

## *Housing: A Home for Everyone*

Hoboken has a varied housing stock, which has helped it maintain its social diversity. But the affordability protections of some existing subsidized housing units are nearing the end of their terms. There are also some who feel that most new housing being constructed is geared only towards a limited segment of the population. Hoboken is a youthful city now, with over half of its population between the ages of 20 and 34, and the housing market has been responding to that demographic by generally building smaller dwelling units. But as many who move to Hoboken consider staying and raising families, joining many long-time families in the community, it is becoming ever more important for a variety of housing to be provided in Hoboken so that residents of all types, singles and families, rich and poor, can find a place to live.

*It is becoming ever more important for a variety of housing to be provided in Hoboken.*

### **Background**

In 1985, the New Jersey Legislature enacted the *Fair Housing Act*. This law was enacted in response to the *Mount Laurel* court decisions that held that all New Jersey municipalities must provide a realistic opportunity for the construction of low- and moderate-income housing. The State Council on Affordable Housing (COAH) was created by the *Fair Housing Act* to provide a regulatory framework for this constitutional obligation. Detailed information about Hoboken's obligation is provided below.

The objective of this housing plan element is to demonstrate how the City of Hoboken has provided for its fair share of affordable housing in accordance with the intentions of the New Jersey Supreme Court in the *Mount Laurel* decisions as implemented by the *Fair Housing Act*. This element provides an inventory of housing in Hoboken, provides an overview of the City's population, and describes how the City has addressed its fair share obligation. In addition, the Housing Plan Element contains various recommendations regarding the protection and creation of affordable housing in Hoboken.

COAH's Substantive Rules at NJAC 5:93-5.1(b) state that a municipal housing plan element "shall be designed to achieve the goal of providing affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing." The specific requirements for the preparation of a housing element listed in this section of the Substantive Rules include the following:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the six years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- An analysis of the municipality's demographic characteristics, including, but not limited to, house-hold size, income level and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing;

There are other requirements relating to prospective new affordable housing sites. However, these regulations are designed more for non-urban areas that have not met their inclusionary housing obligation than for a developed urban community such as Hoboken. As described in this element, Hoboken already has provided for its fair share of affordable housing and will continue to do so, as it has a surplus according to COAH's requirements.

## Housing, Demographic, and Economic Information

### Inventory of Housing Stock

The City of Hoboken is located in the eastern section of Hudson County, New Jersey. It is a mature urban community with a diverse residential population with respect to race, income level and age, and in the housing opportunities it provides for its residents. Hoboken is part of the Northeast Housing Region of New Jersey as determined by COAH. This region includes Bergen, Hudson, Passaic, and Sussex Counties.

Hoboken is essentially a "fully developed" community with a variety of land uses.

**Table VII-1**  
**Age of Housing Stock**  
**City of Hoboken, New Jersey, 2000**

<u>Year Unit</u>	<u>Number of</u>	
<u>Constructed</u>	<u>Units</u>	<u>Percent</u>
1990-2000*	2,380	11.9%
1980-1989	1,479	7.4%
1970-1979	2,059	10.3%
1960-1969	1,817	9.1%
1940-1959	3,460	17.3%
1939 or earlier	8,795	44.0%
<b>Total</b>	<b>19,990</b>	<b>100.0%</b>

\*Through March 2000

Median year built: 1947  
 Source: 2000 U.S. Census

**Table VII-2**  
**Building Permits Issued**  
**City of Hoboken, New Jersey, 1990-2003**

<u>Year</u>	<u>Single-Family</u>	<u>Multi-Family</u>	<u>Total</u>
1990	0	229	229
1991	0	70	70
1992	0	0	0
1993	0	0	0
1994	0	0	0
1995	0	0	0
1996	0	0	0
1997	0	0	0
1998	0	344	344
1999	0	266	266
2000	0	319	319
2001	0	269	269
2002	0	264	264
2003*	0	54	54
<b>Total</b>	<b>0</b>	<b>1,815</b>	<b>1,815</b>

\*Preliminary data as of May 2003

Source: New Jersey Department of Labor

**Table VII-3**  
**Distribution of Housing Units by Type**  
**City of Hoboken, New Jersey, 2000**

<u>Units in Structure</u>	<u>Number</u>	<u>Percent</u>
1 unit - detached	207	1.0%
1 unit - attached	681	3.4%
2 units	1,245	6.2%
3 to 4 units	3,987	19.9%
5 to 9 units	4,651	23.3%
10 to 19 units	2,613	13.1%
20 or more units	6,606	33.0%
Other	0	0.0%
<b>Total</b>	<b>19,990</b>	<b>100.0%</b>

Source: 2000 U.S. Census

Hoboken also provides a wide array of housing types, ranging from public housing projects to million-dollar condominiums. The City's housing mix includes some one- and two-family homes, most of which are constructed as rowhouses, apartments above stores, and numerous low-rise, mid-rise, and high-rise residential buildings.

The number of housing units in Hoboken in 2000 was 19,915, an increase of 14 percent from the 1990 Census figure of 17,421. The total number of housing units in Hudson County grew by 5 percent during the same period. The number of apartments in buildings with ten or more dwelling units increased by 28 percent from 1990 to 2000. Nearly half (46 percent) of the housing units in Hoboken are located in buildings with ten or more units, while fully one-third of all units are located in buildings with 20 or more dwelling units. The proportion of dwelling units located in buildings constructed in 1999 through March 2000 is nearly three times higher in Hoboken than in New Jersey overall, indicating a significant amount of new construction in the City.

There is much existing older housing in Hoboken, however. According to the 2000 Census, seventy percent of all the housing units in the City were constructed before 1970, and nearly forty-five percent were constructed before 1940 (see Table VII-1). From 1990 to May 2003, 1,815 residential construction permits were issued in the City, all of which were multi-family units (see Table VII-2). No residential building permits were issued during the years 1992 to 1997 due to a development moratorium necessitated due to lack of sewer capacity. The lifting of this moratorium, combined with an improved economy, led to a residential building boom that has continued to the present day.

Hoboken ranked 25th out of 566 municipalities in New Jersey in 2002 with regard to the number of authorized residential building permits.

According to the 2000 Census, one-third of Hoboken's dwelling units are located in buildings with 20 or more units, with nearly 70 percent of housing units in buildings with five or more units. Single-family homes account for less than 5 percent of dwelling units, with about 6 percent of dwelling units in two-family homes (see Table VII-3). Nearly 80% of dwelling units are renter-occupied according to the 2000 Census. The percentages of both owner- and renter-occupied units increased between 1990 and 2000. These increases were due to a significant drop in the number of vacant housing units in the City (see Table VII-4).

The median dwelling unit value in Hoboken is nearly three times the median dwelling unit value in Hudson County as a whole. The median contract rent in Hoboken is also more than 40 percent higher than that of the County as a whole, indicating the expensive housing stock value in Hoboken (see Table VII-5).

Approximately 77 percent of all occupied housing units in Hoboken were renter-occupied in 2000, while only 23 percent of the units were owner-occupied. The percentage of renter-occupied units is somewhat higher than in Hudson County and just under that of Manhattan, but much higher than the state average or those of the suburban New Jersey municipalities of Montclair and Summit.

The median rent increased from \$511 in 1990 to \$1,002 in 2000 (a jump of just under 50 percent when adjusted for inflation), while the number of dwelling units with contract rents of \$1,000 or more increased by over 600 percent. The median rent in Hoboken in 2000 was higher than in Manhattan as a whole, although compared to the most desirable neighborhoods in which to live in Manhattan (Upper East Side, Greenwich Village, Soho, etc.), Hoboken's rents are lower. However, the median rent in Hoboken still was over \$200 per month more than in Weehawken, next highest in Hudson County, and well above median rents in Hudson County and New Jersey as a whole. The median value of specified owner-occupied dwelling units increased from \$250,000 in 1990 to \$428,900 in 2000, an inflation-adjusted increase of 30 percent.

### Projection of Housing Stock

While Hoboken has limited vacant land left for new residential development, construction of new housing units, especially large apartment buildings with many units, seems to continue as shown in Tables VII-1 and VII-2. A significant amount of the City's residential development over the past few decades has been the result of infill development and the demolition/replacement of existing houses and buildings. Due to the built-up nature of the City, future building activity will be limited to this type of development as well, predominantly for multi-family residential development. There will be limited opportunities for construction of new single-family or two-family homes without significant market intervention.

It is also unlikely that new affordable housing will be constructed without government action or other intervention in the real estate market. In fact, some existing affordable units may lose their affordability controls when their restrictions mandating below-market rents expire.

The loss of some affordable housing units may be offset by the construction of new ones, however. Most notably, some affordable units are being constructed in resi-

**Table VII-4**  
**Housing Characteristics**  
**City of Hoboken, New Jersey, 1990-2000**

	1990		2000	
	Number	Percent	Number	Percent
Occupied Housing				
Owner-Occupied	3,253	18.7%	4,396	22.6%
Renter-Occupied	11,783	67.6%	15,022	77.4%
Vacant Housing Units	2,385	13.7%	497	2.5%
<b>Total Housing Units</b>	<b>17,421</b>	<b>100.0%</b>	<b>19,915</b>	<b>100.0%</b>

Source: U.S. Census Bureau

**Table VII-5**  
**Median Unit Value and Median Contract Rent, 2000**

	Hoboken	Hudson County	New Jersey
Median Unit Value	\$428,900	\$150,300	\$170,800
Median Contract Rent	\$1,002	\$703	\$751

Source: 2000 U.S. Census

**Table VII-6**  
**Occupied Housing Units by Tenancy, 2000**

	Hoboken		Manhattan		New Jersey	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,396	22.6%	148,732	20.1%	2,011,473	65.6%
Renter-Occupied	15,022	77.4%	589,912	79.9%	1,053,172	34.4%
Vacant Units	497	2.5%	59,500	7.5%	245,630	7.4%

Source: U.S. Census Bureau

**Table VII-7**  
**2000 Median Gross Rent**

Summit	\$1,078
Hoboken	\$1,002
Montclair	\$866
Manhattan	\$796
Weehawken	\$781
New Jersey	\$751
New York City	\$705
Hudson County	\$703
Union City	\$675
Jersey City	\$658

Source: U.S. Census Bureau

**Table VII-8**  
Population, Households and Household Size  
City of Hoboken, New Jersey, 1990-2000

	Population		Change	
	1990	2000	Number	Percent
Total Population	33,397	38,577	5,180	15.5%
Number of Households	15,036	19,418	4,382	29.1%
Average Household Size	2.22	1.92	-0.3	-13.5%

Source: U.S. Census Bureau

**Table VII-9**  
Population Changes, 1970 to 2000

Year	Hoboken		Hudson County		New Jersey	
	Number	Change	Number	Change	Number	Change
1970	45,380		607,839		7,171,112	
1980	42,460	-6.4%	556,972	-8.4%	7,365,011	2.7%
1990	33,397	-21.3%	553,099	-0.7%	7,730,188	5.0%
2000	38,577	15.5%	608,975	10.1%	8,414,350	8.9%

Sources: U.S. Census Bureau, New Jersey State Data Book

dential development in the Northwest Redevelopment Area. These are being created due to the agreements governing the redevelopment of this particular section of the City.

Additional information regarding existing affordable housing units and programs is included later in this plan element.

### Demographic And Socio-Economic Characteristics

The population of Hoboken increased by 16 percent between 1990 and 2000, from 33,397 to 38,577. The number of households in the City during the same period increased by 30 percent, twice the percent change of the population. Consequently, the average household size decreased by 14 percent from 2.22 to 1.92 (see Table VII-8).

The populations of both Hoboken and Hudson County decreased from 1970 to 1990, though Hudson County's decrease in the 1980s was minimal compared to Hoboken's loss of over one-fifth of its population. New Jersey's population grew consistently during this time, but in the 1990s, the rate of population increase was greater in Hoboken than either the State or Hudson County.

In terms of age, Hoboken's population is concentrated in the 25 to 34 age group, which incredibly comprised over one-third (38 percent) of the City's 2000 population. In contrast, residents in this age bracket comprised 20 percent and 14 percent of Hudson County and New Jersey's 2000 populations, respectively, and 21.5% of Manhattan's population. Hoboken's median age in 2000 was 30.4 years. This figure is well below the 2000 state median age of 37 years. 17,886 residents, comprising 54 percent of the City's population, are in the 21 to 44 year age brackets. These age groups had the largest percentage increases from 1990 to 2000, along with residents aged 85 years and older (although this group comprises only one percent of City population). The group with the largest decline was in residents aged 5 to 17 years.

Nearly two-thirds of households in Hoboken are non-family households. This percentage is higher than in Manhattan and more than twice that of New Jersey. Hoboken's average household size is 1.92, which is lower than Hudson County (2.60) and New Jersey (2.68), as well as Manhattan (2.00).

Over one-half (53 percent) of residents lived in a different dwelling in the United State five years earlier, with 38 percent of residents living in a different county. These percentages are higher than those of New York City as a whole, or even Manhattan, where only 19 percent of residents lived in a different county five years earlier. In both Hudson County and New Jersey, over half of residents lived in the same dwelling five years earlier, compared to 42% in Hoboken.

**Table VII-10**  
**Hoboken Population by Age Group, 1990 and 2000**

	1990		2000		Change	
	Number	Percent	Number	Percent	Number	Percent
Total population	33,397	100.0%	38,577	100.0%	5,180	15.5%
<b>SEX</b>						
Male	16,389	49.1%	19,654	50.9%	3,265	19.9%
Female	17,008	50.9%	18,923	49.1%	1,915	11.3%
<b>AGE</b>						
Under 5 years	1,515	4.5%	1,232	3.2%	-283	-18.7%
5 to 17 years	3,997	12.0%	2,802	7.3%	-1,195	-29.9%
18 to 20 years	1,294	3.9%	1,144	3.0%	-150	-11.6%
21 to 24 years	3,303	9.9%	4,766	12.4%	1,463	44.3%
25 to 44 years	14,583	43.7%	19,948	51.7%	5,365	36.8%
45 to 54 years	2,645	7.9%	3,129	8.1%	484	18.3%
55 to 59 years	1,141	3.4%	1,126	2.9%	-15	-1.3%
60 to 64 years	1,228	3.7%	947	2.5%	-281	-22.9%
65 to 74 years	2,130	6.4%	1,757	4.6%	-373	-17.5%
75 to 84 years	1,282	3.8%	1,334	3.5%	52	4.1%
85+ years	279	0.8%	392	1.0%	113	40.5%

Source: U.S. Census Bureau

Hoboken's population is better educated than the rest of Hudson County, New Jersey, and Manhattan. Just under 60 percent of Hoboken's population has a bachelor's degree or higher—about the same percentage as in suburban Montclair and Summit. The state average is 30 percent with a bachelor's degree or higher.

Approximately four-fifths of the City's population was White in 2000, a percentage that is essentially unchanged since 1990. In 1990, the racial breakdown of Hoboken was as follows: 79 percent White, 6 percent Black, 4 percent Asian, and 11 percent classified as other races. In 2000, the distribution was 81 percent White, 4 percent Black, 4 percent Asian, and 11 percent classified as multiracial or other races. The percentage of Hispanic or Latino residents decreased from 30 percent of the City's population in 1990 to 20 percent in 2000. While the number of Black residents and those of other races ostensibly decreased during the 1990s, there may have been a lower rate of decrease due to a change in Census Bureau methodology.

**Table VII-11**  
**Population by Race and Origin, 1990 and 2000**

	1990		2000		Change	
	Number	Percent	Number	Percent	Number	Percent
Total City population	3,397	100.0%	38,577	100.0%	5,180	15.5%
White	26,374	79.0%	31,178	80.8%	4,804	18.2%
Black or African-American	1,843	5.5%	1,644	4.3%	-199	-10.8%
American Indian/ Alaska Native	56	0.2%	60	0.2%	4	7.1%
Asian or Pacific Islander	1,480	4.4%	1,682	4.4%	202	13.6%
Other races/two or more races	3,644	10.9%	4,013	10.4%	369	10.1%
Other races	3,644	10.9%	2,942	7.6%	-702	-19.3%
Two or more races	NA	NA	1,071	2.8%	--	--
Hispanic or Latino (of any race)	10,036	30.1%	7,783	20.2%	-2,253	-22.4%

NOTE: The category "two or more races" was not available prior to the 2000 Census

Source: U.S. Census Bureau

**Table VII-12**  
**Distribution of Household Income**  
**and Per Capita Income**  
**City of Hoboken, New Jersey, 1999**

Household Income	Number	Percent
Less than \$10,000	1,903	9.8%
\$10,000 to \$24,999	2,390	12.3%
\$25,000 to \$34,999	1,308	3.9%
\$35,000 to \$49,999	2,212	11.4%
\$50,000 to \$74,999	3,371	17.3%
\$75,000 to \$99,999	2,774	14.3%
\$100,000 to \$149,999	2,977	15.3%
\$150,000 to \$199,999	1,211	6.2%
\$200,000 or more	1,316	6.8%
Median Household Income	\$62,550	
Per Capita Income	\$43,195	

Source: 2000 U.S. Census

**Table VII-13**  
**Characteristics of the Labor Force**  
**City of Hoboken, New Jersey, 2000**

Number of Persons 16 and over	35,076
Labor Force Participation Rate	76.5%
Not in Labor Force	8,226
In Civilian Labor Force:	26,850
- employed	25,661
- unemployed	1,189
Unemployment Rate	3.4%

Source: 2000 U.S. Census

**Table VII-14**  
**Occupation of Employed Persons**  
**(16 Years and Older)**  
**City of Hoboken, New Jersey, 2000**

	Number	Percent
Managerial, Professional and related	15,655	61.0%
Service	1,687	6.6%
Sales and Office	6,635	25.9%
Farming, Forestry and Fishing	5	0.0%
Production, Transportation and Material Moving	1,184	4.6%
Construction, Extraction and Maintenance	495	1.9%
<b>Total</b>	<b>25,661</b>	<b>100.0%</b>

Source: 2000 U.S. Census

The category "two or more races" was introduced for the 2000 Census. As a result, those who were listed in one racial category in 1990 may have selected this new category in 2000. All the same, there is a shift away from minority populations.

The median household income in Hoboken was \$62,550. However, there is a wide range of income levels, as 43 percent of the City's households had annual incomes in excess of \$75,000 in 1999, while approximately 22 percent of households had incomes of less than \$25,000 (see Table VII-12).

### Employment Characteristics

More than 75 percent of Hoboken's residents over the age of fifteen are in the labor force according to the 2000 Census, and the City's unemployment rate is just over three percent (see Table VII-13). Nearly two-thirds of residents in Hoboken are in managerial or professional occupations (see Table VII-14).

### Determination Of The City's Fair Share Housing Obligation

New Jersey's *Fair Housing Act* of 1985 requires that each municipality prepare a Housing Element as part of its Master Plan, to include a determination of the municipality's present and prospective fair share of low- and moderate-income housing, and its capacity to accommodate the present and prospective need.

In 1986, the Council on Affordable Housing (COAH) adopted Substantive Regulations that included a methodology for calculating the fair share obligation of each municipality in New Jersey for the six-year period between 1987 and 1993. In 1993, however, COAH adopted new substantive rules and modified its methodology with respect to calculating each municipality's fair share obligation for the so-called full twelve-year cycle (i.e., between 1987 and 1999). As a result, the City of Hoboken was assigned a fair share obligation of 447 units for the 1987-1999 period. COAH has not yet released its calculations of the fair share obligations for municipalities for 1999 to 2005. It is not clear when these will be released.

The City's fair share obligation is derived from the addition of three numbers:

1. Indigenous need—deficient housing units occupied by low- and moderate-income households within the municipality;
2. Reallocation of present need—a share of the housing region's present need (deteriorated units) that is distributed to growth areas in the region (in other words, the municipality's share of excess deteriorated units in the housing region); and
3. Prospective need—a municipality's share of future households that will be low- and moderate-income, and therefore require affordable housing.

Table VII-15 provides a calculation of the City's fair share obligation, and shows how COAH allows adjustments to the derived number on the basis of demolition,

filtering, conversions and rehabilitation. "Indigenous need" is calculated by COAH through a complex formulation of "surrogate" factors derived from the 1990 Census, including the year a structure was built, the number of persons per room (as an index of overcrowding) and the adequacy of plumbing facilities, kitchen facilities, heating, sewer service and water supply.

Hoboken's indigenous need as determined by COAH is 736 units. "Reallocated present need" is the portion of present need for low- and moderate-income housing in Region 1 (Bergen, Hudson, Passaic, and Sussex Counties) allocated to Hoboken. The total present need is first calculated for the four counties and then redistributed to each municipality based upon a variety of factors, such as relative wealth, amount of vacant land, etc. Hoboken's reallocated present need has been determined to be zero units. "Prospective need" represents a projection of low- and moderate-income housing needs based on the development and growth that is likely to occur in the municipality. For the two-cycle period of 1987-1999, the prospective need number is zero units. Therefore the City's total need is 736 units.

COAH stipulates several adjustments to the total need to determine the total present credited need that a municipality must address. First, COAH assumes that a certain number of existing low- and moderate-income housing units will be demolished. In Hoboken's case, the projected demolition is 43 units. This number must be added to the previous need number to compensate for the loss. COAH further assumes that the inventory of low- and moderate-income housing will increase through the process of filtering (units which heretofore are occupied by persons whose income is above 80 percent of the median income will filter down to low- and moderate-income families), and through conversions (units of low- and moderate-income housing created through the conversion of other buildings or uses). Since these add to the inventory of low- and moderate-income housing, they may be deducted from the reallocated present need and prospective need. COAH assumes that 262 units of low- and moderate-income housing have been created through filtering, and 63 through conversions.

As shown in Table VII-15, the City's total need is 736 units. After factoring in COAH's adjustments totaling 290 units, total pre-credited need is 447 units.

COAH permits the pre-credited need to be reduced by granting credits for existing and proposed affordable housing units that comply with certain criteria. These include units constructed between 1980 and 1986 that were developed for low- and moderate-income households and have controls on affordability or units in sound condition that are currently occupied by a low- or moderate-income household. Also eligible for credit are those units constructed after December 15, 1986 that have affordability controls, were constructed for low- or moderate-income households, and at least half of the units are occupied by low-income residents. Alternative living arrangements, such as group homes for the developmentally dis-

**Table VII-15**  
**Computation of the City of Hoboken's**  
**Fair Share Housing Obligation,**  
**1993-1999**

<u>Total Need</u>	
Indigenous need	736
Reallocated present need	0
Prospective need	0
<b>Total Need</b>	<b>736</b>
<u>COAH Adjustments</u>	
Prior cycle prospective need	0
Demolition	43
Filtering	(262)
Conversions	(63)
Spontaneous rehabilitation	(8)
<b>Total COAH Adjustments</b>	<b>(290)</b>
<b>COAH Determined</b>	
<b>Pre-Credited Need</b>	<b>447</b>
Credited units (completed 4/80-4/86)	(760)
<u>Previous pipeline and proposed units (completed 4/86-4/93):</u>	
Columbian Arms	(67)
Observer Park	(23)
Hudson Square North	(50)
Scattered sites (CDBG, CPA rehab)	(74)
Adjusted need	(527)
<b>Remaining Need in 1993</b>	<b>(527)</b>
Potentially available units to be provided in next six years	(527)
Scattered sites (CDBG, CPA rehab)	(14)
<b>Remaining Need in 1999</b>	<b>(541)</b>

NOTE: Totals may not add up due to rounding

Source: New Jersey Council on Affordable Housing; 2002 Hoboken Master Plan Reexamination

abled, qualify for credit as well.

When these credits are factored in for Hoboken, totaling 988 units, the City's remaining need in 1999 is 541 units. In other words, Hoboken has a surplus of 541 units according to COAH's rules.

The rules governing credits will likely change when the new fair share numbers are released by COAH. Therefore, detailed information about whether existing and proposed affordable housing not already given credit by COAH should be compiled after this information is released.

## Existing Affordable Housing

### Introduction

When discussing affordable housing, a question that inevitably comes up is how "affordable" is defined. The definition varies according to the source. Federal housing programs administered through the Department of Housing and Urban Development may define it in one way, which may be contrary to how State or local governments define it. COAH has its own definitions of affordability, which are applicable to dwelling units for which COAH credit is sought.

According to COAH's Substantive Rules, an "affordable" unit is one with a sales price or rent that is "within the means of a low or moderate income household." A low-income household, according to these regulations, has a gross household income that is 50 percent or less of median gross household income for households of the same size within the same COAH housing region, while a moderate-income household has an income of greater than 50 percent but less than 80 percent of median household income.

In actual numbers, COAH's "Regional Income Limits" for 2003 have determined that the annual median income for a one-person household in Region 1 (which includes Hudson County) is \$49,511. Therefore the maximum annual household income for a low-income one-person household is \$24,756. A moderate-income household would have an annual income greater than the low-income threshold, up to a maximum of \$30,609. For a four-person household, the COAH-determined median annual income for 2003 is \$70,730, with income caps of \$35,365 for low-income households and \$56,584 for moderate-income households.

"Moderate income housing" means housing affordable according to Federal Department of Housing and Urban Development or the standards in this chapter for home ownership and rental costs, occupied or reserved for occupancy by households with a gross household income in excess of 50 percent but less than 80 percent of the median gross household income for households of the same size

within the housing region in which the housing is located, and which is subject to the Council affordability controls in this chapter.

Rents and sale prices for affordable units are determined by a series of calculations outlined in the COAH Substantive Rules at NJAC 5:93-7.4. The gross monthly rent, including a utility allowance, for affordable units may not exceed 30 percent of the gross monthly income for the appropriate household size. The maximum sale prices for affordable units are more difficult to calculate, as the COAH regulations account for factors such as property taxes and condominium association maintenance fees, which can vary greatly.

### **Affordable Units**

Hoboken's existing housing stock includes a large number of affordable units scattered throughout the City. According to some estimates, as much as over one-quarter of all dwelling units in Hoboken could be considered as affordable units created through a government housing program. Additional dwelling units in the City could also have rents that could be considered affordable, although the number of these types of units has almost certainly dropped with the increases in housing prices throughout Hoboken in recent years.

It is difficult to determine exactly how many units in the City have controls on rents that classify them as affordable. Table III-16 includes a listing of affordable units according to two sources: the New Jersey Council on Affordable Housing and the Federal Department of Housing and Urban Development.

It is noted that the affordability controls governing these units are at varying stages of their lifespans, and some are set to expire.

The affordable programs listed in Table VII-16 are described below.

"Public Housing" is the what is most commonly thought of as affordable housing. These are units operated by public housing authorities, which have received funding from the Federal government to construct, manage, and operate public housing developments. Rents for public housing are set based upon household income.

Owners of "Section 8" apartments are subsidized by the Federal government to bridge the gap between fair market rents and what renters can afford to pay. These apartments are primarily for low-income residents, with some units available to moderate-income households. A similar program provides Section 8 vouchers and certificates to tenants, who can use them to cover the cost of rent above what they can afford to pay.

"HMFA" in Table VII-16 refers to the New Jersey Housing and Mortgage Finance Agency. Apartments created through this entity are available to people with

**Table VII-16**  
**Existing Affordable Housing Units in Hoboken According to COAH and HUD**

Development	Street	Type	Units	Program
<b>Hoboken Housing Authority – Family</b>				
Andrew Jackson Gardens	400 Marshall Drive	Both	598	Public Housing
C. Columbus Gardens	460 8th St./455 9th St.	Family	97	Public Housing
Harrison Gardens	Jackson and Harrison Sts.	Family	<u>208</u>	Public Housing
SUBTOTAL			903	
<b>Hoboken Housing Authority – Senior</b>				
Fox Hill Gardens	311 13th Street	Sr/Hand	200	Public Housing
James Monroe Gardens	221 Jackson Street	Sr/Hand	125	Public Housing
John Adams Gardens	220 Adams Street	Sr/Hand	<u>125</u>	Public Housing
SUBTOTAL			450	
<b>Applied Housing</b>				
Church Square South	124-215 Willow Avenue	Family	81	Section 221
Elysian Estates	1300-12 Washington St.	Family	56	Section 221
Northvale Apartments 3A	1233 Park Avenue	Family	70	Section 221
Northvale Apartments 3B	11th and Clinton Streets	Family	82	Section 221
Northvale Apartments 4	58 11th Street	Family	11	Section 221
Hudson Estates	1200-22 Hudson Street	Family	162	Section 236
Midway Apartments	500-08 Adams Street	Family	77	Section 236
Northvale Apartments 1	11th and Clinton Streets	Family	138	Section 236
Northvale Apartments 2	59 Willow Avenue	Family	134	Section 236
Washington Estates	Scattered sites	Family	154	Section 236
Willow View I	1203-19 Willow Avenue	Both	<u>95</u>	Section 236
SUBTOTAL			1,060	
<b>Non-HHA Senior Housing</b>				
Eastview Apartments	58-72 Washington Street	Sr/Hand	79	Section 221
Westview Apartments	59-77 Bloomfield Street	Sr/Hand	116	Section 221
Columbian Arms Hsg	514-26 Madison Street	Sr/Hand	66	Sect. 202/Bal
Marian Towers	400 1st Street	Sr/Hand	154	HMFA/Sect. 236
Columbian Towers	Bloomfield Street	Sr/Hand	<u>135</u>	Section 202
SUBTOTAL			550	
<b>Other</b>				
Church Towers	Clinton and Grand Streets	Family	399	Section 221
Clock Tower Apartments	300 Adams Street	Both	172	Section 236 & 8
Project Uplift	800-12 Willow Street	Unknown	54	Section 221
Bloomfield Manor	1305-07 Bloomfield Street	Family	55	Section 236
Observer Park	Observer Highway	Family	115	Bal Hsg
Grogan Marineview Plaza	3rd and Hudson Streets	Family	432	HMFA
600 Monroe Street	600 Monroe Street	Family	14	HOME
Jackson Street / SRO	71 Jackson Street	in process	10	HOME
Hoboken Projects- 8	Various sites	Family	815	HMFA
Caparra Homes	Various sites	Family	<u>20</u>	Section 8
SUBTOTAL			2,086	
<b>TOTAL</b>			<b>5,049</b>	

Sources: Guide to Affordable Housing in New Jersey, NJ Dept. of Community Affairs; US Department of Housing and Urban Development

incomes not exceeding 80 percent of median county income. "Hsg" refers to rental or sale housing, either new construction or substantial rehabilitation, that was funded by the New Jersey Balanced Housing Program. These units also generally are available to those with incomes at or below 80 percent of median county income.

Projects designated as "HOME" developments have been funded by Federal grants, which are administered by State and local agencies. These units are generally avail-



The Hoboken Housing Authority provides over 1,300 affordable apartments for families and senior citizens. Including 3,700 other subsidized units throughout the City, approximately one-quarter of Hoboken's housing stock was created through governmental affordable housing programs.

able to people with incomes at or below 60 percent of county median income.

The various "Section" numbers in Table VII-16 refer to portions of the National Housing Act. Section 221 apartments are financed with federal mortgages that are restricted to low- and moderate-income households. Section 236 apartments receive mortgage insurance from the federal government. These also are generally limited to low- and moderate-income households. Section 202 housing units may only be occupied by persons 62 years of age and over or by persons 18 years of age and over with physical or developmental disabilities. Most Section 202 apartments are for low-income households with earnings at or below 50 percent of median county income, with a smaller number available to moderate-income households.

### **Other Programs**

Article XVII of the Hoboken Zoning Ordinance includes regulations governing provision of affordable housing in the City. This section includes two main components.

The first requires the provision of low- and moderate-income housing units in most residential development in Hoboken. The requirement applies to all new construction and substantial rehabilitation of existing structures. The first ten units of substantial rehabilitation projects are exempt from this requirement, as are projects undertaken by non-profit corporations that are built entirely for moderate- and/or middle-income families. The regulations include mandatory set-asides of affordable units, which can be provided on- or off-site. Developers also may satisfy this requirement by entering into an agreement with the City to make a voluntary cash contribution instead of providing the affordable units. Also included in these regulations

are occupancy preferences for Hoboken residents, former Hoboken residents who moved due to housing costs, and households of people who work in Hoboken. The second component is a housing trust fund, which is intended for the purpose of financing affordable housing. Any funds collected through the affordable housing ordinance are placed in this trust fund. The City also may deposit additional money from other sources into this fund. The housing trust fund is intended to be used for the creation and preservation of affordable housing units, including the rehabilitation of existing substandard housing units in order to create affordable units. According to the ordinance, an annual plan is to be prepared by the Hoboken Community Development Agency for submittal to the Mayor and City Council outlining how the money in the trust fund will be spent. The Zoning Ordinance also mandates the creation of an Affordable Housing Corporation intended to develop, implement, administer and monitor affordable housing projects approved by the City.

The regulations included in the affordable housing section of the Zoning Ordinance should be reviewed for compliance with all applicable regulations, as well as to provide additional opportunities to fund affordable housing. In particular, COAH's Substantive Rules permit a municipality to collect development fees levied on both residential and non-residential development for the purpose of funding affordable housing creation. This type of ordinance may be enacted if the municipality prepares a plan to spend the development fees, which includes the following:

- A projection of revenues anticipated from imposing fees on development, based on historic development activity
- A description of the administrative mechanism that the municipality will use to collect and distribute revenues
- A description of the anticipated use of all development fees
- A schedule for the creation or rehabilitation of housing units
- If the municipality envisions being responsible for public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development
- The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan

The spending plan must then be forwarded by the governing body for review and approval by COAH.

## Recommendations

1. **Provide diversity in types of housing.** Since its earliest days, Hoboken has welcomed residents of various cultural, ethnic, and economic backgrounds. This diver-

sity is partly due to the mix of housing types in the City. For Hoboken to remain a place where a wide variety of residents can find a home, a mix of housing types must continue to be provided in any future development or redevelopment.

2. **Protect and increase the City's existing affordable housing stock.** Hoboken already has a significant number of affordable dwelling units. However, the supply of affordable housing units is threatened to be reduced as affordability controls expire. Maintaining the affordable housing stock requires vigilance on the part of the City and community to ensure that affordability controls remain in place.
3. **Promote the rehabilitation of substandard housing units.** The use of government programs should be encouraged. For example, the Balanced Housing program administered by the New Jersey Department of Community Affairs funds the rehabilitation of housing already occupied by low- and moderate-income households. Municipal actions also can help encourage rehabilitation through measures such as zoning incentives and tax abatements for properties where a significant amount of affordable housing is created.
4. **Update and enforce existing affordable housing regulations in the Zoning Ordinance.** Hoboken already provides measures mandating the creation of new affordable units in most developments, as well as enabling the collection of money in an affordable housing trust fund. These regulations should be reviewed for compliance with COAH's Substantive Regulations and other applicable requirements.
5. **Provide additional affordable units in new residential developments.** As noted above, the City currently requires the provision of affordable units, or payment in lieu of creation, for most residential new construction or substantial rehabilitation. These regulations should be enforced, particularly for larger developments.
6. **Improve enforcement and penalties for violations of rent control laws and affordable housing controls.** The City has existing ordinances regulating rents of certain rental housing units. Improved enforcement of such controls could help ensure that the maximum intended benefit is derived from these regulations.
7. **Encourage homeownership by low- and moderate-income households.** Hoboken should not only provide affordable rental housing. It should also help provide opportunities for residents of all income levels to own a home. Some ways to further this objective could include providing technical assistance programs for home improvements, encouraging mutual housing arrangements where a portion of rental payments is put aside for eventual acquisition of the unit, and conducting workshops and programs regarding homeownership opportunities. The State Housing and Mortgage Finance Agency also has programs for homebuyers, including loans and grants for housing rehabilitation, below-market mortgages, and assistance with down payments and other closing costs.
8. **Create a "quality housing" model for new or rehabilitated housing.** This program would involve assigning points for the provision of amenities such as additional affordable units, three-bedroom or larger units, low-rise attached one-, two- or three-family units, and public open space. A certain number of points must be



Conditions in the Hoboken Housing Authority projects should be improved, with the goal of eventually integrating and dispersing affordable dwellings.

attained to permit a development. In this way, developers are able to choose which features are most important.

9. **Require a minimum average unit size in new developments.** This would allow developers to choose the mix of apartments, without permitting only smaller units that are not conducive to families.
10. **Provide additional special purpose housing.** The City of Hoboken has a number of senior citizen housing developments. Yet the number of residents age 65 and older in Hoboken decreased by 5 percent from 1990 to 2000, even as the City's overall population increased by 16 percent during this period. The decrease in the number of seniors in Hoboken may be due to a limited supply of senior housing, particularly housing options such as assisted living and nursing homes. Providing a wider range of senior housing would enable residents to remain in the community as they age.
11. **Encourage the use of incentives for affordable housing creation.** In particular, developers should consider utilizing the Low-Income Housing Tax Credit Allocation Program. This federal program provides tax credits as an incentive for the creation of affordable dwelling units. The requirements for this program include requiring a minimum of 20 percent of units in a tax credit development to be affordable to people with incomes 50 percent or less of median county income, or 40 percent of such units to be affordable to households with incomes of 60 percent or less of median county income.
12. **Work with the banking community to provide housing and financing opportunities, such as through the Community Reinvestment Act.** Banks have a legal obligation to serve the entire community in which they are located. The banking community has been helpful in assisting with lending for homebuyers as well as financing new affordable housing in other areas. Hoboken should ensure that the banks serving the City have been active in this regard, and push to get additional involvement from the banking community in providing housing opportunities for low- and moderate-income residents.
13. **In the short-term, work with the Hoboken Housing Authority to improve conditions for its residents.** The Housing Authority has over 1,000 units of affordable housing concentrated in the southwest corner of the City. Some improvements have been made to these developments in recent years. In the short term, additional improvements in this area could include better maintenance and provision of additional green spaces and recreation.
14. **In the long-term, work with the Hoboken Housing Authority to create mixed-income developments and neighborhoods.** Consideration should be given to dispersing these units throughout the community, instead of concentrating them in one area. Any such program must maintain the same number of affordable housing units. A possible model for such action would be the Federal HOPE VI program, which was recently discontinued.
15. **Promote an active Affordable Housing Corporation (AHC).** The Zoning Ordinance requires the establishment of this entity, which is supposed to represent a "cross section of the Hoboken community." The mandate of the AHC is to

"develop, implement, administer and monitor" affordable housing projects in Hoboken. The City should ensure this body carries out this mandate.