue to stay in their homes.

As Governor, Fulop will use set aside funds to reward municipalities that CHOOSE to adopt ADU policies based on a sliding scale with regard to population and increased funds.



## Low Income Housing Tax Credit (LIHTC)

In a high interest rate and high construction cost environment, the balance between tenant advocacy and financial feasibility is critical. It is also important to recognize that market rate housing plays an important role in creating more supply, which in turn leads to more stable rents. In New Jersey, the coveted 9% LIHTC has focused on smaller projects that are 100% affordable as opposed to larger mixed income projects that encompass both affordable units and market rate units. Having a more blended approach will be a more cost effective use of LIHTC and also tackle the pressure created by a lack of market rate housing.

To better utilize the LIHTC program, a Fulop administration would expand the current one-time annual application deadline to bi-annual, in order to better serve municipalities and potential projects.

Finally, the current LIHTC “tie breaker” policy that is used to determine who is awarded a project for similar proposals is based on the lowest tax credit cost per bedroom, which unfortunately encourages cheaper construction and often results in a need for additional subsidies at a later date. Instead, Governor Fulop would encourage a tie breaker system that prioritizes quantity of lower income units, diversity, integration, and sustainability.

## Office of Public Advocate

As Governor, Fulop will re-establish the Office of the Public Advocate (OPA) to provide tenants with a single source of information regarding their rights and an easy system to report code violations.

NEW  
JERSEY **101.5**

February 14, 2023

***Shocking rent increases reported in many New Jersey communities***

## Rent Increases

Under Governor Fulop, the state will enact clear guidelines governing rent increases. The current law uses vague terminology like “unconscionable rent increases” which only exacerbates the affordable housing crisis. Creating clear boundaries that protect tenants, but remain fair to landlords, will encourage more housing construction for everyone.



# State Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was created to provide municipalities, for-profit, and nonprofit developers with financial assistance to encourage the development of affordable housing across the state. Affordable housing has the potential to not only provide high-quality, much-needed housing for New Jersey residents, but also to strengthen neighborhoods and stimulate economic development across the state. Unfortunately, from 2009-2018, the AHTF was depleted and funding was diverted to fill other budget gaps, worsening the already growing housing crisis. As Governor, Fulop commits to ensuring dedicated funding for AHTF to develop housing for residents at or below 80% Area Median Income (AMI), paying particular attention to providing housing for families earning below 50% AMI.

## Response Deadline/Red Tape

Moving projects forward is crucial for economic development and yet too often the state and municipalities take extended time, which impairs the economic viability of projects. As Governor, Steven Fulop would require, via executive order, that both state and local agencies give applicants a response deadline; if the agency does not respond in time, the application fees would be refunded in their entirety. Furthermore DEP permitting for projects with affordable housing would be expedited to lower the cost of housing.

The same problem applies to tax credit processing. The program is well intentioned, but the extended facilitating lead times create significant financial impacts on projects. The Fulop Administration will work to alleviate this time delay. Part of the difficulties are due to the prohibition of commencing construction prior to the award and the long lead time between award announcement and actual tax credit certificate awarded. Consideration will be made to allowing the construction to commence earlier than currently permitted.



## Right to Counsel

In June, Jersey City passed important Right to Counsel legislation, protecting the rights of renters and guaranteeing pro bono counsel for tenants facing eviction. This protection needs to be expanded across the state and municipalities need to receive state funding, technical assistance, and other resources to continue the work.<sup>6</sup>

### **Expanding Opportunities for New Jersey Housing and Mortgage Finance Agency**

Currently, the New Jersey Housing and Mortgage Finance Agency requires certain past experience as a requirement to be eligible for affordable housing tax credits. This limits the builder applicant pool, which ultimately limits the usefulness of the program due to lack of competition. As Governor, Fulop would relax unnecessary restrictions on eligible applicants so additional qualified developers can engage in affordable housing construction.

### **Eliminating 30-year deed restrictions of affordable housing units and requiring affordability controls in perpetuity**

For a municipality to receive credit for an affordable housing unit, it must be deed-restricted and subject to income limits for no less than 30 years. But what happens when the affordability control expires? Communities have already provided the necessary density bonuses and tax incentives. They will need to restart the process after the expiration, significantly impacting the long-term outlook on affordable supply. Governor Fulop will work to require that all new projects that have affordable housing as part of a municipal obligation must be deed-restricted in perpetuity.

<sup>6</sup>. HCDNNJ



# Repurposing Stranded Assets

The public and private sectors must come together to address the changing land use patterns where the single-use conversion of obsolete shopping malls and office parks are repurposed and reenergized into revenue-generating and dynamic mixed-use districts. Antiquated zoning restrictions and the need for more financial viability for developers have restricted growth and community performance opportunities. As Governor, Steve Fulop will work with the legislature to designate certain stranded assets as “Areas in Need of Redevelopment,” which will give municipalities the flexibility to address the underlying zoning, leverage tax incentives, negotiate Community Benefits Agreements, and develop a community vision on how to repurpose these assets in a meaningful way.

## Neighborhood Revitalization Tax Credit (NRTC)

The NRTC provides businesses with a 100% tax credit for funds provided to non-profit organizations working on revitalization plans. These non-profit organizations must use at least 60% of the tax credit funds on housing and economic development. The remainder of the funds can be put toward support services and other activities promoting neighborhood revitalization. As Governor, Fulop commits to doubling the program’s funding to \$30 Million to meet the full need. With an expanded pool of resources, Community Development Financial Institutions (CDFIs) and non-profit entities that provide support to NRTC plans and projects will be eligible for a small portion of the resources.<sup>7</sup>

7. Housing and Community Development Network of New Jersey (HCDNNJ) provided background and statistics on the NRTC.



## CONCLUSION:

Under the leadership of Steven Fulop, Jersey City has worked to increase the supply of high-quality, affordable housing because it not only benefits residents, it increases the value of surrounding properties, and is the key to economic growth.

**As Governor, Fulop will take what he has learned through hands-on experience and bring his knowledge and ideas to all of New Jersey in order to comprehensively address the state's housing crisis.**

STEVEN  
**Fulop** 2025  
DEMOCRAT FOR GOVERNOR  
[stevenfulop.com](http://stevenfulop.com)