

Jersey City Housing Plan



City of Jersey City
Steven M. Fulop, Mayor

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A Holistic Approach to Housing

Letter from the Mayor



Jersey City Residents,

Since the early 1980s, the City of Jersey City has experienced growth and development on a breathtaking scale, particularly on the former working industrial waterfront and in historic downtown neighborhoods. Despite the renaissance of Jersey City's "Gold Coast" and the influx of more affluent residents, some communities beyond downtown and the waterfront are not sharing our city's remarkable growth. Access to quality, affordable housing opportunities throughout all of Jersey City is instrumental in creating a city that is strong, productive, vibrant and whole.

Creating successful housing policy for a city as uniquely diverse as Jersey City requires collaboration with community-based programs, financial institutions, developers, nonprofits and academic partners. A collective focus on economic development, jobs, quality of life and sound urban planning is key to providing access to quality, affordable housing and building self-sustaining neighborhoods with local access to a variety of services and activities for every socioeconomic group in our city.

My administration's housing assessment strives to provide both data and a strategy for Jersey City to overcome its most complicated housing issues and make our progressive vision a reality.

A handwritten signature in black ink, appearing to read "Steven M. Fulop". The signature is stylized with several loops and a long horizontal stroke at the end.

Steven M. Fulop
Mayor
City of Jersey City

Assessment Approach

Over the last two decades, Jersey City's physical, cultural, and economic characteristics have changed significantly.

Some neighborhoods have experienced a significant renaissance. Others still struggle to overcome issues that have plagued former industrial centers since the second half of the twentieth century. These issues are social, economic, and infrastructural, and all influence the availability of affordable and safe housing available to the city's residents.

As such, our approach to this assessment places citywide housing data as well as solution-oriented policy in the context of the City's recent history as well as its future trajectory.

We take the following approaches throughout this plan:

Granular analysis – The City of Jersey City strives to be data-driven wherever possible, and our approach to housing is no exception. There is more data available on housing than ever before, and we use it to hone our analysis down to the neighborhood level and critically examine our own conclusions.

Housing in context – We recognize that housing is interconnected with economic development, quality of life, and larger land-use patterns.

Transition planning – The rapid changes in Jersey City's physical and demographic landscape require planning with an emphasis on future trends rather than present conditions.

Collaborative planning – Municipal government is only one of many groups involved in shaping the availability of affordable housing. Financial institutions, developers, nonprofits and community-based organizations are all stakeholders. Accordingly, these groups all have a voice in our administration's approach to housing.

Proactive funding solutions – Public resources for housing are diminishing nationwide. The City will work to convene stakeholders and drive policies that promote efficient alternate funding sources to finance affordable options for the City's residents.

The State of Housing in Jersey City

Jersey City at a Glance

Population(Census): 251,717

Density: approximately 17,123 ppl per square mile

Land Area: 14.7 square miles

Median Household Income (Census): \$58,206

Area Median Income (HUD): \$63,600

Diversity Score: 95.3/100 (2nd in US)

Median Gross Rent: \$1,174

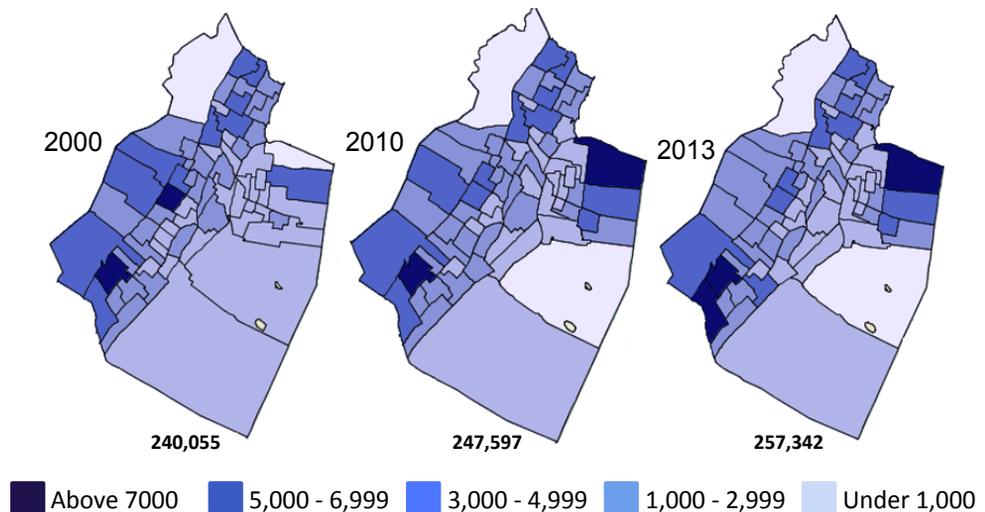
Median Home Price: \$328,100

As the second largest city in the state of New Jersey, Jersey City is dense, diverse, urban and rapidly growing. Like many former industrial cities, Jersey City experienced a period of disinvestment and depopulation during the second half of the twentieth century. Yet Jersey City is rebounding, and new residents are beginning to move to the City in large numbers. While still not at its historic peak population of 316,715 residents in 1930, Jersey City's population continues to increase.

In the last year, Jersey City has made remarkable strides in growing its local economy by creating jobs and attracting new investments to the City. Jersey City's unemployment rate, currently at 6.1%, has dropped 4.4% percentage points between June 2014 and July 2015, a faster decrease than the state as a whole. According to an internal analysis, the City has added over 10,000 jobs since 2013, ranging from small business positions to construction work to professional jobs in the corporate sector.

Job growth in Jersey City, as well as job growth in the New York City metro area, enables the City to support higher population numbers. The City aims to improve quality of life for both existing and incoming residents by expanding job opportunities, improving access to services, and increasing the availability of quality affordable housing.

Population Change 2000 - 2013



Sources: 2000, 2010 Census Summary File; 2009-2013 American Community Survey 5-year Estimates

Located in close proximity to Ellis Island, Jersey City has historically been regarded as a city which nurtures diversity and new beginnings. This continues to hold true, as 39% of the population is foreign-born, and 52% of residents speak languages other than English. Racial diversity is also strong in Jersey City, with 27.6% of the population identifying as Black or African-American, 25.6% of the population identifying as Asian, 37.0% percent identifying as White, 12% identifying as Other, and 27.4% identifying as Hispanic (overlapping with the races listed above).

Jersey City's population is also distributed across many age groups, though a great majority of the City's population is below the age of 54. 17.4% of the population is 14 years old or younger, 13.1% is between 15 and 24 years old, 22.8% between 25 and 34 years old, 14.9% between 35 and 44 years old, 12.6% between 45 and 54 years old. The remaining 19.1% of the population is divided between residents ages 55 and 64 at 9.7%, 65 to 74 at 5.5%, ages 75-84 at 2.9%, and 85 years and over at 1%.

The City's population has grown by more than 17,000 since the year 2000, and its varied communities and vibrant neighborhoods continue to make Jersey City a welcoming place for new residents.

However, Jersey City's population growth has not proven to have an equalizing economic effect citywide. While high-income residents continue to move into neighborhoods downtown, other areas of Jersey City have not benefited from the same revitalization and development. In some of the City's neighborhoods, including the downtown and Port Liberté neighborhoods, household annual median income is over \$100,000, while many of the older and less dense neighborhoods further from the waterfront have household median incomes well below the citywide median of \$58,206. The growth of the City as a whole, therefore, has not yet offset the income disparities seen in many neighborhoods.

Housing Stock

As the oldest continually settled area in New Jersey, Jersey City's housing stock is a mixture of old and new. Nearly 40% of the City's 110,031 units of housing stock were built earlier than 1939, while much of the high-rise development in the City's downtown neighborhoods was built in the last twenty years.

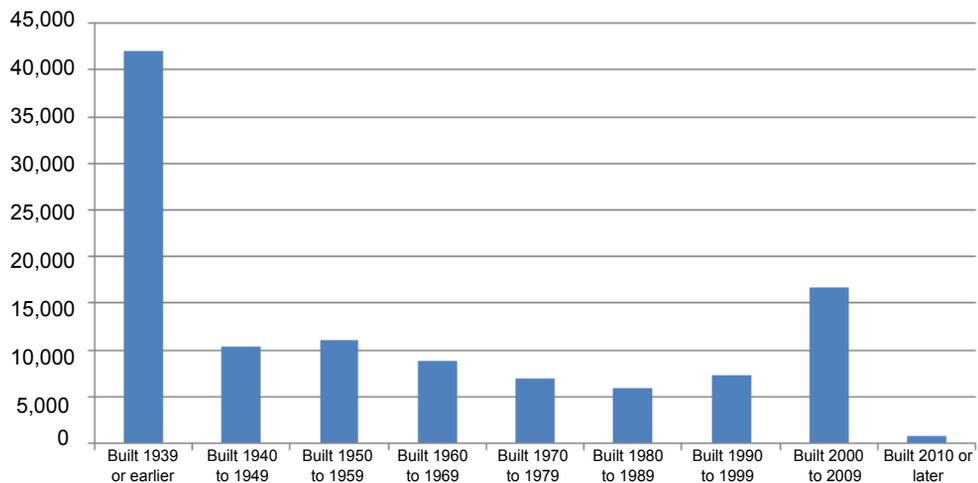
Some of this housing stock is well-maintained, as reinvestment and urban renewal throughout the City has brought not only new development but also refurbishment of existing housing. However, areas of the City that have not benefited from the same level of reinvestment, particularly the southern, central and western regions, need to renovate their housing stock.

Jersey City's physical housing stock is diverse, from suburban houses with lawns to glass and steel high-rises. Distribution is relatively even across all unit types, including detached single-family homes, two-family homes, medium-sized apartment buildings and high-rises.

The lifestyles of Jersey City residents are informed by their housing. Residents of high-rises in our super-dense downtown live a transit-oriented lifestyle, tend not to own cars, and spend much of their time and money in New York City.

Residents who live in detached single-family homes in neighborhoods west of downtown are more likely to own cars. Their lifestyle is more suburban, akin to the rest of North Jersey.

Housing Stock Age



Source: U.S. Census Bureau, 2009 – 2013 American Community Survey

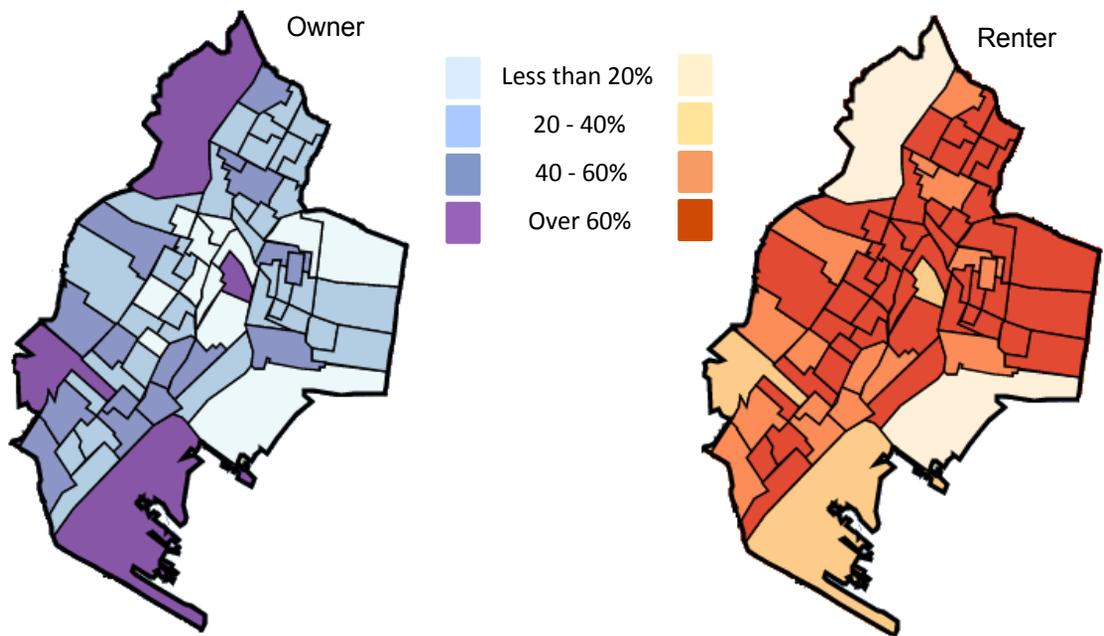
Renters and Owners

Jersey City is largely a renters' city. Approximately 70% of Jersey City's housing units are occupied by renters. This is not uncommon in dense medium and large cities. For example, San Francisco is 63% renter-occupied, and New York City is 68% renter-occupied. Nationwide, renters are the minority – there are twice as many homeowners than renters across the nation.

The City's prevalence of rental units benefits residents in a number of ways. A high proportion of renters to owners can keep vacancy rates low, particularly during economic downturns, preventing widespread abandonment and blight. Renting has increased nationwide since the recession, causing the national vacancy rate to reach its lowest point in 20 years. Rental units can also provide residents with short-term affordable housing options while they prepare to buy homes. Furthermore, new construction is often energy-efficient, and new rental development can revitalize neighborhood services and activities.

However, high renter occupancy can also leave residents vulnerable to fluctuations in housing markets. Residents who do not own may also have little financial incentive to increase the values of their neighborhoods, as they are unlikely to profit from their investments. If neighborhoods do not experience economic growth, they can begin to decline, initiating a cycle in which vacancy rates rise, thus decreasing the desirability of a neighborhood and leading to additional vacancies.

Percent of Owner- & Renter-Occupied Units



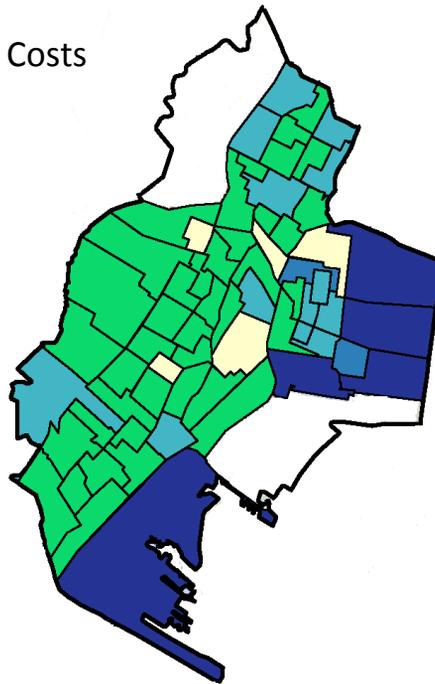
Source: HUD CPD, Consolidated Plan and Continuum of Care Planning Tool

The Cost of Housing

The cost of rental housing is the dominant indicator of housing costs in Jersey City. Citywide, the median gross rent is \$1,174 per month. Across the river, Manhattan's median rent, by contrast, is around \$1,500 per month.

The cost of rental housing within the City varies by neighborhood. In many of the City's downtown neighborhoods as well as Port Liberté, median monthly rent can climb over \$2,000 per month. Yet, in many of the City's older and less dense neighborhoods, the median cost of rent is between \$725 and \$1,200 per month, with some subsections of neighborhoods paying between \$500 and \$752 in monthly rent.

Median Monthly Rent Costs



Sources: HUD CPD, Consolidated Plan and Continuum of Care Planning Tool; 2009-2013 Census American Community Survey DP04 Housing Characteristics

At \$328,100, the median cost of homeownership in Jersey City is above New Jersey's median home value of \$327,100. The majority of the stock of Jersey City's owner-occupied housing falls around this median, with 11,605 units valued between \$300,000 to \$500,000. City-wide, 5,582 owner-occupied housing units fall above this median, with estimated values ranging from \$500,000 to more than \$1,000,000. These units are heavily concentrated in the City's downtown, where renter-occupied unit costs are also relatively high. On the low end, 11,275 owner-occupied units are valued below \$300,000.

Housing and Income

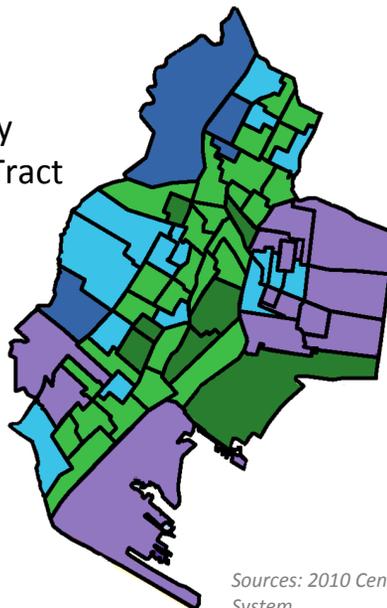
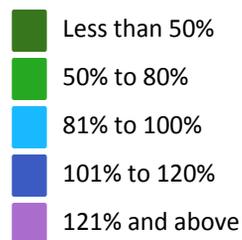
Jersey City’s low-income population can be affected by the cost of housing throughout the City. In order to implement a strategy with provisions for housing affordable to all of Jersey City’s residents, this assessment defines income bands based on Jersey City’s Area Median Income for four-person households and computes maximum affordable housing costs for each income band.

The United States Department of Housing and Urban Development (HUD) defines affordable housing as housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs.

The chart below lays out affordable monthly housing costs for four-person households in accordance with HUD’s Area Median Income of \$63,600 for a four-person household in Jersey City.

Income Band	Percentage of Area Median Income	Affordable Monthly Rent: Four-Person Household	Adjusted Area Median Income: Four-Person Household
Extremely Low Income	< 30%	Below \$606	Less than \$24,250
Very Low Income	31 – 50%	\$607 to \$958	\$24,251 to \$38,300
Low Income	51 – 80%	\$959 to \$1,533	\$38,301 to \$61,300
Moderate Income	81 – 120%	\$1,534 to \$1,908	\$61,301 to \$76,320
Middle Income	121 – 165%	\$1,909 to \$2,624	\$76,321 to \$104,940
High Income	> 166%	\$2,625 and higher	More than \$104,941

2014 Median Family Income by Census Tract



Sources: 2010 Census Tracts; 2014 FFIEC Census Data System

Cost-Burdening

As cities grow and change, housing supply fails to meet demand. This causes residents to pay more in housing costs than they can afford. A household is considered cost-burdened by the Department of Housing and Urban Development (HUD) if 30% or more of its annual income is spent on housing. If a household spends more than 50% of its annual income on housing, it is considered extremely cost-burdened.

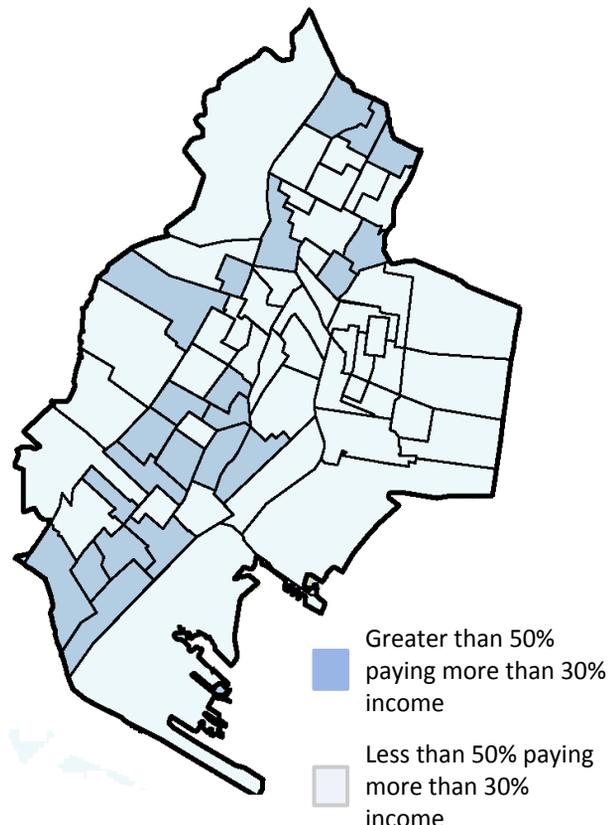
In Jersey City, cost-burdening occurs in almost every neighborhood, its severity and frequency varies widely between neighborhoods. Cost-burdening is more prevalent in households who rent.

Citywide, 48% of renting households suffer from cost-burdening. Over 50% of residents experience cost burdening in the census tracts that make up the Greenville and Bergen-Lafayette neighborhoods. The high rate of cost-burdening that persists in these low-income neighborhoods presents challenges to the growth and revitalization of the City as a whole.

Neighborhoods with high concentrations of cost-burdened residents can be less successful in attracting investment because residents do not have adequate disposable income to spend within their neighborhoods. The age and condition of housing stock in these neighborhoods can perpetuate the cycle of low investment. Neighborhoods such as Greenville and Bergen-Lafayette, for example, have housing stock in need of renovation in which residents cannot afford to invest, leaving the condition of housing stock in disrepair and further disincentivizing investment in the area.

Targeted provisions encouraging greater investment in affordable housing in these neighborhoods will help residents to locate housing they can afford, in neighborhoods that they would like to live in. This will in turn close the affordability gap and revitalize neighborhoods throughout Jersey City.

Percentage of residents paying 30% or more of their income on housing costs



Sources: HUD CPD, Consolidated Plan and Continuum of Care Planning Tool

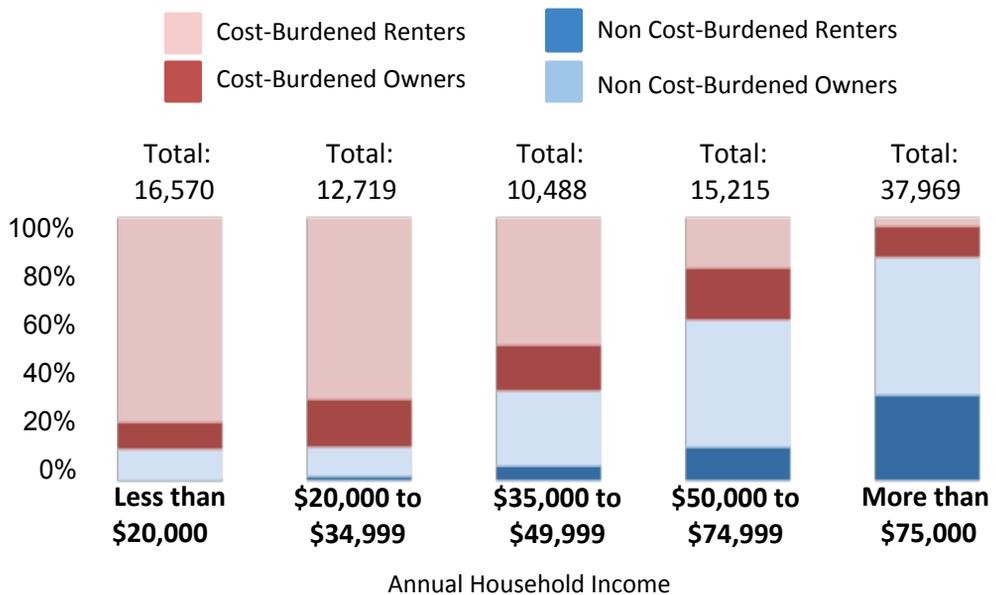
Cost-burdening in Jersey City is unevenly distributed economically as well as geographically. While 48% of renters and 47% of owners are cost-burdened, renters in the middle and bottom of the income scale disproportionately experience cost-burdening.

This problem is not unique to Jersey City. Nationwide, homeownership rates have fallen for 8 consecutive years, currently at a low of 63.7% from the peak of more than 69% in 2004. Declining rates of homeownership precipitate high demand for rentals, which in turn causes rental rates to rise. Rental prices rose at a rate of 3.2% last year, causing an epidemic of cost-burdening amongst lower- and middle-income renters nationwide.

Cost-burdening for renters is especially high throughout the state of New Jersey. New Jersey sees 3 in 10 cost-burdened residents paying more than 50% of their income on rent and utilities, second only to Florida’s rate of cost-burdening.

The graph below provides a visual summary of cost-burdening in Jersey City within income tiers defined by the Census. The leftmost bar summarizes cost-burdening for residents earning less than \$20,000, indicating the highest incidence of cost-burdening: almost 90% in this tier are cost-burdened or extremely cost-burdened, and 77% of those cost-burdened households rent their homes. Residents in the highest income tier see the lowest incidence of cost-burdening, with 12% owners and 3% renters cost-burdened.

Cost-Burdened Households By Income



Sources: U.S. Census Bureau, 2009 – 2013 American Community Survey; The State of the Nation’s Housing, Joint Center for Housing Studies of Harvard University; “The Alarming State of New Jersey’s Rent Stress,” Enterprise Community Partners

Subsidized Housing

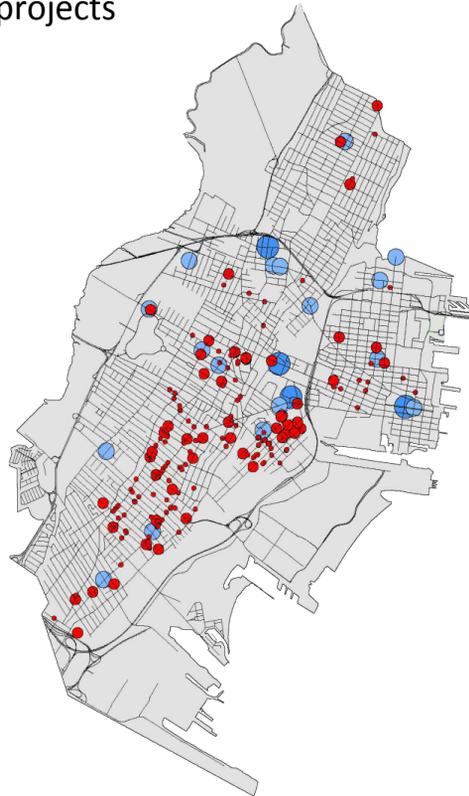
Jersey City has more than 10,000 federal- and state-subsidized units funded by programs which provide individuals or households with assistance in paying for or maintaining housing. Approximately 2,500 of these units are public housing.

All subsidized developments with the exception of dedicated public housing have terms of affordability that are negotiated before construction. When those terms expire, subsidized units in those projects lose affordability controls. It is possible to extend terms of affordability, but the owner of the building must be willing.

In many cities across the United States, subsidized units are built and maintained in neighborhoods where land value is low. This approach has advantages: subsidy dollars can go further to build more units in less expensive areas, and the cost of living in lower income neighborhoods is lower, therefore tenants of affordable housing are better able to live within their means.

Location and size of subsidized housing projects across Jersey City

Affordable Unit Count



Source: City of Jersey City, Division of Community Development

Subsidized Housing

As federal and state affordable housing subsidies decrease, Jersey City is focusing on increasing availability of supply-side affordable housing subsidies to developers and nonprofits to build affordable housing. Supply-side programs seek to increase the number of affordable housing units throughout the City by promoting the construction of new units and the refurbishment of vacant or substandard units.

Jersey City's subsidies for supply-side subsidies include its PILOT (Payment in Lieu of Taxes) policy, which indirectly subsidizes the costs of construction, and its focus on leveraging private investments to subsidize the costs of construction.

The City has historically encouraged the development of affordable housing in its tax abated properties. As per New Jersey's state statute for tax-abated properties, groups seeking tax abatements have the option to build affordable units on-site, or to contribute to the Affordable Housing Trust fund. Development in downtown and waterfront areas of Jersey City increased the number of affordable units built in higher-income neighborhoods with a broad range of services and activities, and new and renovated affordable units in neighborhoods in which residents are highly cost-burdened.

The City's newly revised PILOT provisions will encourage mixed income units downtown, and further incentivize development in neighborhoods that require more affordable housing to reduce the rate of cost-burdening and in turn enable residents to invest in these neighborhoods in a variety of ways.

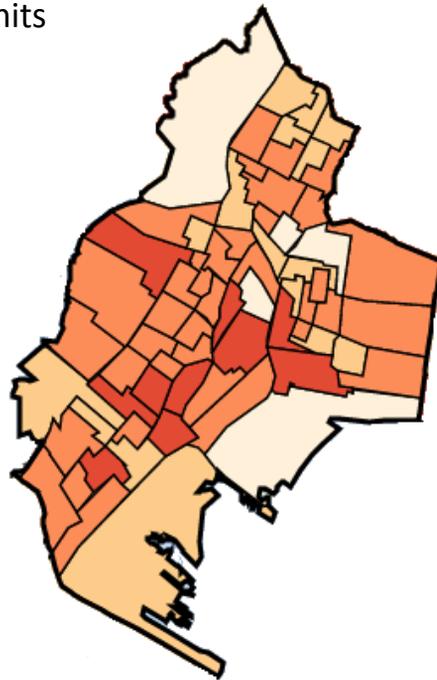
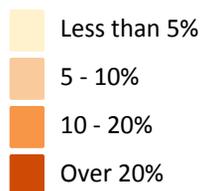
Jersey City is also proactively exploring private sector funding options to support affordable housing located in highly cost-burdened neighborhoods, and to support affordable housing options for special needs groups.

Vacancies and Foreclosures

High rates of vacancies and foreclosures mean serious problems for the future of any urban area. Vacancies attract litter, graffiti, squatters, crime, and arson. These problems do not only affect the vacant building, they can reduce the values of all homes in an area. When clustered together, vacant buildings can diminish the value of nearby homes so much that the cost of maintaining them is greater than the value of the home. Homeowners in this situation sometimes believe they are better off defaulting on their mortgage, letting the home go into foreclosure. Unfortunately, this creates a chain reaction where another home is vacated, increasing the downward pressure on the neighborhood and continuing the cycle. This mechanism is one of the main drivers of urban decay, and has swallowed up many former industrial cities in the Northeast and upper Midwest.

This phenomenon certainly takes place to some extent in Jersey City, but is by no means endemic. Some parts of the City have high vacancy rates, and as a result, suffer from the symptoms of urban decay. Other areas with relatively low rates of vacancy are stable and enjoy a strong middle class with established communities.

Percent Vacant Units



Source: HUD CPD, Consolidated Plan and Continuum of Care Planning Tool

While its vacancy rates tend to be higher, Jersey City is fortunate to have a relatively low rate of foreclosure— 1.5 foreclosures per 10,000 homes, vs. 4 foreclosures per 10,000 homes nationally. Much of the United States saw a huge increase in foreclosure rates in the last several years. Jersey City, while not entirely unaffected, fared better than many newer cities. High density, a high percentage of renters, proximity to the core of the New York Metro area, and a relative scarcity of vacant land saved Jersey City from suffering these effects of the housing bubble.

Investment in existing housing stock

Investment in Jersey City’s housing stock mirrors development, with significantly greater investment downtown than in the rest of the City. However, some neighborhoods with relatively little new development, such as Bergen-Lafayette, are seeing a significant increase in existing housing stock investments. With the exception of downtown, the number of alterations made in Bergen-Lafayette is comparable to all other neighborhoods, yet the construction costs have been significantly higher. This is an encouraging sign for Bergen-Lafayette’s housing market.

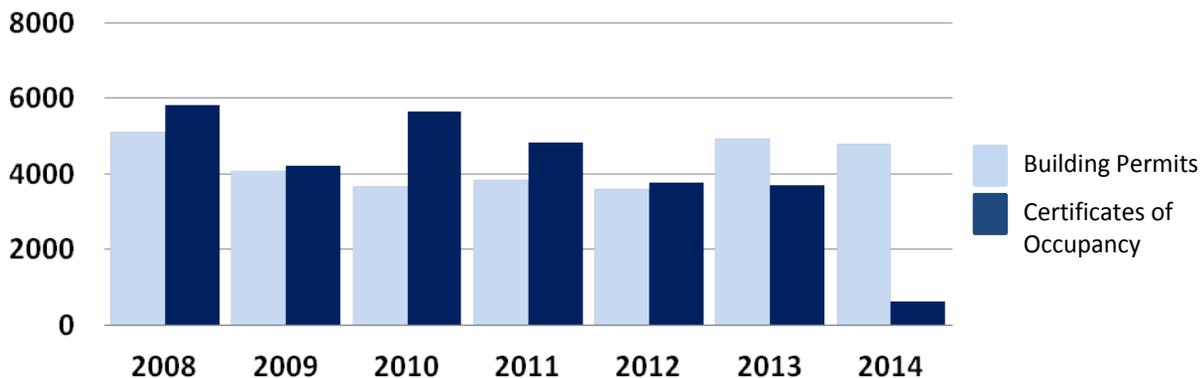
Improvements by Neighborhood

Neighborhood	Total Spending (millions)	Number of Alterations	Average Spending per Alteration
Greenville	\$44	2495	\$17,883
West Side	\$73	2451	\$29,969
Journal Square	\$61	2512	\$24,406
The Heights	\$37	2634	\$14,327
Downtown	\$305	3593	\$85,089
Bergen- Lafayette	\$153	2646	\$57,894

A large number of building permits are issued for alterations and additions. Thus, the total number of permits issued is strongly correlated to investment in housing stock. In Jersey City, investment in housing stock suffered from 2008-2011, but is on the rise once again, and has almost returned to its 2008 level.

The next few years will see significant increases in investment in the Journal Square neighborhood and the Heights due to growing demand for real estate close to the core of the New York Metro area and public transportation, and very high rents in New York and other parts of Hudson County. The lower level of investment in Greenville and the West Side may suggest that these neighborhoods will continue to struggle without catalysts for investment.

Building Permits and Certificates of Occupancy



Source: City of Jersey, City Office of Construction Code

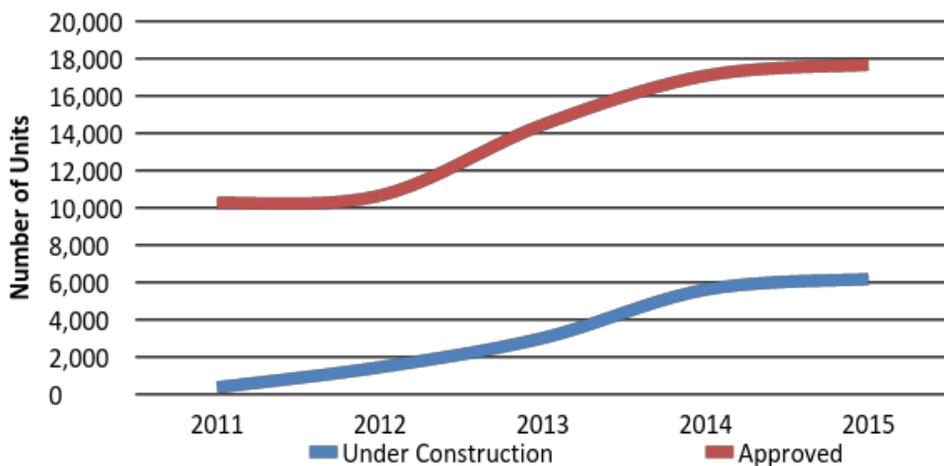
New Development

Driven by demand for urban real estate, Jersey City's housing stock is expanding. The majority of this development has taken place on the Hudson River front, but recently, development is also taking place in other areas, especially around PATH and light rail stations.

There are currently approximately 25,000 units proposed, approved, or under construction in Jersey City. Not all of these units will be built, but we expect to see at least a 20% increase in our housing stock before 2020. The vast majority of these units are being built in large multi-family towers, with smaller units and less than a 1:1 unit to parking space ratio. These changes will result in a more dense, more pedestrian Jersey City in the coming decades.

The key to addressing some of the challenges facing struggling neighborhoods is harnessing this growth to fill the gaps in Jersey City's housing stock.

Number of Units Under Construction or Approved, 2011-2015



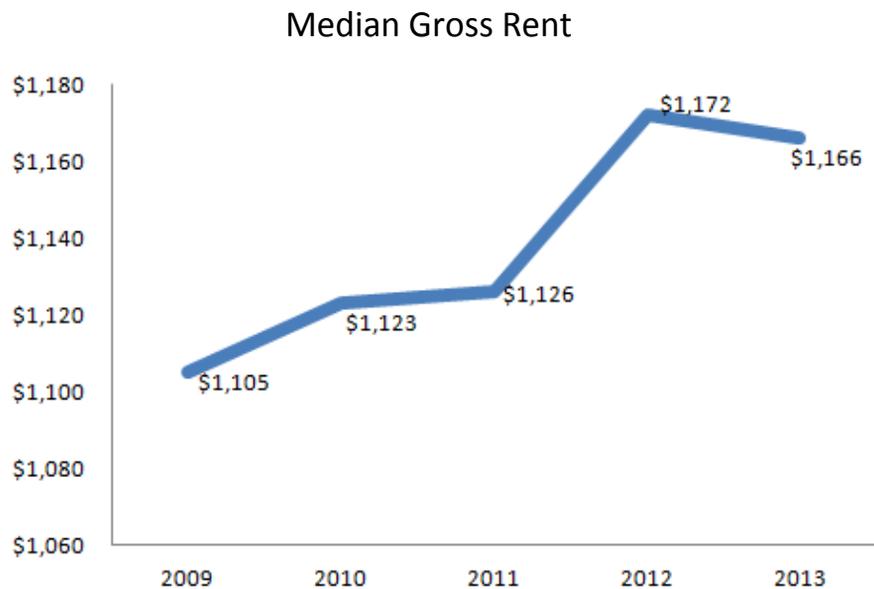
Source: City of Jersey City, Office of Construction Code

Jersey City Real Estate Market

The average home price is rising, as is the average rent. The median home value in Jersey City is \$306,500, which is lower than the average for the New York Metro area. Given the smaller average home size in Jersey City, this number is deceptively low. The median list price per square foot is \$321 versus the New York Metro area average of \$256.

Jersey City's population growth is expected to continue into the coming decades. However, despite overall growth, some areas of Jersey City are losing population, especially neighborhoods far from public transit hubs.

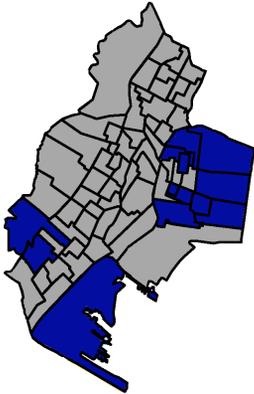
Another indicator which suggests a tight real estate market is months of supply, or how many months it would take for all properties on the market to sell or rent. Jersey City has an average of 1.3 months' supply of housing on the market, versus 5.3 months for the United States as a whole, indicating a sellers' market and increasing prices.



Source: 2009-2013 U.S. Census Bureau, American Community Survey

Geographical Analysis

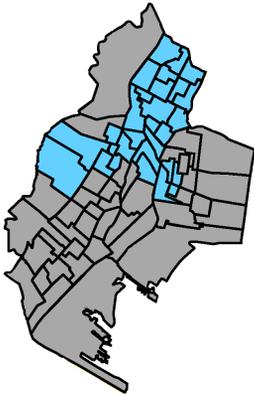
We have found that certain indicators correlate in certain geographical areas, or neighborhoods that have common characteristics. With a better understanding of these indicators and characteristics, the City can create solutions and strategies to improve neighborhoods with the greatest need.



High-Demand Neighborhoods

High-demand neighborhoods have low vacancy rates, low rates of cost-burdening, high land values, and high-income residents. These neighborhoods have seen significant investment over the last few years, causing increases in population that have sustained these high-demand markets.

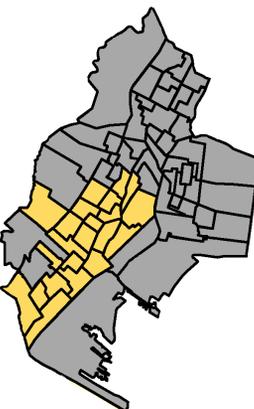
Interest in further residential development in high-demand neighborhoods offers the City the opportunity to incentivize mixed-income housing in these areas.



Emerging Market Neighborhoods

Emerging market neighborhoods have begun to see increases in incomes and investment opportunities. These neighborhoods have lower rates of cost-burdening, moderate/workforce income residents, a moderate rate of vacancy and rising land value.

The City is encouraging the growth of these neighborhoods through the creation and implementation of redevelopment plans that aim to increase both residential and commercial investment.



Opportunity Neighborhoods

Opportunity neighborhoods have many of the opposite indicators of high demand neighborhoods. These neighborhoods have high vacancy rates, high rates of cost-burdening, low land values and low-income residents. Many of these areas have suffered severe population decline and urban decay over the last several decades and are in need of investment.

The low land values in these neighborhoods represent an opportunity: investments that wouldn't be significant in high demand areas go a long way in opportunity neighborhoods, and therefore are prime targets for new housing development.

Implementation Opportunities and Solutions

Guiding Principles

Leveraging Jersey City’s policy toolkit in a coordinated manner is essential to providing access to affordable housing across the City.

The City is equipped with a wide variety of tools that aim to incentivize smart and equitable development in every community. These tools include redevelopment plans, the PILOT policy’s tax abatement tiers, and other crucial programs attuned to community needs. The City aims to ensure its housing goals are met, particularly its goal of providing affordable housing, defined by the Department of Housing and Urban Development as housing for which the occupant(s) are paying no more than 30 percent of his or her income for housing costs. In order to continue to identify opportunities for affordable housing across the City, we must engage in a robust and coordinated effort to build capacity across all of these sectors.

We must also be strategic in identifying ways to reduce redundancies and increase the relay of data to continue to identify gaps and opportunities as they arise. Managing our programs and policies efficiently will allow us to meet our goals and preserve synergy across programs.

Maintaining diverse and livable neighborhoods is essential to Jersey City’s stability and will increase opportunities for reinvestment, especially in our underserved communities.

We recognize our policies must support affordable housing in areas that have experienced rapid growth, such as in neighborhoods downtown. At the same time, we must continue to revise policies, such as the PILOT (Payment in Lieu of Taxes) policy, which encourage development opportunities in communities that continue to see less investment. This will ensure that our City sees balanced growth and economic diversity.

We will also leverage investments to meet affordable housing needs for residents who require specific amenities. For example, we must not lose sight of the fact that our diverse population also consists of residents with special needs, necessitating a focus on accessible and supportive housing for homeless individuals and families, veterans, senior citizens, and other vulnerable members of the community.

Creating a flexible and responsive plan requires the use of data-driven analysis.

We recognize that there is more housing data available to us than ever before, and we must harness this information to drive our policy decisions. Using this data, at both broad and granular levels, to inform policy will keep our decision-making process flexible and adaptable. Broadening our data analysis to include factors that are tied to housing, such as neighborhood amenities, access to transit and employment, and economic indicators is critical to our holistic approach. This data-driven strategy will also allow us to better track our funding inventory and identify additional funding resources.

Stakeholder engagement is critical to ensuring successful implementation.

The City will continue to drive policies and convene stakeholders, including community-based groups, financial institutions, developers, nonprofits, and academic partners. To face the numerous challenges of expanding affordable housing, stakeholders across all neighborhoods and from all sectors must work to incentivize and welcome new development, especially when it is designed to enhance livability or revitalize an underserved community. Working together is critical to craft a set of thoughtful and inclusive implementation tools.

Opportunities and Strategies

The assessment above demonstrates ways in which the City has overcome past challenges. Below, we have identified ways in which the City can continue to improve its affordable housing practices.

Leverage critical policies

A cohesive strategy depends upon critical analysis of existing policies and programs which guide our current housing practices. The City is also developing new policies and platforms to provide avenues for improvements and expansion.

Revitalize opportunity neighborhoods

Some neighborhoods have seen relatively little new investment and development, while others have recently begun to attract new residents and businesses. In Jersey City, we seek to encourage reinvestment in all neighborhoods without compromising existing communities through incentivizing the creation of mixed-income developments and local job creation.

Provide housing for special needs groups

Some of the City's most vulnerable residents require supportive housing, with very little or no rent, built-in medical service, and case management. For our homeless veterans, ex-offenders, and senior citizens, Jersey City seeks to provide housing tailored to their needs.

Leverage Critical Policies

In rapidly growing cities such as Jersey City, frequent updates to critical policies that guide housing decisions are crucial in order to keep up with increasing demand and growth. We have identified several housing policies and programs that require updates in order to enhance incentives and to help the City's housing supply catch up with demand. We are also creating new policies and programs to meet diverse housing needs.

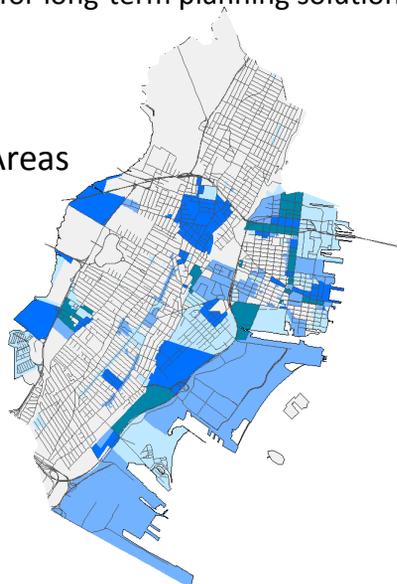
Affordable Housing Trust Fund

The City's Affordable Housing Trust Fund (AHTF) is one of the most important tools available for creating affordable housing. The AHTF is a municipal board-controlled fund used to provide gap financing for subsidized housing. The AHTF is funded through contributions tied to tax abatements and redevelopment requirements. Currently, applicants for these funds are evaluated based on several criteria related to the project's affordability, feasibility and location. The City plans to use the results of the assessment analysis to update the evaluation rubric in order to target investment of AHTF funds towards developments that satisfy the City's greatest housing needs.

Redevelopment Plans

Jersey City currently has 92 redevelopment plans that guide zoning and development requirements throughout the City. These plans vary drastically by size, location and provisions. Some plans aim to encourage certain types of developments block by block, while others work to incentivize redevelopment of entire neighborhoods. Throughout the assessment phase, the City has analyzed these plans and their provisions and has identified ways in which land use policy can help us solve housing challenges throughout the City. Revising redevelopment plans for areas in need of new investment, as well as creating standard provisions that will require on-site or significant AHTF contributions, will allow us to ensure the groundwork is laid for long-term planning solutions

Jersey City
Redevelopment Areas



Source: City of Jersey City, Division of City Planning

Tax Abatement Policy

In 2013, Jersey City released its first tiered PILOT (Payment in Lieu of Taxes) tax abatement policy, which was aimed at incentivizing development in neighborhoods away from the waterfront. The length of these abatements varied by geographical location throughout the City, with the shortest term abatement offered to projects located downtown and the longest term abatements offered to projects located in Journal Square.

Since this policy's implementation, the City has seen substantial investment in Journal Square as development begins to expand in and around this transitioning neighborhood. The success of this policy in incentivizing development in this and other areas of the City led us to critically analyze the boundaries of these tiers, as well as the policy's ability to incentivize affordable development.

The City is therefore proposing an updated PILOT policy which will require a 10% set-aside of the total number of units for affordable housing for projects located within the first tax abatement tier, which includes the downtown and waterfront areas as well as the Port Liberte neighborhood and other waterfront development neighborhoods. At its discretion, the City will allow for voluntary contributions to the AHTF in lieu of this onsite obligation to allow for affordable housing to be built offsite. If a developer is interested in applying for a longer-term PILOT in Tier 1, the City will require 5-10% more of the units to be affordable, depending on all of the benefits applied to the project.

The 2015 PILOT policy also allows voluntary term extensions for longer-term tax abatements in certain geographical tiers in exchange for on-site housing or contributions to the AHTF. Affordability requirements to qualify for term extensions in these tiers can be fulfilled by building an additional 5%-10% of onsite units at 80% AMI, depending upon the project's location. Alternatively, a voluntary contribution can be made to the AHTF of \$15,000 per unit for every unit built at the project site. If affordability requirements are fulfilled for a tier extension in Tier 1, the abatement term will be extended by an additional five years; if they are fulfilled for tier extensions in Tiers 2 and 3, the term will be extended by an additional 10 years.*

*The above is a high-level summary of the proposed 2015 PILOT policy and is non-binding. Please refer to the Mayor's Executive Order entitled "Executive Order of the Mayor of the City of Jersey City - Payment in Lieu of Taxes Policy and Procedures" and its companion policy.

Leverage Critical Policies

The 2015 tax abatement policy's new tier terms and service charge structure is as follows:

Tax Tier	Term	Annual City Service Charge*	Annual County Service Charge*	Administrative Cost Charge*
Tier 1	10 years	13% annual gross revenues	5% of annual City service charge	2% of annual City service charge
Tier 2	10 years	12% annual gross revenues	5% of annual City service charge	2% of annual City service charge
Tier 3	20 years	11% annual gross revenues	5% of annual City service charge	2% of annual City service charge
Tier 4	30 years	10% annual gross revenues	5% of annual City service charge	2% of annual City service charge

*All service charges are subject to change. Please refer to the Mayor's Executive Order entitled "Executive Order of the Mayor of the City of Jersey City - Payment in Lieu of Taxes Policy and Procedures" and its companion policy.

Abandoned Properties Rehabilitation Act (APRA)

The City has partnered with the Jersey City Redevelopment Agency (JCRA), the Mayor's Quality of Life Task Force and Housing Code Enforcement in order to address urban blight under Jersey City's Abandoned Properties and Rehabilitation Ordinance, created in 2007 as a municipal response to the state's New Jersey's Abandoned Properties Rehabilitation Act in order to spur revitalization in Jersey City's neglected neighborhoods.

Under this initiative, the Mayor's Quality of Life Task Force, led by the Department of Public Works, canvasses the city and classifies vacant properties as vacant in order to enable the Public Officer in Housing Code Enforcement to officially classify, maintain and publish a list of abandoned properties. More than 900 properties have been added to the City's list of vacant buildings and 24 properties classified as abandoned. As part of this initiative, the Department of Public Works also proactively identifies and makes external repairs to those abandoned properties which are in such disrepair that they may affect quality of life for residents in the surrounding neighborhood.

The JCRA has recently partnered with the City to use APRA procedures to condemn these properties when appropriate and assign redevelopers from the Qualified Rehabilitation Entities list to rehabilitate these properties. Owners will be required to maintain buildings in accordance with City ordinances. The Jersey City Redevelopment Agency has already designated 14 of the first 24 abandoned properties as Qualified Rehabilitation Entities.

This initiative encourages entities seeking to build affordable housing the option of purchasing some properties for rehabilitation at a lower cost while other sites will be developed and sold at market rate in order to encourage greater investment.

Division of Community Development's 2015-2019 Consolidated Plan

The Division of Community Development (DCD) under the Department of Housing, Economic Development and Commerce (HEDC) manages the City's HUD funding and subgrants this funding to qualified nonprofit organizations, developers, and City departments in order to support community development needs. As a HUD-funded agency, the Division of Community Development is required to complete a Consolidated Plan every five years to inform the City's priorities across three primary focus areas of affordable housing, community development, and economic development. The Consolidated Plan involves distribution of a community-wide survey and analysis of results that will inform DCD's funding areas, including HOME funding to support homeownership and new construction of rental and sales housing, rental assistance and supportive services for housing for people with AIDS, homeless services, and funding for community development and community service programs, including infrastructure and neighborhood improvement and fair housing education programs.

Revitalize Opportunity Neighborhoods

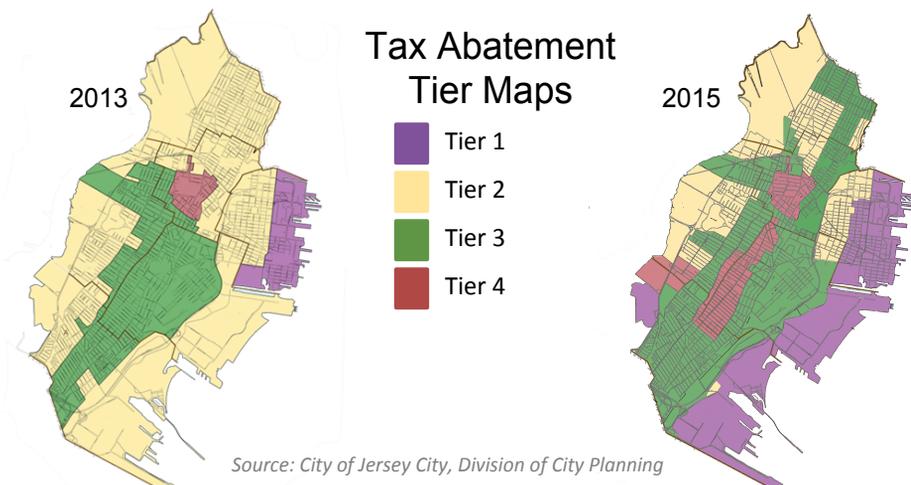
Rehabilitate and fill vacant units

Vacant units represent a challenge and an opportunity: left alone, they create downward pressure on the neighborhood real estate market, preventing reinvestment and recovery. If rehabilitated, they can be a cost-effective way of providing low-income housing and revitalizing neighborhoods. Over the last several months, the Division of Housing Code Enforcement has been compiling a list of all vacant properties in the City.

Once this list is comprehensive we aim to focus on rehabilitating vacant properties. Any property without an occupant is vacant. For a property to be considered officially abandoned, it must fit certain criteria, such as a long period of vacancy or property tax delinquency. We will assign rehab targets: properties which are significant impediments to the recovery of the neighborhoods they are in. The City will offer subsidies to developers to renovate these properties and rent or sell them to income qualifying families.

Expand tax abatement tiers

The City has updated the tax abatement map to expand Tier 4, the tier with the longest term abatement, in order to maximize incentives for residential development in the City's lower-income opportunity neighborhoods, and to expand Tier 3, the tier with the second longest abatement. Previously, Tier 4 only included the redevelopment area encompassing Journal Square. This tier proved successful in jump-starting development in that emerging neighborhood. The newly expanded 30 year Tier 4 is meant to incentivize long term development for other opportunity neighborhoods, such as the Martin Luther King Drive corridor, portions of McGinley Square, and the area around NJCU's campus. Tier 3 now extends into areas in the low income section of the Heights and into those areas suffering from cost-burdening, and also includes other areas in the City which experience low income, cost-burdening, or a combination of both. The City expects that an extension of abatement length in these tiers will increase interest in both residential and commercial markets, with a longer term vision of areas in true need of incentives.



Source: City of Jersey City, Division of City Planning

Provide Housing for Special Needs Groups

For some groups, sustainable, adequate housing means more than just shelter. For the homeless, ex-offenders, and the disabled, adequate housing requires built in support systems such as case management, access to medical care, unique construction, and operating subsidies. Our commitment to housing all residents of Jersey City extends to those groups with special needs as well.

Veterans

Even as the total number of veterans in the United States shrinks, veteran homelessness is a persistent problem. Mayor Fulop, a Marine, an Iraq War veteran, and a member of Michelle Obama's Mayor's Challenge to End Veteran Homelessness, is committed to ensuring that every veteran has adequate shelter.

Our efforts here in Jersey City are part of a larger national movement to end veteran homelessness across the country. Jersey City's veteran homelessness efforts will be led by the Veteran Homelessness Task Force, a subcommittee of the Hudson County Alliance to End Homelessness (HCAEH). Veteran homelessness is a regional problem and coordination across agencies and other jurisdictions is crucial to a successful program to combat it. Our leadership model allows for exactly this type of coordination. The City is in constant contact with its counterparts throughout the region since the HCAEH is the local branch of the larger National Alliance to End Homelessness.

The City of Jersey City is also proactively supporting the development of new affordable units for homeless and low-income veterans. Jersey City's Affordable Housing Trust Fund committee recently granted the United Way of Hudson County funds to create six new affordable units specifically for homeless veterans above the United Way's current Jersey City location. Additionally, the Jersey City Redevelopment Agency is working as part of a coalition, along with the Hudson County Building Trades and the South Hudson Civic Association, to build eight units for homeless veterans in Jersey City. The Hudson County Building Trades as well as Plumbers Local 24 will recruit veterans and train them to assist with renovations at this site.

Finally, the City of Jersey City's Office of Veterans Affairs is now located within the City's Resident Response Center (RRC), and is the first point of contact for Jersey City's veterans. This collaboration between the Office of Veterans Affairs and the RRC has created a quicker response time and a stronger support system for veterans seeking assistance.

Provide Housing for Special Needs Groups

Homeless Outreach Efforts

Jersey City is enhancing non-veteran homeless outreach as well. More contact with the homeless population will provide Jersey City with the information necessary to prioritize service delivery, eliminate duplicative services and divide the homeless population into special needs groups, which include veterans. An outreach team led by Garden State Episcopal CDC is working to connect us with unsheltered individuals throughout Jersey City and Hudson County.

This team will operate seven days a week, 365 days a year with goals of linking homeless individuals to services, including shelter, permanent housing, and medical care. Intensive outreach will also provide much more information on the veteran homeless population.

Seniors

Jersey City currently offers more than 1,000 units of affordable housing for seniors in every ward of the City, with nearly 200 additional new units across three buildings set to come online by the end of 2016. For example, the Catherine Todd Senior Living Center, a project within the newly revitalized Montgomery Gardens Public Housing Development, will be equipped with a broad array of supportive services, including service coordinators and offices for doctors' appointments. These onsite services help seniors to maintain their health as well as their independence. The City of Jersey City supplements supportive services provided at senior affordable housing sites through an extensive senior program administered by the Office of Senior Affairs, including free health services, buses for shopping, meals and farmers' market vouchers, and recreational activities.

Ex-Offenders

Jersey City's re-entry program, in partnership with the Hudson County Department of Corrections' Community Reintegration Program, Jersey City Employment and Training Program, and several housing providers, now provides wrap-around services for ex-offenders. The program's efforts are centered on lowering the recidivism rate, the rate at which ex-offenders commit new crimes and are re-incarcerated. Permanent, supportive housing tailored to the needs of ex-offenders is critical to cutting recidivism rates.

Abandoned housing: A property that has not been legally occupied for six months.

Affordable housing: Housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities

Affordable Housing Trust Fund (AHTF): A municipal board-controlled fund used to provide gap financing for subsidized housing.

AMI (Area Median Income): A HUD-determined metric used to identify income level qualifications for affordable housing programs. For instance, low-, moderate-, and middle-income households are categorized by a calculation of AMI.

APRA (Abandoned Properties Rehabilitation Act): This act defines terms of property abandonment and allows municipalities to seize abandoned and delinquent properties through spot eminent domain.

Cost-burden: Financial burden experienced by households paying more than 30% of household income on housing costs.

Foreclosure: The process of taking possession of a mortgaged property as a result of the mortgagor's failure to make payments

HCAEH (The Hudson County Alliance to End Homelessness): A consortium of homeless housing, shelter, consumers, advocates and government representatives working together to shape countywide planning and decision making.

Market-rate housing: Properties that are rented or owned by people who pay market rent to lease the property or paid market value when they bought the property. There is no subsidy towards the cost of the housing.

PILOT payments: A payment in lieu of taxes made to compensate a local government for forgone tax revenue.

Recidivism rate: The frequency at which former criminal offenders are apprehended committing additional crimes after being released from prison for similar offences.

Redevelopment area: Specific locations throughout the city (city blocks, neighborhoods or corridors) that have been designated for redevelopment with individualized zoning and land use regulations.

Subsidized housing: Government-sponsored economic assistance aimed towards alleviating housing costs and expenses for people in need with low to moderate/workforce incomes.

Tax abatement: Reduction of or exemption from taxes granted by a government for a specified period, usually to encourage certain activities such as investment in capital equipment.

Vacancy: Any property used or to be used as a residence which is not legally occupied or which substantially all lawful construction operations or residential occupancy has ceased, and in such condition that it cannot legally be re-occupied without repair or rehabilitation.

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