

# HOUSING ELEMENT AND FAIR SHARE PLAN

City of Union City  
Hudson County, New Jersey

June 2017

Adopted by Planning Board September 18, 2017

Prepared by:



**Heyer, Gruel & Associates**

Community Planning Consultants  
236 Broad Street, Red Bank, NJ 07701  
(732) 741-2900

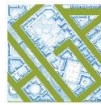
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## **PART 1: HOUSING ELEMENT**

### **INTRODUCTION**

The need to protect and promote affordable housing in New Jersey, the country's densest state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel, (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities in New Jersey have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing in their communities. In its Mount Laurel decision, decided on January 20, 1983 (Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by determining that this constitutional responsibility extended to all municipalities in New Jersey.

In response to the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222, Laws Of New Jersey, 1985). The Fair Housing Act established the Council on Affordable Housing (COAH) as an administrative alternative to the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

Low income households are defined as those with incomes no greater than 50 percent of the median household income, adjusted for household size, of the housing region in which the municipality is located. Moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the median household income, adjusted for household size, of the housing region.

This housing element and fair share plan for the City of Union City has been prepared, following the New Jersey Supreme Court Decision decided on March 10, 2015, In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) ("Mount Laurel IV"). In this decision, the Supreme Court held that since COAH was no longer functioning, trial courts were to resume their role as the forum of first instance for evaluating municipal compliance with Mount Laurel obligations, and also established a transitional process for municipalities to seek a Judgment of Compliance and Repose ("JOR") in lieu of Substantive Certification from COAH.

The Supreme Court defined two types of municipalities: (i) municipalities that had received Round 3 Substantive Certification under the invalidated 2008 COAH regulations, and (ii) "participating"

municipalities that had subjected themselves to the jurisdiction of COAH and had not yet received Round 3 Substantive Certification from COAH.

On April 8<sup>th</sup>, 2009 Union City petitioned COAH for substantive certification and was deemed complete on April 9<sup>th</sup>, 2009. The City, however, never received substantive certification because the Appellate Division deemed the growth share methodology invalid. In response to Mount Laurel IV, Union City filed a Declaratory Judgment action, along with a motion for temporary immunity, on July 6, 2015. The City seeks from the Court an affirmative declaration of compliance regarding all aspects of its affordable housing obligations.

Because of the current uncertainty in the appropriate manner by which to calculate the City's obligation, the City and the Fair Share Housing Center (FSHC) agree that a settlement is in the best interest of the households of need of low and moderate income housing and the City. This Housing Element and Fair Share Plan effectuates the settlement, which has been approved by the court.

#### **PLANNING FOR AFFORDABLE HOUSING**

Pursuant to both the Fair Housing Act and the Municipal Land Use Law (MLUL), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low and moderate income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. 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;
- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;

- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. 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; and
- f. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

The Council also requires that the Housing Element be adopted by the planning board and endorsed by the governing body prior to the municipal filing pursuant to N.J.A.C. 5:96-2 or the municipal petition for substantive certification pursuant to N.J.A.C. 5:96-3.

**MUNICIPAL SUMMARY**

The City of Union City is roughly 1.3 square miles in size and is a “Planning Area 1- Metropolitan” as defined by the State Development and Redevelopment Plan. The City is bound by West New York to the north, Weehawken to the east, Hoboken and Jersey City to the south, and North Bergen to the west. The City is home to the Bergenline Avenue commercial corridor as well as the Bergenline Avenue Station of the Hudson-Bergen Light Rail.

After experiencing a large growth in population during the 1990s, the population of Union City remained relatively stagnant between 2000 and 2010, decreasing by 0.9 percent from 67,088 persons to 66,455. The US Census Bureau 2009-2013 American Community Survey estimates a 2013 population of 67,233, an increase of 1.2 percent. The 2010 median age in Union City was 34 years, which was roughly the same as that of Hudson County’s median age of 34.2 years. The average household size decreased from 2.92 persons in 2000 to 2.88 persons in 2010.

The housing stock of the City is primarily multi-family dwelling units, and the majority of the housing stock (54.5%) was built before 1960. According to the guidelines established by COAH, the City of Union City is located in affordable housing Region 1, a region that consists of Sussex, Bergen, Hudson, and Passaic Counties. Based on the 2014 COAH Regional Income Limits, the median income of Region 1 for a four-person household is \$90,614, the moderate-income is \$74,492, and low income is \$45,307.

Per the agreed upon settlement, Union City has a present need of 1,442 units, a Prior Round Obligation of 0 units, and a Third Round Obligation of 0 units. The City will address its Present Need obligation through:

- Rehabilitation of 21 units
- Development of new affordable units
- Continued participation in the City CDBG program and County HOME program.
- Aggressive review of sites, which may be “redeveloped” and provide additional affordable housing opportunities
- Union City Housing Authority 456 public housing units and 112 units of veterans housing

The City additionally proposes to continue to address its Present Need Obligation through County funded rehabilitation programs and through a number of proposed projects.

## DEMOGRAPHIC CHARACTERISTICS

### Population

The population trends experienced in Union City, Hudson County, and the State of New Jersey from 1930 through 2010 are shown below. There were 66,455 residents in Union City in 2010, which was a slight decrease of 633 people from 2000. During the 1990s the City experienced its largest population growth of 15.6 percent. During the same decade Hudson County experienced a 10.1 percent population growth. According to the 2009-2013 American Community Survey, the City is once again experiencing population growth. While both the City and the County have experienced small losses and gains in population, the State has seen steady population growth since 1930.

| Population Trends   |            |        |         |               |         |         |            |           |         |
|---------------------|------------|--------|---------|---------------|---------|---------|------------|-----------|---------|
| Year                | Union City |        |         | Hudson County |         |         | New Jersey |           |         |
|                     | Population | Change |         | Population    | Change  |         | Population | Change    |         |
|                     |            | Number | Percent |               | Number  | Percent |            | Number    | Percent |
| 1930                | 58,659     | -      | -       | 690,730       | -       | -       | 4,041,334  | -         | -       |
| 1940                | 56,173     | -2,486 | -4.2%   | 652,040       | -38,690 | -5.6%   | 4,160,165  | 118,831   | 2.9%    |
| 1950                | 55,537     | -636   | -1.1%   | 647,437       | -4,603  | -0.7%   | 4,835,329  | 675,164   | 16.2%   |
| 1960                | 52,180     | -3,357 | -6.0%   | 610,734       | -36,703 | -5.7%   | 6,066,782  | 1,231,453 | 25.5%   |
| 1970                | 57,305     | 5,125  | 9.8%    | 607,839       | -2,895  | -0.5%   | 7,171,112  | 1,104,330 | 18.2%   |
| 1980                | 55,593     | -1,712 | -3.0%   | 556,972       | -50,867 | -8.4%   | 7,365,011  | 193,899   | 2.7%    |
| 1990                | 58,012     | 2,419  | 4.4%    | 553,099       | -3,873  | -0.7%   | 7,730,188  | 365,177   | 5.0%    |
| 2000                | 67,088     | 9,076  | 15.6%   | 608,975       | 55,876  | 10.1%   | 8,414,350  | 684,162   | 8.9%    |
| 2010                | 66,455     | -633   | -0.9%   | 634,277       | 25,302  | 4.2%    | 8,791,894  | 377,544   | 4.5%    |
| 2013<br>(estimated) | 67,233     | 778    | 1.2%    | 644,605       | 10,328  | 1.6%    | 8,832,406  | 40,512    | 0.5%    |

Source: U.S. Census Bureau, 2009-2013 American Community Survey 5-year Estimates

### Population Composition by Age

The median age of the residents in Union City in 2010 was 34 years. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining impacts these changes have on housing needs, community facilities and services for the municipality and the County overall. The age composition of Union City has shifted somewhat since 2000. All age cohorts 45 and older saw significant increases while the age cohorts under 45 all experienced decreases. The largest rates of increase occurred in the 45 to 54 age cohort, rising 20 percent, followed by the 55 to 64 age cohort, increasing 12.7 percent. A moderate decrease was experienced in the 5 to 14 age cohort, declining by 10.9 percent.



| Population by Age 2000 and 2010, City of Union City |        |            |        |            |                      |            |
|---|--------|------------|--------|------------|----------------------|------------|
| Population  | 2000   |            | 2010   |            | Change, 2000 to 2010 |            |
|   | Number | Percentage | Number | Percentage | Number               | Percentage |
| Total population                                    | 67,088 | 100.0%     | 66,455 | 100.0%     | -633                 | -0.9%      |
| Under 5 years                                       | 4,945  | 7.4%       | 4,845  | 7.3%       | -100                 | -2.0%      |
| 5 to 14   | 9,268  | 13.8%      | 8,255  | 12.4%      | -1,013               | -10.9%     |
| 15 to 24  | 10,122 | 15.1%      | 9,736  | 14.7%      | -386                 | -3.8%      |
| 25 to 34  | 12,074 | 18.0%      | 11,559 | 17.4%      | -515                 | -4.3%      |
| 35 to 44  | 10,949 | 16.3%      | 9,958  | 15.0%      | -991                 | -9.1%      |
| 45 to 54  | 7,641  | 11.4%      | 9,166  | 13.8%      | 1,525                | 20.0%      |
| 55 to 64  | 5,395  | 8.0%       | 6,078  | 9.1%       | 683                  | 12.7%      |
| 65 and over   | 6,694  | 10.0%      | 6,958  | 10.5%      | 264                  | 3.9%       |

Source: U.S. Census Bureau

Hudson County similarly saw its greatest increase in the 55 to 64 age cohort (25.2%) but also experienced moderate increases in the 45 to 54 cohort (14.7%), the 25 to 34 cohort (10.4%) and in those under 5 years (9.9%). The largest decrease of 13.2 percent was seen in the 5 to 14 age cohort.

| Population by Age 2000 and 2010, Hudson County |         |            |         |            |                      |            |
|--|---------|------------|---------|------------|----------------------|------------|
| Population                                     | 2000    |            | 2010    |            | Change, 2000 to 2010 |            |
|  | Number  | Percentage | Number  | Percentage | Number               | Percentage |
| Total population                               | 609,975 | 100.0%     | 634,277 | 100.0%     | 24,302               | 4.0%       |
| Under 5 years                                  | 38,756  | 6.4%       | 42,586  | 6.7%       | 3,830                | 9.9%       |
| 5 to 14  | 76,700  | 12.6%      | 66,584  | 10.5%      | -10,116              | -13.2%     |
| 15 to 24                                       | 85,412  | 14.0%      | 85,641  | 13.5%      | 229                  | 0.3%       |
| 25 to 34                                       | 119,073 | 19.5%      | 131,508 | 20.7%      | 12,435               | 10.4%      |
| 35 to 44                                       | 97,727  | 16.0%      | 96,716  | 15.2%      | -1,011               | -1.0%      |
| 45 to 54                                       | 72,379  | 11.9%      | 82,985  | 13.1%      | 10,606               | 14.7%      |
| 55 to 64                                       | 49,657  | 8.1%       | 62,180  | 9.8%       | 12,523               | 25.2%      |
| 65 and over                                    | 69,271  | 11.4%      | 63,085  | 9.9%       | -6,186               | -8.9%      |

Source: U.S. Census Bureau

### Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2010 there was a total of 22,814 households in Union City. Almost half of the households (49.5%) were occupied by two persons or less, but there was also a significant amount of three-person households (19.1%). The average household size in the City was 2.88, higher than that of the County's average of 2.54. While the City's largest percentage of households was a two-person household (25.7%), the County's was a one-person household at 29.9 percent.

| <b>Household Size- Occupied Housing Units<br/>City of Union City and Hudson County, 2010</b> |               |                |                |                |
|--|---------------|----------------|----------------|----------------|
|  | <b>City</b>   |                | <b>County</b>  |                |
|  | <b>Number</b> | <b>Percent</b> | <b>Number</b>  | <b>Percent</b> |
| <b>Total Households</b>  | <b>22,814</b> | <b>100.0%</b>  | <b>246,437</b> | <b>100.0%</b>  |
| 1-person household   | 5,441         | 23.8%          | 73,741         | 29.9%          |
| 2-person household   | 5,852         | 25.7%          | 71,762         | 29.1%          |
| 3-person household   | 4,350         | 19.1%          | 42,935         | 17.4%          |
| 4-person household   | 3,465         | 15.2%          | 31,581         | 12.8%          |
| 5-person household   | 1,969         | 8.6%           | 15,098         | 6.1%           |
| 6-person household   | 931           | 4.1%           | 6,401          | 2.6%           |
| 7-or-more-person household   | 806           | 3.5%           | 4,919          | 2.0%           |
| <b>Average Household Size</b>  | <b>2.88</b>   |                | <b>2.54</b>    |                |

Source: U.S. Census Bureau

Family households are defined as two or more persons living in the same household, related by blood, marriage or adoption. They do not include same-sex married couples. Most households in the City in 2010 were family households, comprising 68 percent of all households. The average family size was 3.24. The majority of family households (53.9%) were married couples, with just under half having children under the age of 18. Approximately 23 percent of all households were one-person households, of which 49.4 percent were male householders and 50.6 were female.

In providing more detail of American households, the 2010 Census included the sub-groups of non-traditional households: Other family and Non-family households. "Other" family households made up 31.3 percent of all households, of which 69.6 percent were headed by female householders with no husband present. Non-family households are defined as households that consist of a householder living alone or sharing the home exclusively with people whom he/she is not related. Non-family households comprised approximately 8.2 percent of all households in the City.

| <b>Household Size and Type, 2010<br/>City of Union City</b> |               |                |
|---|---------------|----------------|
|   | <b>Total</b>  | <b>Percent</b> |
| <b>Total Households</b>                                     | <b>22,814</b> | <b>100.0%</b>  |
| <b>1 person household</b>                                   | <b>5,441</b>  | <b>23.8%</b>   |
| Male householder  | 2,690         | 49.4%          |
| Female householder  | 2,751         | 50.6%          |
| <b>2 or more person household</b>                           | <b>17,373</b> | <b>76.2%</b>   |
| <b>Family households</b>                                    | <b>15,512</b> | <b>68.0%</b>   |
| Married Couple Family                                       | 8,368         | 53.9%          |
| With own children under 18 years                            | 4,156         | 49.7%          |
| No children under 18 years                                  | 4,212         | 50.3%          |
| <b>Other Family</b>   | <b>7,144</b>  | <b>31.3%</b>   |
| Male householder, no wife present                           | 2,170         | 30.4%          |
| With own children under 18 years                            | 936           | 43.1%          |
| No own children under 18 year                               | 1,234         | 56.9%          |
| Female householder, no husband present                      | 4,974         | 69.6%          |
| With own children under 18 years                            | 2,720         | 54.7%          |
| No own children under 18 year                               | 2,254         | 45.3%          |
| <b>Nonfamily Households</b>                                 | <b>1,861</b>  | <b>8.2%</b>    |
| Male householder  | 1,167         | 62.7%          |
| Female householder  | 694           | 37.3%          |
| Average Family Size   | 3.39          |                |

Source: U.S. Census Bureau

### Income

As measured in 2013, Union City had a significantly lower median household income than that of Hudson County and the State of New Jersey. In 2013, the median income of Union City was \$40,763; \$17,679 less than the County and \$31,166 less than the State's median income.

| <b>Per Capita and Household Income</b> |                               |                                     |
|--|-------------------------------|-------------------------------------|
|  | <b>2013 Per Capita Income</b> | <b>2013 Medium Household Income</b> |
| Union City                             | \$19,475                      | \$40,763                            |
| Hudson County                          | \$32,641                      | \$58,442                            |
| New Jersey                             | \$36,027                      | \$71,929                            |

Source: 2009-2013 American Community Survey 5-Year Estimates

The distribution for household income for Union City in 2013 is listed below. The most common income bracket was \$50,000 to \$74,999, which was earned by 17.5 percent of the households. This range was followed by those households that earned \$15,000 to \$24,999 (14.1%). In Union City,

58.3 percent of the households earned less than \$50,000, compared to 43.7 percent of the County's households.

| <b>Household Income<br/>Union City and Hudson County, 2013</b> |                   |                   |                      |                   |
|--|-------------------|-------------------|----------------------|-------------------|
|  | <b>Union City</b> |                   | <b>Hudson County</b> |                   |
|  | <b>Number</b>     | <b>Percentage</b> | <b>Number</b>        | <b>Percentage</b> |
| <b>Total Households</b>  | <b>22,439</b>     | <b>100.0%</b>     | <b>243,875</b>       | <b>100.0%</b>     |
| Less than \$10,000   | 2,318             | 10.3%             | 19,590               | 8.0%              |
| \$10,000 to \$14,999   | 1,646             | 7.3%              | 12,934               | 5.3%              |
| \$15,000 to \$24,999   | 3,173             | 14.1%             | 25,473               | 10.4%             |
| \$25,000 to \$34,999   | 2,857             | 12.7%             | 21,400               | 8.8%              |
| \$35,000 to \$49,999   | 3,082             | 13.7%             | 27,192               | 11.1%             |
| \$50,000 to \$74,999   | 3,937             | 17.5%             | 40,066               | 16.4%             |
| \$75,000 to \$99,999   | 2,395             | 10.7%             | 27,865               | 11.4%             |
| \$100,000 to \$149,999   | 1,898             | 8.5%              | 34,386               | 14.1%             |
| \$150,000 to \$199,999   | 638               | 2.8%              | 15,949               | 6.5%              |
| \$200,000 or more  | 495               | 2.2%              | 18,120               | 7.4%              |
| <b>Median Household Income</b>                                 | <b>\$40,763</b>   |                   | <b>\$58,442</b>      |                   |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Poverty Status

In 2013, nearly a quarter of Union City's residents were living below the poverty level, most of whom were working age. Of the 16,307 persons who lived below the poverty level, the majority (55.8%) were between 18 and 65, while 34.7 percent were under the age of 18. Hudson County saw a similar distribution of those in poverty but experienced a lower overall percentage (16.8%).

| <b>Poverty Status<br/>Union City and Hudson County, 2009 – 2013 Estimates</b> |                   |                   |                      |                   |
|---|-------------------|-------------------|----------------------|-------------------|
|   | <b>Union City</b> |                   | <b>Hudson County</b> |                   |
|   | <b>Number</b>     | <b>Percentage</b> | <b>Number</b>        | <b>Percentage</b> |
| Total persons   | 66,956            | -                 | 638,010              | -                 |
| Total persons below poverty level   | 16,307            | 24.4%             | 107,116              | 16.8%             |
| Under 18  | 5,662             | 34.7%             | 33,401               | 31.2%             |
| 18 to 64  | 9,094             | 55.8%             | 63,612               | 59.4%             |
| 65 and over   | 1,551             | 9.5%              | 10,103               | 9.4%              |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Household Costs

The tables below show the expenditures for housing for those who own and rent housing in Union City and Hudson County. A large majority of the City lived in homes they rented, with 57 percent of all renter-occupied households spending 30 percent or more of their household income on housing. Among owner-occupied households, approximately 61 percent of households spent more than 30 percent of their income on housing costs. General affordability standards set a limit at 30 percent of gross income to be allocated for owner-occupied housing costs and 28 percent of gross income to be allocated for renter-occupied housing costs.

| <b>Selected Monthly Owner Costs as a Percentage of Household Income<br/>2009 - 2013 Estimates</b> |                   |                   |                      |                   |
|---|-------------------|-------------------|----------------------|-------------------|
|   | <b>Union City</b> |                   | <b>Hudson County</b> |                   |
|   | <b>Number</b>     | <b>Percentage</b> | <b>Number</b>        | <b>Percentage</b> |
| Total Owner-Occupied Housing Units  | 4,137             | 100.0%            | 79,534               | 100.0%            |
| Less than 15%   | 549               | 13.3%             | 13,920               | 17.5%             |
| 15 to 19%   | 315               | 7.6%              | 9,611                | 12.1%             |
| 20 to 24%   | 399               | 9.6%              | 9,891                | 12.4%             |
| 25 to 29%   | 337               | 8.1%              | 8,211                | 10.3%             |
| 30 to 34%   | 337               | 8.1%              | 6,302                | 7.9%              |
| 35% or more   | 2,182             | 52.7%             | 31,185               | 39.2%             |
| Not computed  | 18                | 0.4%              | 464                  | 0.6%              |

Source: 2009-2013 American Community Survey 5-Year Estimates

| <b>Gross Rent as a Percentage of Household Income<br/>2009 - 2013 Estimates</b> |                   |                   |                      |                   |
|---|-------------------|-------------------|----------------------|-------------------|
|   | <b>Union City</b> |                   | <b>Hudson County</b> |                   |
|   | <b>Number</b>     | <b>Percentage</b> | <b>Number</b>        | <b>Percentage</b> |
| Total Renter-Occupied Housing Units   | 17,741            | 100.0%            | 157,812              | 100.0%            |
| Less than 15%   | 2,174             | 12.3%             | 23,478               | 14.9%             |
| 15 to 19%   | 1,785             | 10.1%             | 21,784               | 13.8%             |
| 20 to 24%   | 1,827             | 10.3%             | 20,787               | 13.2%             |
| 25 to 29%   | 1,835             | 10.3%             | 16,554               | 10.5%             |
| 30 to 34%   | 1,653             | 9.3%              | 13,489               | 8.5%              |
| 35% or more   | 8,467             | 47.7%             | 61,720               | 39.1%             |
| Not computed  | 561               | 3.2%              | 6,529                | 4.1%              |

Source: 2009-2013 American Community Survey 5-Year Estimates

A large majority of Hudson County residents rent their home. Roughly 48 percent of all County renter-occupied households and 47.1 percent of all owner-occupied households spent 30 percent or more of their household income on housing.

## EXISTING HOUSING CONDITIONS

### Housing Unit Data

Union City's housing stock consists mainly of older structures and is primarily renter-occupied. According to the 2010 Census, Union City had a total of 22,814 occupied housing units. A majority of the units, 79.9 percent, were renter-occupied while 20.1 percent were owner-occupied. Housing construction has remained steady since the 1930s with small dips seen in the 1980s and 1990s. Approximately 55 percent of the City's housing stock was constructed before 1960 and a significant amount of housing (32.4%) was built in 1939 or earlier. These factors put the median year of construction in 1957.

| <b>Housing Data<br/>City of Union City, 2010</b> |               |                   |
|--|---------------|-------------------|
|  | <b>Number</b> | <b>Percentage</b> |
| Total Housing Units                              | 24,931        | 100.0%            |
| Occupied Housing Units                           | 22,814        | 91.5%             |
| Owner Occupied                                   | 4,583         | 20.1%             |
| Renter Occupied                                  | 18,231        | 79.9%             |

Source: U.S. Census Bureau

| <b>Year Structure Built<br/>City of Union City</b> |               |                   |
|--|---------------|-------------------|
|  | <b>Number</b> | <b>Percentage</b> |
| Built 1939 or earlier                              | 8,132         | 32.4%             |
| Built 1940 to 1949                                 | 2,307         | 9.2%              |
| Built 1950 to 1959                                 | 3,212         | 12.8%             |
| Built 1960 to 1969                                 | 3,433         | 13.7%             |
| Built 1970 to 1979                                 | 2,591         | 10.3%             |
| Built 1980 to 1989                                 | 1,207         | 4.8%              |
| Built 1990 to 1999                                 | 1,062         | 4.2%              |
| Built 2000 to 2009                                 | 2,982         | 11.9%             |
| Built 2010 or later                                | 136           | 0.5%              |
| <b>Total</b>                                       | <b>25,062</b> | <b>100.0%</b>     |
| <b>Median Year Structure Built</b>                 | <b>1957</b>   |                   |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Housing Type and Size

The majority of the housing structures (22.3%) in Union City in 2013 had 3 to 4 units, and 22.4 percent of structures had more than 20 units. Only 8.8 percent of the housing stock was single-family housing. The median number of rooms within housing units in the City was 3.9 with the largest percentage of units (30.5%) having 4 rooms.

| <b>Housing Type and Size<br/>Union City, 2013</b> |              |                   |
|---|--------------|-------------------|
| <b>Units in Structure</b>                         | <b>Total</b> | <b>Percentage</b> |
| Total   | 25,062       | 100.0%            |
| 1, detached                                       | 1,232        | 4.9%              |
| 1, attached                                       | 985          | 3.9%              |
| 2   | 4,267        | 17.0%             |
| 3 or 4  | 5,584        | 22.3%             |
| 5 to 9  | 4,673        | 18.6%             |
| 10 to 19  | 2,706        | 10.8%             |
| 20 to 49  | 2,817        | 11.2%             |
| 50 or more  | 2,792        | 11.1%             |
| Mobile home                                       | 6            | 0.0%              |
| Boat, RV, van, etc.                               | 0            | 0.0%              |
|   |              |                   |
| <b>Rooms</b>                                      | <b>Total</b> | <b>Percentage</b> |
| 1 room  | 1821         | 7.3%              |
| 2 rooms   | 1756         | 7.0%              |
| 3 rooms   | 6189         | 24.7%             |
| 4 rooms   | 7648         | 30.5%             |
| 5 rooms   | 5203         | 20.8%             |
| 6 rooms   | 1496         | 6.0%              |
| 7 rooms   | 338          | 1.3%              |
| 8 rooms   | 281          | 1.1%              |
| 9 or more rooms                                   | 330          | 1.3%              |
| <b>Median number of rooms</b>                     | <b>3.9</b>   |                   |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Occupancy

According to the 2010 Census, of the 24,931 units in Union City, 22,814 (91.5%) were occupied while 2,117 (8.5%) were vacant. Of those units that were vacant, roughly 56 percent were for rent or rented and not occupied, another 15 percent were for sale, and 3.9 percent were for seasonal, recreational or conditional use. A significant percentage, 22.6 percent, were listed as “other vacant,” and a small number of vacant units, 3.9 percent, were sold but not yet occupied.

| <b>Occupancy Status<br/>Union City, 2010</b> |              |                   |
|--|--------------|-------------------|
|  | <b>Total</b> | <b>Percentage</b> |
| Total Housing Units                          | 24,931       | 100%              |
| Occupied                                     | 22,814       | 91.51%            |
| Vacant Housing Units                         | 2,117        | 8.5%              |
| For Rent/Rented Not Occupied                 | 1,188        | 56.1%             |
| For Sale Only                                | 320          | 15.1%             |
| Sold, not occupied                           | 49           | 2.3%              |
| For Seasonal, Recreational or Occasional Use | 82           | 3.9%              |
| Other Vacant                                 | 478          | 22.6%             |

Source: 2010 U.S. Census

### **Housing Values and Contract Rents**

In 2013, a majority of the housing units in Union City (84.4%) were valued at \$200,000 or more, and approximately 69.4 percent of all units were financed by a mortgage. Housing values for owner-occupied housing units are listed in the table below along with mortgage status data. A total of 32 percent of all owner-occupied units were valued between \$200,000 and \$299,999. The second most common value range was between \$300,000 and \$399,999 comprising 26.5 percent of all owner-occupied units. The median value of an owner-occupied unit in Union City was \$307,000. Though most units were covered by a mortgage (69.4%), a significant percentage of units (30.6%) had no mortgage at all.



| <b>Value for Owner-Occupied Housing Units<br/>Union City, 2013</b>    |                  |                   |
|---|------------------|-------------------|
|   | <b>Number</b>    | <b>Percentage</b> |
| <b>Total</b>  | <b>4,137</b>     | <b>100.0%</b>     |
| Less than \$50,000  | 53               | 1.3%              |
| \$50,000 to \$99,999  | 91               | 2.2%              |
| \$100,000 to \$149,999  | 133              | 3.2%              |
| \$150,000 to \$199,999  | 390              | 9.4%              |
| \$200,000 to \$299,999  | 1,324            | 32.0%             |
| \$300,000 to \$399,999  | 1,096            | 26.5%             |
| \$400,000 to \$499,999  | 454              | 11.0%             |
| \$500,000 and greater   | 616              | 14.9%             |
| <b>Median Value</b>   | <b>\$307,100</b> |                   |
| <b>Mortgage Status<br/>Union City, 2013</b>                           |                  |                   |
| Housing units with a mortgage, contract to purchase, or similar debt: | 2,871            | 69.4%             |
| With either a second mortgage or home equity loan, but not both:      | 408              | 9.9%              |
| Second mortgage only  | 145              | 3.5%              |
| Home equity loan only   | 263              | 6.4%              |
| Both second mortgage and home equity loan                             | 19               | 0.5%              |
| No second mortgage and no home equity loan                            | 2,444            | 59.1%             |
| Housing units without a mortgage                                      | 1,266            | 30.6%             |

Source: 2009-2013 American Community Survey 5-Year Estimates

As previously stated, the large majority of units within Union City are renter-occupied. The median contract rent in Union City in 2013 was \$949, with the highest percentage of renters (35.6%) paying between \$1,000 and \$1,499, followed by 22.1 percent who paid between \$700 and \$899 for rent.

| <b>Contract Rent<br/>Union City, 2013</b> |               |                   |
|---|---------------|-------------------|
|   | <b>Number</b> | <b>Percentage</b> |
| Total Renter Occupied Units               | 18,302        | 100.0%            |
| Less than \$200                           | 331           | 1.8%              |
| \$200 to \$499                            | 1,169         | 6.4%              |
| \$500 to \$699                            | 2,173         | 11.9%             |
| \$700 to \$899                            | 4,047         | 22.1%             |
| \$900 to \$999                            | 2,023         | 11.1%             |
| \$1,000 to \$1,499                        | 6,508         | 35.6%             |
| \$1,500 to \$1,999                        | 1,249         | 6.8%              |
| \$2,000 or more                           | 249           | 1.4%              |
| No cash rent                              | 237           | 1.3%              |
| <b>Median Contract Rent</b>               | <b>\$949</b>  |                   |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Housing Conditions

The following table details the condition of the housing within Union City based on heating fuel, overcrowding, plumbing facilities, kitchen facilities, and telephone service. These factors are utilized in determining housing deficiency. In 2013 the majority of occupied homes (77.2%) used utility gas to heat the unit. There were 272 owner-occupied units and 3,421 renter-occupied units that experienced overcrowding (more than one person per room). Throughout the City, 278 units lacked complete plumbing facilities, 373 units lacked complete kitchen facilities, and 612 units had no telephone service.

| <b>Housing Conditions<br/>Union City, 2013</b>    |               |                   |
|---|---------------|-------------------|
|   | <b>Number</b> | <b>Percentage</b> |
| <b>House Heating Fuel-Occupied Housing Units</b>  |               |                   |
| Total   | 22,439        | 100.0%            |
| Utility gas                                       | 17,329        | 77.2%             |
| Bottled, tank, or LP gas                          | 494           | 2.2%              |
| Electricity                                       | 2,977         | 13.3%             |
| Fuel oil, kerosene, etc.                          | 1,391         | 6.2%              |
| Coal or coke                                      | 0             | 0.0%              |
| Wood  | 0             | 0.0%              |
| Solar energy                                      | 0             | 0.0%              |
| Other fuel  | 77            | 0.3%              |
| No fuel used                                      | 171           | 0.8%              |
| <b>Occupants per Room- Occupied Housing Units</b> |               |                   |
| Total   | 22,439        | 100.0%            |
| Owner-Occupied (Over 1.0)                         | 272           | 1.2%              |
| Renter-Occupied (Over 1.0)                        | 3,421         | 15.2%             |
| <b>Facilities-Total Units</b>                     |               |                   |
| Total   | 22,439        | 100.0%            |
| Lacking complete plumbing facilities              | 278           | 1.2%              |
| Lacking complete kitchen facilities               | 373           | 1.7%              |
| <b>Telephone Service- Occupied Housing Units</b>  |               |                   |
| Total   | 22,439        | 100.0%            |
| No Service  | 612           | 2.7%              |

Source: 2009-2013 American Community Survey 5-Year Estimates

**EMPLOYMENT DATA**

The following tables detail changes in employment from 2003 to 2014 in Union City, Hudson County, and the State of New Jersey. Both the labor force and employment saw steady decline beginning in 2003. However, so did the unemployment rate, declining from 10.9 percent in 2003 to 6.5 percent in 2007. In 2008 the unemployment rate began to rise again and in 2009 it hit a decade high of 13.9 percent. Following this peak, the unemployment rate began to decline and in 2014 was at 8 percent. In 2010 both the labor force and employment jumped by nearly 8,000 individuals and has remained steady. While the Union City unemployment trends mirror those of Hudson County and the State, Union City has a consistently higher level of unemployment than do its counterparts.

| <b>Union City Employment and Residential Labor Force -- 2003 - 2014</b> |                    |                   |                     |                          |
|---|--------------------|-------------------|---------------------|--------------------------|
| <b>Year</b>   | <b>Labor Force</b> | <b>Employment</b> | <b>Unemployment</b> | <b>Unemployment Rate</b> |
| 2003  | 28,840             | 25,698            | 3,142               | 10.9%                    |
| 2004  | 28,209             | 25,670            | 2,539               | 9.0%                     |
| 2005  | 27,250             | 25,315            | 1,935               | 7.1%                     |
| 2006  | 26,988             | 25,049            | 1,942               | 7.2%                     |
| 2007  | 26,646             | 24,912            | 1,732               | 6.5%                     |
| 2008  | 27,024             | 24,825            | 2,199               | 8.1%                     |
| 2009  | 27,862             | 23,978            | 3,884               | 13.9%                    |
| 2010  | 35,127             | 31,137            | 3,990               | 11.4%                    |
| 2011  | 35,504             | 31,608            | 3,896               | 11.0%                    |
| 2012  | 35,719             | 31,843            | 3,876               | 10.9%                    |
| 2013  | 35,166             | 31,806            | 3,360               | 9.6%                     |
| 2014  | 35,043             | 32,247            | 2,796               | 8.0%                     |

| <b>Hudson County Employment and Residential Labor Force -- 2003 - 2014</b> |                    |                   |                     |                          |
|--|--------------------|-------------------|---------------------|--------------------------|
| <b>Year</b>  | <b>Labor Force</b> | <b>Employment</b> | <b>Unemployment</b> | <b>Unemployment Rate</b> |
| 2003   | 291,100            | 269,700           | 21,400              | 7.4%                     |
| 2004   | 286,700            | 269,400           | 17,300              | 6.0%                     |
| 2005   | 287,500            | 271,800           | 15,700              | 5.5%                     |
| 2006   | 289,000            | 272,900           | 16,100              | 5.6%                     |
| 2007   | 290,000            | 275,600           | 14,500              | 5.0%                     |
| 2008   | 294,000            | 275,800           | 18,300              | 6.2%                     |
| 2009   | 300,200            | 268,600           | 31,600              | 10.5%                    |
| 2010   | 352,600            | 318,900           | 33,800              | 9.6%                     |
| 2011   | 357,300            | 324,500           | 32,800              | 9.2%                     |
| 2012   | 361,000            | 328,400           | 32,700              | 9.1%                     |
| 2013   | 358,900            | 330,000           | 28,900              | 8.0%                     |
| 2014   | 357,900            | 334,600           | 23,300              | 6.5%                     |

| <b>New Jersey Employment and Resident Labor Force -- 2003 - 2014</b> |                    |                   |                     |                          |
|--|--------------------|-------------------|---------------------|--------------------------|
| <b>Year</b>  | <b>Labor Force</b> | <b>Employment</b> | <b>Unemployment</b> | <b>Unemployment Rate</b> |
| 2003   | 4,347,200          | 4,093,700         | 253,500             | 5.8%                     |
| 2004   | 4,349,200          | 4,138,800         | 210,300             | 4.8%                     |
| 2005   | 4,391,600          | 4,194,900         | 196,700             | 4.5%                     |
| 2006   | 4,445,900          | 4,236,500         | 209,400             | 4.7%                     |
| 2007   | 4,441,800          | 4,251,800         | 190,000             | 4.3%                     |
| 2008   | 4,504,400          | 4,264,000         | 240,500             | 5.3%                     |
| 2009   | 4,550,600          | 4,138,600         | 412,100             | 9.1%                     |
| 2010   | 4,555,300          | 4,121,500         | 433,900             | 9.5%                     |
| 2011   | 4,565,700          | 4,140,500         | 425,300             | 9.3%                     |
| 2012   | 4,588,100          | 4,162,100         | 426,000             | 9.3%                     |
| 2013   | 4,534,400          | 4,164,400         | 370,000             | 8.2%                     |
| 2014   | 4,518,700          | 4,218,400         | 300,300             | 6.6%                     |

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

### Class of Worker and Occupation

The majority of workers (87.7%) living in Union City in 2013 were part of the private wage and salary worker group. This group includes people who worked for wages, salary, commission and tips for a private for-profit employer or a private not-for-profit, tax-exempt or charitable organization. The second largest category was government worker (8.5%) followed by those who were self-employed (3.7%).

| <b>Class of Worker, 2013<br/>Union City</b> |               |                   |
|---|---------------|-------------------|
|   | <b>Number</b> | <b>Percentage</b> |
| Total                                       | 31,677        | 100.0%            |
| Private Wage and Salary Worker              | 27,769        | 87.7%             |
| Government Worker                           | 2,702         | 8.5%              |
| Self-Employed Worker                        | 1,179         | 3.7%              |
| Unpaid Family Worker                        | 27            | 0.1%              |

Source: 2009-2013 American Community Survey 5-Year Estimates

The occupational breakdown shown in the table below includes only private wage and salary workers. The two largest occupational categories for Union City workers were service occupations (25.9%) and sales and office occupations (23.8%). These two categories were followed closely by production transportation and material moving occupations, which employed 22.7 percent of Union City workers.

| <b>Occupation, 2013<br/>Union City</b>                      |               |                   |
|---|---------------|-------------------|
|   | <b>Number</b> | <b>Percentage</b> |
| Employed Civilian population 16 years and over              | 31,677        | 100.0%            |
| Management, business, science and arts occupations          | 5,424         | 17.1%             |
| Service occupations   | 8,216         | 25.9%             |
| Sales and office occupations                                | 7,547         | 23.8%             |
| Natural resources, construction and maintenance occupations | 3,284         | 10.4%             |
| Production Transportation and material moving occupations   | 7,206         | 22.7%             |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Commuting to Work

In 2013, the mean travel time to work for those who lived in the City was 31 minutes. The vast majority of commuters, 80.3 percent, traveled less than an hour to work, and roughly 44 percent have less than a thirty-minute commute.

| <b>Travel Time to Work<br/>Union City, 2013</b> |               |                   |
|---|---------------|-------------------|
|   | <b>Number</b> | <b>Percentage</b> |
| Workers who did not work at home                | 30,297        | 100.0%            |
| Less than 10 minutes                            | 257           | 0.8%              |
| 10 to 14 minutes                                | 1,481         | 4.9%              |
| 15 to 19 minutes                                | 2,976         | 9.8%              |
| 20 to 24 minutes                                | 3,681         | 12.1%             |
| 25 to 29 minutes                                | 4,832         | 15.9%             |
| 30 to 34 minutes                                | 1,467         | 4.8%              |
| 35 to 44 minutes                                | 6,153         | 20.3%             |
| 45 to 59 minutes                                | 3,469         | 11.4%             |
| 60 to 89 minutes                                | 3,184         | 10.5%             |
| 90 or more minutes                              | 925           | 3.1%              |
| <b>Mean travel time to work (minutes)</b>       | <b>31.0</b>   |                   |

Source: 2009-2013 American Community Survey 5-Year Estimates

The largest portion of workers commuted via public transportation (41.1%), while approximately 30 percent drove to work alone. Roughly 14 percent of workers, however, walked to work and nearly 11 percent carpooled. The City saw 2.5 percent of its workers work from home.

| <b>Means of Commute<br/>Union City, 2013</b> |               |                   |
|--|---------------|-------------------|
|  | <b>Number</b> | <b>Percentage</b> |
| Workers 16 years and over                    | 31,077        | 100.0%            |
| Car, truck, van- Drove Alone                 | 9,251         | 29.8%             |
| Car, truck, van- Carpooled                   | 3,385         | 10.9%             |
| Public Transportation                        | 12,767        | 41.1%             |
| Walked                                       | 4,268         | 13.7%             |
| Other Means                                  | 626           | 2.0%              |
| Worked at home                               | 780           | 2.5%              |

Source: 2009-2013 American Community Survey 5-Year Estimates

### Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The tables below provide a snapshot of private employers located within Union City. The first table reflects the number of jobs covered by private employment insurance from 2003 through 2013. The second table reflects the disbursement of jobs by industry and salaries in 2013.

According to data from the New Jersey Department of Labor and Workforce Development, the highest number of covered jobs in the last twelve years was in 2004 when 9,351 jobs were covered by unemployment insurance. Private employment has fluctuated somewhat in Union City since its 2004 peak with its greatest increase (10.8%) occurring in 2010.

| <b>Private Wage Covered Employment 2003 - 2013<br/>Union City</b> |                |          |          |
|---|----------------|----------|----------|
| Year  | Number of Jobs | # Change | % Change |
| 2003  | 9,281          | -        | -        |
| 2004  | 9,351          | 70       | 0.8%     |
| 2005  | 8,064          | -1287    | -13.8%   |
| 2006  | 8,422          | 358      | 4.4%     |
| 2007  | 7,997          | -425     | -5.0%    |
| 2008  | 7,466          | -531     | -6.6%    |
| 2009  | 6,956          | -510     | -6.8%    |
| 2010  | 7,710          | 754      | 10.8%    |
| 2011  | 7,320          | -390     | -5.1%    |
| 2012  | 6,857          | -463     | -6.3%    |
| 2013  | 7,117          | 260      | 3.8%     |

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

In terms of employment, the dominant private industry in the City in 2013 was the health and social work industries, providing an average of 1,779 jobs. This was followed by the retail trade, which employed an average of 1,148 individuals, and the administration and waste remediation industry, employing an average of 1,040 individuals. The wholesale trade, however, experienced the highest private wages, averaging \$43,835 annually. The accommodations and food industry provided the lowest wages overall, averaging \$16,007 annually. Local government, however, experienced the highest overall employment of 2,729 individuals and annual salary average of \$52,284.

| Private Employment and Wages, 2013 |            |       |       |       |         |         |          |
|------------------------------------|------------|-------|-------|-------|---------|---------|----------|
| Industry                           | Employment |       |       |       |         | Wages   |          |
|                                    | March      | June  | Sept  | Dec   | Average | Weekly  | Annual   |
| Construction                       | 193        | 190   | 163   | 170   | 175     | \$827   | \$43,015 |
| Manufacturing                      | 278        | 284   | 282   | 258   | 278     | \$547   | \$28,443 |
| Wholesale Trade                    | 264        | 264   | 273   | 280   | 261     | \$843   | \$43,835 |
| Retail Trade                       | 1,122      | 1,152 | 1,173 | 1,180 | 1,148   | \$456   | \$23,690 |
| Transp/Warehousing                 | 202        | 202   | 209   | 197   | 198     | \$523   | \$27,177 |
| Finance/Insurance                  | 272        | 273   | 279   | 282   | 277     | \$781   | \$40,586 |
| Real Estate                        | 175        | 185   | 177   | 178   | 177     | \$568   | \$29,523 |
| Professional/Technical             | 271        | 249   | 249   | 257   | 252     | \$755   | \$39,264 |
| Management                         | .          | .     | .     | .     | .       | .       | .        |
| Admin/Waste Remediation            | 1,073      | 979   | 1,114 | 1,072 | 1,040   | \$379   | \$19,698 |
| Education                          | 68         | 66    | 76    | 92    | 75      | \$485   | \$25,203 |
| Health/Social                      | 1,814      | 1,834 | 1,785 | 1,811 | 1,779   | \$570   | \$29,661 |
| Accommodations/Food                | 815        | 841   | 830   | 863   | 808     | \$308   | \$16,007 |
| Other Services                     | 304        | 312   | 310   | 315   | 308     | \$436   | \$22,675 |
| Private Sector Totals              | 7,215      | 7,167 | 7,228 | 7,296 | 7,117   | \$519   | \$26,984 |
| Local Government Totals            | 2,783      | 2,819 | 2,348 | 2,889 | 2,729   | \$1,005 | \$52,284 |

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

### Probable Future Employment Opportunities

The North Jersey Transportation Planning Authority (NJTPA) completes regional forecasts for the New York/New Jersey metropolitan area every four years for populations, households, and employment. The most recent set of forecasts, released in 2013, predicts Union City's employment will increase by 5,800 jobs by 2040. In addition, the New Jersey Department of Labor releases a Regional Community Fact Book for each county in New Jersey. By 2020, Hudson County is projected to increase its job holding by 15,550 jobs. The finance and insurance industry and the healthcare and social assistance industry sectors are projected to create the most jobs in Hudson County between 2010 and 2020, a total of roughly 9,950 jobs.

## PART 2: FAIR SHARE PLAN

### INTRODUCTION

The following Fair Share Plan ("the Plan") details Union City's present need, prior round obligation (1987-1999), and Third Round need. This Plan proposes mechanisms for which the City can realistically provide opportunities for affordable housing for moderate-, low-, and very low- income households.

Union City is a densely populated urban municipality that has a significant amount of pre-1960 housing. The City is also a state-designated urban aid municipality. This designation is indicative of the existing affordable housing opportunities within the City, which can be seen in the Prior Round obligation of 0 per the agreed upon settlement between the City and the Fair Share Housing Center (FSHC).

Despite its urban aid designation, the City has been able to provide a significant amount of affordable housing opportunities. Regardless of the ultimate decision on fair share issues, the City will do everything in its powers to continue to provide affordable housing options. The City proposes to accomplish this by continuing its long-standing aggressive code enforcement program and will, to the extent that it can, provide assistance to new affordable projects.

The need for affordable housing in New Jersey is divided into three components:

- *Present Need* – The present need, or rehabilitation share, represents the number of existing housing units that are both deficient and occupied by low and moderate income households. This number is derived from review and analysis of housing conditions reported in the U.S. Census and American Community Survey.
- *Prior Round Obligation* – The Prior Round obligation is the cumulative 1987-1999 fair share obligation determined by 2014 COAH regulations. The First Round and the Second Round are mutually referred to as the "Prior Round."
- *Third Round Need (Prospective Need)* – The Third Round need represents the anticipated future affordable housing needs of a municipality during the time period of 2015 to 2025.

The following is a summary of Union City's obligations per the agreed upon settlement between the City and FSHC.

|                        |       |
|------------------------|-------|
| Rehabilitation Share   | 1,442 |
| Prior Round Obligation | 0     |
| Third Round            | 0     |



**PRESENT NEED**

Present Need was determined in N.J.A.C. 5:93-1.3 under 2<sup>nd</sup> round rules, dated May 2002, to be the sum of a municipality's indigenous need, the deficient housing units occupied by low- and moderate-income households, and the reallocated present need, which is the portion of a housing region's present need that is redistributed throughout the housing region. Under the second round rules, evidence for deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply.

The Third Round rules reduced the criteria for deficient housing to only include: pre-1960 over-crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing, and incomplete kitchen facilities. This criteria reduction was found by the Appellate Division to be within the Council's discretion and was upheld in the Supreme Court's decision *In re N.J.A.C. 5:96 & 97*.

The previously discussed 2015 Supreme Court decision found that the reallocated need is no longer a component in the determination of Present Need. Therefore, the Present Need now equates to indigenous need, which means the obligation is based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities.

The agreed upon settlement between the City and FSHC determined a Present Need of 1,442 units for Union City. The following details the methods in which the City will meet its Present Need obligation. These efforts are sufficient to address the City's Present Need obligation of 1,442 units.

***County-Funded Rehabilitation Programs***

The City participates in a residential rehabilitation program funded through the Community Development Block Grant (CDBG) program and has completed 21 rehabilitation projects since 2010. The City has its own CDBG entitlement allocation and has funds available through this program to address a wide range of development issues, including affordable housing projects. The City will continue to apply for funds through the CDBG program to continue rehabilitating substandard units.

The Union City Housing Authority also has received additional funding to rehabilitate their existing developments. These funds have been used for projects such as new boilers, updating bathrooms, and replacing kitchens.

In addition, multiple affordable projects within the City have received funding through the HOME Investment Partnership Program (HOME). The City, Housing Authority, non-profits, and private developers have leveraged over \$10 million from HOME to assist in providing affordable housing opportunities. The HOME Program works with communities to provide assistance in funding a wide range of affordable housing projects. The Hudson County Consortium (the "Consortium") for the HOME Program is comprised of eleven municipalities within Hudson County including the City of Union City. The Consortium uses the HOME funds to provide assistance of rehabilitation of very low and low income units, to increase homeownership opportunities for very low and low-income individuals and families, and to increase the supply of affordable rental units. The City has aggressively worked with the Consortium, which has provided substantial funding for various projects throughout the City, and will continue to apply for funding (see Appendix B for list of current affordable housing projects in Union City funded by HOME).

### ***Existing/Proposed Affordable Units***

The following developments and projects contribute to the City's Present Need:

- Rehabilitation of 21 units
- Development of new affordable units
- Continued participation in the City CDBG program and County HOME program.
- Aggressive review of sites, which may be "redeveloped" and provide additional affordable housing opportunities
- Union City Housing Authority 456 public housing units
- Union City Housing Authority 112 veterans housing units

The following are details of the City's existing affordable units. A map of all of the above affordable developments can be found in Appendix A.

#### *St. Michael's Pavilion*

St. Michael's Pavilion is located at 1901 West Street, and is the former location of the St. Michael's Monastery. In 1994, the monastery was ravaged by a fire, which destroyed its roof and much of its interior. The developer, Monastery Urban Renewal, applied for and received low-income tax credits in 1997. St. Michael's contains 70 affordable family rental units and was built in 1999.

*The Palisades*

The Palisades is located at 3900 Palisade Avenue. In partnership with the Union City Housing Authority, the development received low-income tax credits in 1999. The project created 45 affordable family rental housing units and was constructed in 2001.

*The Renaissance*

The Renaissance is located at 26<sup>th</sup> Street and Central Avenue. Developed by the North Hudson Community Action Corporation, the development was completed in 2001 and created 36 affordable family rental units. The development received low-income tax credits in 1999.

*Holy Rosary Housing*

Holy Rosary Housing, located at 1501-09 Bergenline Avenue contains 60 affordable senior rental units. The project was built in 2004. The project received Section 202 Supportive Housing for the Elderly funding.

*Garden State Episcopal Community Development Corporation*

The Garden State Episcopal Community Development Corporation received approval from the City's Zoning Board of Adjustment in September 2014 to construct a 9-unit supportive housing development at 1514-1518 Palisade Avenue.

*Blue Chapel*

Blue Chapel is a former monastery located at 605 14<sup>th</sup> Street. There is currently a proposal to develop 75 affordable senior rental units at this complex.

*St. John's*

St. John's Evangelical Lutheran Church is proposing to construct 25 family rental units on a property they own at 3501-3509 and 3511 Palisade Avenue.

*Bella Vista Apartments*

The Bella Vista Apartments is located at 522 22<sup>nd</sup> Street and provides a total of 230 Section 8 federally subsidized apartments. The 230 units are divided among senior residents and legally handicapped or disabled persons. Bella Vista was completed post 1980.

### Horizon Heights

Horizon Heights is located at 4906 Broadway. Half of the building is located in West New York and half in Union City. The half that is in Union City contains 26 affordable family rental units. The development was completed in 2011.

### 311, 315, 317 8<sup>th</sup> Street

These three properties (Block 37, Lots 9, 10, and 11) on 8<sup>th</sup> Street make up a total of 32 affordable rental units. These projects received funding from HOME and contains a 15-year deed restriction in 2006.

### 1401 Bergenline Avenue

The property at 1401 Bergenline Avenue contains 12 affordable rental units that received HOME funding and affordability controls in 2006. The development is managed by SERVE Properties and Management, a branch of the non-profit SERV Behavioral Health System who specializes in planning, development, and management of housing for special needs populations.

### 551 40<sup>th</sup> Street

The property at 551 40<sup>th</sup> Street contains 18 affordable rental units available for veterans with physical and mental disabilities. The development contains twelve one-bedroom units and six two-bedroom. The development received HOME funding and was opened in December 2013.

### Union City Housing Authority public housing units

The Union City Housing Authority manages 456 affordable housing rental units across the City. These units are located within four developments: Columbian Court (96 units), Hillside Terrace I (147 units), Hillside Terrace II (112 units), and Palisade Plaza (101 units). A list of units and addresses can be found in Appendix B.

### Veterans Housing

The Housing Authority of Union City also manages 112 veterans housing units located within 54 buildings across the City. A list of these units can be found in Appendix B. It is a goal of the City to continue to build and provide affordable housing opportunities to veterans. The City will continue to pursue options to fund affordable veterans housing through HOME funds as well as from the New Jersey Housing and Mortgage Finance Agency Special Needs Housing Partnership Loan Program (SNHPLP).

Block 42, Lot 9 (720 8<sup>th</sup> Street)

The City collaborated with New Jersey Housing and Mortgage Finance Agency to develop an RFP for this site for a development including approximately 100 affordable age-restricted rental units. The City has received three responses to the RFP from experienced 100% affordable developers and is currently evaluating the submissions.

**Additional Affirmative Measures**Mandatory Sliding Scale Set-Aside

Per the agreed upon settlement, the City will also establish a mandatory sliding scale set-aside requirement created through any Planning Board and/or Zoning Board of Adjustment action on subdivision or site plan applications, rezoning, use variance redevelopment plan, or rehabilitation plan that provides for an increase in density above what is currently permitted as of the date of this Plan:

1. 5% set-aside for any multi-family development of twenty to 49 units;
2. 10% set-aside for any multi-family development of fifty to 199 units; and
3. 15% set-aside for any multi-family development of 200 or more units.

The City agrees that for projects in redevelopment areas involving less than fifty units a 1 for 1 density bonus will be applied for each affordable unit required.

Additionally, in lieu of constructing affordable units, a developer may request that the Planning Board or Zoning Board of Adjustment permit the developer to provide a payment in lieu of affordable housing. A payment in lieu of affordable housing, if permitted, shall be in the sum of \$175,000.00 per unit made to the City's Affordable Housing Trust Fund. For those projects of 50 units or more, the developer can only contribute funds for up to one half the units to be constructed as affordable units.

Development Fee Ordinance and Trust Fund

In conformance with the City's development fee ordinance that was most recently amended in 2009, and approved by COAH, developers must pay an affordable housing development fee into the City's Affordable Housing Trust Fund. Monies generated by the development fees will be the primary source of funding for rehabilitation projects within the City. As detailed in Union City's Spending Plan, the City projects sufficient funding to rehabilitate 52 units between 2016 and 2025.

Garden State Episcopal

Through the Palisades Emergency Residence Corporation, a nonprofit organization that provides shelters, permanent housing, and other community services, the Garden State Episcopal has proposed to convert a building they own at 113 37<sup>th</sup> Street into a two-family dwelling for families with special needs children. The development will produce one affordable-unit.

Union City Public Housing Agency

The Union City Public Housing Agency is applying for State funds in order to acquire a building at 519-521 Summit Avenue and construct 12 units of housing for the homeless and/or homeless veterans.

**Summary of Present Need affordable developments:**

|   |              |
|---|--------------|
| <b>Present Need Obligation</b>  | <b>1,442</b> |
| <i>Rehabbed units since April 1, 2010</i>   | 21           |
| <i>St. Michael's Pavilion</i>   | 70           |
| <i>The Palisades</i>  | 45           |
| <i>The Renaissance</i>  | 36           |
| <i>Holy Rosary Housing</i>  | 60           |
| <i>Garden State Episcopal Community Dev. Corp.</i>  | 9            |
| <i>Blue Chapel</i>  | 75           |
| <i>St. John's</i>   | 25           |
| <i>Bella Vista Apartments</i>   | 230          |
| <i>Horizon Heights</i>  | 26           |
| <i>311, 315, 317 8<sup>th</sup> Street</i>  | 32           |
| <i>1401 Bergenline Avenue</i>   | 12           |
| <i>551 40<sup>th</sup> Street</i>   | 18           |
| <i>Union City Housing Authority Rental Units</i>  | 456          |
| <i>Union City Housing Authority Veterans Units</i>  | 112          |
| <i>Block 42, Lot 9 (720 8<sup>th</sup> Street)</i>  | 100          |
| <b>Total Existing/Proposed Units</b>  | <b>1,327</b> |
| <i>Funds from the City's Affordable Housing Trust Fund collected through Development fees partnered with additional monies from HOME and CDBG Programs</i>  | 52+          |
| <i>Mandatory sliding scale set-aside requirement that provides for an increase in density above what is currently permitted as of the date of this Plan</i> |              |

|  |    |
|--|----|
| <i>Garden State Episcopal proposed two-family building conversion</i>      | 1  |
| <i>Union City Public Housing Authority proposed homeless/veterans home</i> | 12 |

**PRIOR ROUND OBLIGATION (1987-1999)**

Both the Round 1 and Round 2 methodologies established a category of municipalities that are excluded from a Prospective Need obligation. These municipalities are those that are designated by the State as urban aid municipalities and meet at least one of three criteria related to the amount of low and moderate income housing, population density, and available land within the municipality. Union City is a state-designated urban aid municipality and was determined to meet all three of the qualifying criteria: 1) deficient low and moderate income housing that exceeds the average low and moderate income housing deficiency of the region, and 2) a population density of greater than 10,000 persons per square mile. Per the agreed upon settlement agreement, Union City has a Prior Round Obligation of 0 units.

**ROUND 3 NEED**

Due to its urban aid designation and per the agreed upon settlement, Union City has a Round 3 Need of 0.

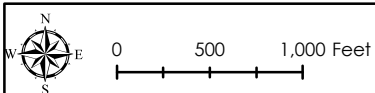
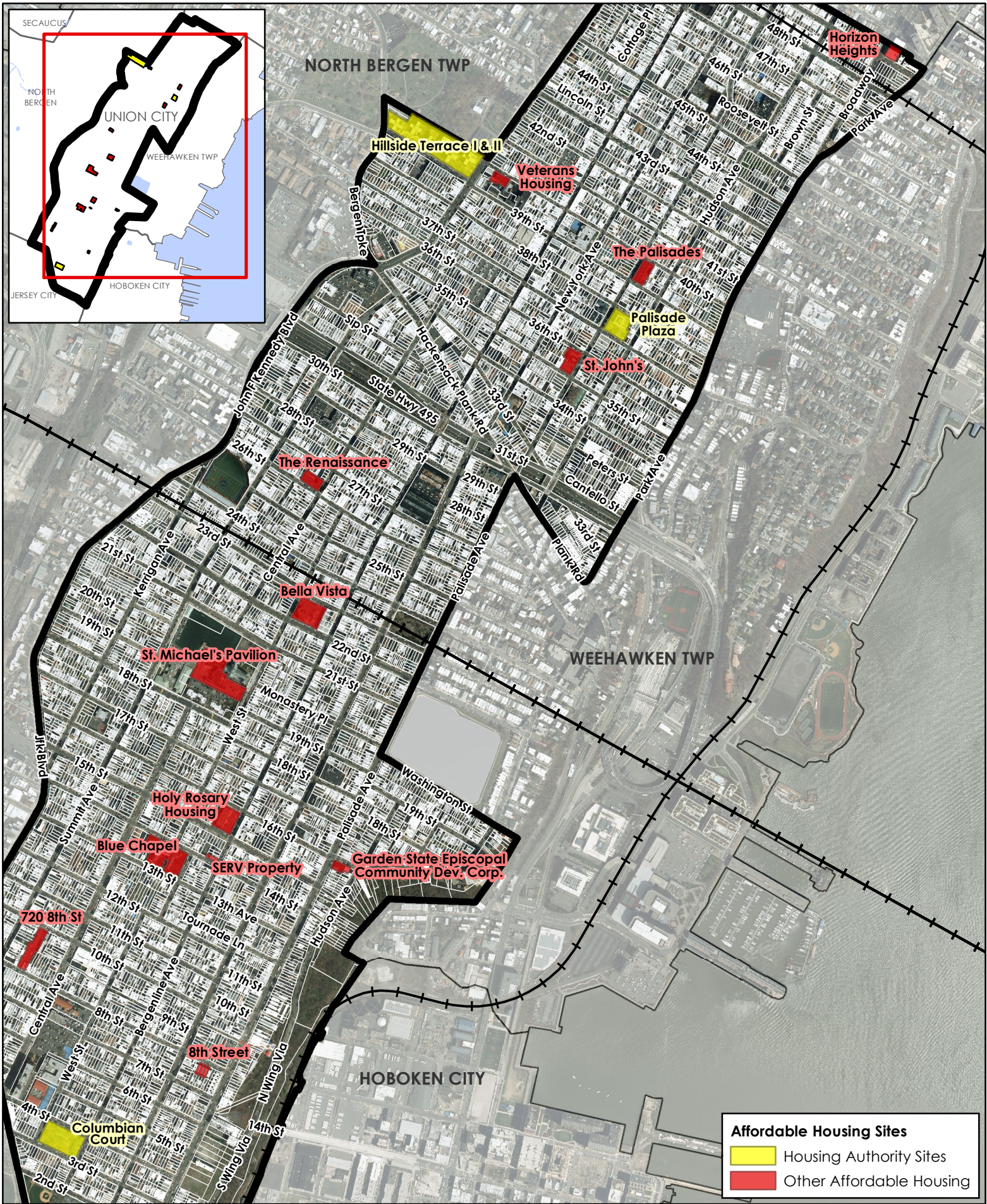
**SUMMARY OF FAIR SHARE COMPLIANCE**

|   |                |
|---|----------------|
| <b>Present Need</b>   | <b>1,442</b>   |
| <i>CDBG funded rehab program (completed)</i>  | 21             |
| <i>St. Michael's Pavilion</i>   | 70             |
| <i>The Palisades</i>  | 45             |
| <i>The Renaissance</i>  | 36             |
| <i>Holy Rosary Housing</i>  | 60             |
| <i>Garden State Episcopal Community Dev. Corp.</i>  | 9              |
| <i>Blue Chapel</i>  | 75             |
| <i>St. John's</i>   | 25             |
| <i>Horizon Heights</i>  | 26             |
| <i>Bella Vista Apartments</i>   | 230            |
| <i>311, 315, 317 8<sup>th</sup> Street</i>  | 32             |
| <i>1401 Bergenline Avenue</i>   | 12             |
| <i>551 40<sup>th</sup> Street</i>   | 18             |
| <i>Union City Housing Authority Rental Units</i>  | 456            |
| <i>Union City Housing Authority Veterans Units</i>  | 112            |
| <i>Block 42, Lot 9 (720 8<sup>th</sup> Street)</i>  | 100            |
| <b>Total Existing/Proposed Units</b>  | <b>1,327</b>   |
| <i>Funds from the City's Affordable Housing Trust Fund collected through Development fees partnered with additional monies from HOME and CDBG Programs</i>  | 52+            |
| <i>Mandatory sliding scale set-aside requirement that provides for an increase in density above what is currently permitted as of the date of this Plan</i> |                |
| <i>Garden State Episcopal proposed two-family building conversion</i>   | 1              |
| <i>Union City Public Housing Authority proposed homeless/veterans home</i>  | 12             |
| <b>Total Present Need Credits</b>   | <b>1,455 +</b> |
| <b>Prior Round Obligation (1987-1999)</b>   | <b>0</b>       |
| <b>Third Round Need (2015-2025)</b>   | <b>0</b>       |



# **APPENDIX A**

## **AFFORDABLE HOUSING SITES MAP**



Affordable Housing Locations  
Union City, NJ

**Affordable Housing Sites, City of Union City, Hudson County, New Jersey**

| <b>Affordable Housing Site</b>              | <b>Address</b>                            | <b>Units</b>  |
|---|---|---|
| Horizon Heights                             | 4900 Broadway, Union City & West New York | 26 family rental  |
| Veterans Housing                            | 551 40th Street                           | 18 units  |
| The Palisades                               | 3900 Palisade Avenue                      | 45 rental   |
| St. John's                                  | 3501-09 and 3511 Palisade Ave             | 20-25 age-restricted rental                             |
| The Renaissance                             | 26th Street and Central Avenue            | 36 family rental  |
| Bella Vista Apartments                      | 522 22nd Street                           | 230 rental - senior and legally handicapped or disabled |
| St. Michael's Pavilion                      | 1901 West Street                          | 70 family rental  |
| Holy Rosary Housing                         | 1501-09 Bergenline Avenue                 | 59 age-restricted rental                                |
| Blue Chapel                                 | 605 14th Street                           | 70-75 age-restricted rental                             |
| Garden State Episcopal Community Dev. Corp. | 1514-1518 Palisade Avenue                 | 9 supportive housing                                    |
| SERV Property                               | 1401 Bergenline Avenue                    | 12 family rental  |
| 8th Street Site                             | 311-317 8th Street                        | 32 rental   |
| Block 42 Lot 9 (Dedicated)                  | 720 8th Street                            | 100 age-restricted rental                               |

**Housing Authority of the City of Union City**

| <b>Affordable Housing Site</b>          | <b>Address</b>               | <b>Units</b>       |
|---|------------------------------|--------------------|
| Palisade Plaza                          | 3700 Palisades Avenue        | 101 age-restricted |
| Hillside Terrace 1 & 2                  | 3901 Kennedy Boulevard       | 259 units          |
| Columbian Court                         | 301-09 Bergenline Avenue     | 96 units           |
| Veterans Housing (Not Indicated on Map) | 54 buildings across the City | 112 units          |

# **APPENDIX B**

## **REHABILITATION PROGRAMS AND FUNDING**

Active projects who have received funding from HOME Investment Partnership Program  
 Provided by the Hudson County Division of Housing & Community Development

| MUNICIPALITY | ADDRESS                  | PROJECT SPONSOR                          | Total Units | STATUS   | Length of Affordability | Year Affordability Ends |
|--------------|--------------------------|--|-------------|----------|-------------------------|-------------------------|
| Union City   | 1501-9 Bergenline Avenue | Catholic Community Services/ Holy Rosary | 60          | Complete | 20                      | 2024                    |
| Union City   | 3900 Palisade Avenue     | Union City Housing Authority             | 45          | Complete | 20                      | 2028                    |
| Union City   | 311,315,317 8th Street   | M. Hector                                | 32          | Complete | 15                      | 2021                    |
| Union City   | 2601 Central Avenue      | NHCAC Union City Renaissance             | 37          | Complete | 20                      | 2024                    |
| Union City   | 108 36th Street          | PERC                                     | 8           | Complete | 20                      | 2032                    |
| Union City   | 4906 Broadway            | Regan Development                        | 52          | Complete | 20                      | 2033                    |
| Union City   | 1401 Bergenline Ave      | SERV                                     | 12          | Complete | 20                      | 2026                    |
| Union City   | 551 40th Street          | Suede Promotions                         | 18          | Complete | 20                      | 2035                    |
| Union City   | 1901 West Street         | St. Michael's Pavilion                   | 70          | Complete | 35                      | 2036                    |

## Housing Authority of the City of Union City, New Jersey

The following is a list of the 456 affordable rental units managed by the Union City Housing Authority.

### **BUILDING/ HOUSING INVENTORY**

#### COLUMBIAN COURT- 96 Units

512 3rd Street  
514 3rd Street  
513 4th Street  
515 4th Street  
307 Bergenline Avenue  
309 Bergenline Avenue  
306 West Street  
308 West Street

#### HILLSIDE TERRACE I- 147 Units

634 39th Street  
640 39th Street  
660 39th Street

#### HILLSIDE TERRACE II- 112 Units

3901 Kennedy Boulevard  
3911 Kennedy Boulevard

#### PALISADE PLAZA- 101 Units

3700 Palisade Avenue


### **Veterans Housing Units:**

The Housing Authority manages 112 units within 54 buildings across the City.

- 136-147 Cantello Street
- 405 5<sup>th</sup> Street
- 520 5<sup>th</sup> Street & 500 West Street
- 118-120 39<sup>th</sup> Street / 115 40<sup>th</sup> Street
- 309-311 44<sup>th</sup> Street

## Home Investment Partnerships Program "HOME"

Select Language ▼

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The Hudson County Consortium (the "Consortium") for the HOME Program includes the seven communities in the Urban Hudson County and the Entitlement municipalities of Hoboken, Bayonne, Union City, and North Bergen.

The HOME Investment Partnership Program (HOME) is designed to assist communities- often in partnership with local, not-for-profits, individuals, corporations, and public entities- to fund a wide range of affordable housing projects. These projects may include building, acquiring and/or rehabilitating affordable housing units for rental or home ownership. The affordable housing units created serve very low, low, and moderate income persons and families at or below 80% of the Jersey City, New Jersey HUD Metropolitan area.

Although many types of activities are eligible under the federal HOME Investment Partnership Program (HOME) regulations, applications for funds must be in conformance with the housing priorities in the County's submitted 2015-2019 Consolidated Plan. These priorities include:

- Supporting the creation of new rental units through new construction or rehabilitation.
  - Within this priority, there is also a focus on creating housing for individuals and families (under 55) and permanent housing for homeless individuals and families.
- Priority will be given to any project that is consistent with County initiatives, including but not limited to: ending veteran homelessness, housing for the very-low income, and redevelopment of foreclosed or abandoned properties.

The full Hudson County Division of Housing and Community Development HOME Policies and Procedures manual may be found here: [HOME Policies and Procedures Manual Revised 2.17.16](#)

To stay up-to-date on affordable housing programs and announcements sign up for the [HOME mailing list](#).

## **We are accepting applications!**

Applications for HOME funding are accepted on a rolling basis. The County awards HOME funds for a variety of affordable housing construction developments such as multifamily, special needs, rehabilitation, and low-income homeownership. Applications are submitted online through Zoomgrants at the link below. For a paper copy, please contact the Division of Housing and Community Development directly.

### **Hudson County Consortium HOME Application**

For more information, or to discuss a potential affordable housing development, please contact:

**Katie Brennan**

Program Director

Hudson County Division of Housing & Community Development

Phone Number: 201-369-4520

Fax Number: 201-369-4523

830 Bergen Avenue, 5B

*Jersey City, NJ 07306*

**Hudson County  
Division of Housing and  
Community Development**



**HOME Program  
Policies and Procedures**



Revised November 2015



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## I. Introduction

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The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA) and is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing.

HOME funds are used to achieve the following objectives:

- To provide decent affordable housing to lower-income households.
- To expand the capacity of non-profit housing providers.
- To strengthen the ability of state and local governments to provide housing.
- To leverage private sector participation.

Eligible activities are defined in accordance with the following categories:

- Housing rehabilitation,
- Homebuyer activities,
- Rental housing activities, &
- Tenant-based Rental Assistance (TBRA).

The HOME Investment Partnership Program (HOME) is designed to assist communities- often in partnership with local, not-for-profits, individuals, corporations, and public entities- to fund a wide range of affordable housing projects. The Hudson County Consortium (the “Consortium”) for the HOME Program includes the eleven communities in the Hudson Urban County, East Newark, Guttenberg, Harrison, Kearny, Secaucus, Weehawken and West New York as well as the Entitlement municipalities of Bayonne, Hoboken, Union City, and North Bergen. The City of Jersey City is the direct recipient of HOME funds and is not included in the Consortium.

The Hudson County Consortium utilizes its HOME Program allocation to carry out activities that provide funds for the rehabilitation of very low and low income homeowners' units; to increase homeownership opportunities for very low and low income persons and families; and to increase the supply of affordable rental units for very low and low income persons at or below 80% of the Jersey City, New Jersey HUD Metropolitan area median income. These activities are consistent with the priorities set forth in the Hudson County Consortium's Consolidated Plan.

Although many types of activities are eligible under the federal HOME Investment Partnership Program (HOME) regulations, applications for funds must be in conformance with the housing priorities in the Consortium’s submitted 2015-2019 Consolidated Plan. These priorities include:

- Supporting the creation of new rental units through new construction or rehabilitation. Within this priority, there is also a focus on creating housing for individuals and families (under 55) and permanent housing for homeless individuals and families.
- Priority will be given to any project that is consistent with County initiatives, including but not limited to: ending veteran homelessness, housing for the very-low and extremely-low income, and redevelopment of foreclosed or abandoned properties.

## II. Distribution of Funding

---

The Consortium distributes HOME funds geographically within the 11 municipalities listed above and among different categories of housing need, according to the priorities identified in its approved consolidated plan. The Consortium only invests HOME funds in eligible projects within its boundaries, or in joint projects within the boundaries of contiguous local jurisdictions, which serve residents from both jurisdictions.

The Hudson County Consortium municipalities include all Hudson County municipalities except the City of Jersey City which has its own HOME allocation and may only be funded by the Hudson County Consortium in select circumstances. In order for the Division to fund projects in the City of Jersey City, the applicant must have a documented commitment from Jersey City and units developed must be for populations that are consistent with the County's priorities such as homeless veterans and families.

Applications for Hudson County HOME funds are accepted on a rolling basis. Before committing funds to a project, the County of Hudson evaluates the project and will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.

Recognizing that Hudson County HOME funds are limited, funds are typically intended to provide gap financing for development projects and to fund projects that would otherwise not be available in the community.

A link to Hudson County's online HOME application may be found [through this link](#) or a paper copy may be requested by contacting the Housing & Community Development office.

### **III. Eligible Projects**

---

#### **A. Eligible Activities**

HOME funds may be used to develop and support affordable rental housing and homeownership units. HUD regulations mandate that all housing supported with HOME funds must be permanent. Below is a list of eligible activities:

- New construction
- Rehabilitation
- Reconstruction
- Conversion
- Site improvements
- Acquisition of property
- Acquisition of vacant land if construction will begin on a HOME project within 12 months of purchase. Land banking is prohibited.
- Demolition of an existing structure may be funded through HOME only if construction will begin on the HOME project within 12 months.
- Relocation costs
- Refinancing
- Initial operating reserve
- Project-related soft costs
- Community Housing Development Organization (CHDO) Costs

#### **B. Eligible Property Types**

Both single site and scattered site developments are eligible for the HOME program. Single site developments are one or more buildings on one site that are under common ownership, management, and financing. Buildings scattered on more than one site as long as the sites are under common ownership, management, and financing, are eligible to received HOME assistance as part of a single undertaking.

### ***Single Room Occupancy (SRO)/Group Housing***

Permanent SRO's and group housing are eligible under the HOME Program, though they will not receive priority points. SROs are subject to more stringent underwriting guidelines and, minimally, must provide a set-aside of units with deep affordability for extremely low income persons. SROs must generally comply with rental housing guidelines. Specific guidance is available through CPD Notice 94-01 "Using HOME funds for Single Room Occupancy (SRO) and Group Housing" available from the County. Please request this notice if you are applying for such a project.

### ***Mixed-Income/ Mixed-Use Projects***

Mixed-income and mixed-use (i.e. residential and commercial) are eligible for HOME funds in the affordable portions of the building. However, project costs must be allocated on a rational, documented basis in accordance with the actual unit-by-unit expenditures; or prorating of expenditures reflecting the proportion of HOME units in the project; or a combination of both.

In a mixed-income project, designated HOME-assisted units may change over time (called "floating units as long as the total number of affordable units remains the same and the substituted units are comparable in size, features, and number of bedrooms.

### ***Tax Credit Funded Properties***

Tax credits and HOME funds may be used together and for the most part the rules are compatible. The general rule is that when Tax Credit and HOME rules conflict Tax Credit rules are to be followed. Any project receiving Tax Credit and HOME funds requires a layering review to ensure that the project is not receiving an excess amount of subsidy.

Ineligible properties include: projects assisted under title VI of NAHA- Prepayment of Mortgages Insured under the National Housing Act; Public Housing projects; Rental Rehabilitation Program funded projects; properties with existing obligations to any federal, state, or local housing program.

## **C. Site and Neighborhood Standards**

Housing provided through the HOME program must promote greater choice of housing opportunities. Specifically:

- HOME funded housing must be suitable from the standpoint of facilitating and furthering full compliance with Title VI of the Civil Rights Act- 1964, the Fair Housing Act and Executive Order 11063.
- New construction rental projects must meet the site and neighborhood standards from 24CFR 983.6(b), which places limiting conditions on buildings in areas of minority concentration and that are racially mixed.

The Consortium will consider siting and neighborhood standards during the application process. Neighborhood amenities such as access to transportation, healthcare facilities, supportive services, targeted development areas, environmentally safe areas, and access to grocery stores and banking will be considered.

The Consortium will also place priority on project sites that do not have any known environmental hazards. The County must conduct an environmental review on every project. It is the responsibility of the owner to ensure that the County has all the information necessary to complete the review. Project may not begin and funds may not be expended until the review is completed and funds are released by HUD.

#### **D. Forms of Subsidy**

HOME allows for a variety of forms of financial assistance to be provided for eligible projects and to eligible beneficiaries. The Consortium's approach to providing HOME funds is to provide the "gap" financing necessary to make the project affordable under the HOME rental / purchase and income guidelines. The focus of this type of underwriting is to maximize private financing and minimize HOME funds. Some forms of assistance will require legal instruments for implementation. HOME regulations list the following forms of assistance as eligible:

- Interest or non-interest bearing loans or advances
- Deferred Loans (forgivable or repayable)
- Grants
- Interest Subsidies
- Equity Investments

Applicants may propose any of the forms listed above; however the Division determines what forms of assistance it will provide. In general the Division provides funds in the form of loans. Projects that can be completed solely with private financing are not eligible.

Detailed underwriting standards for rental housing projects are noted under the rental housing section of these guidelines.

#### **E. Subsidy Limits**

The minimum amount of HOME funds that must be invested in a project involving rental housing or home ownership is \$1,000 times the number of HOME-assisted units in the project. Maximum per unit subsidy amounts are included in Appendix 2: Subsidy Limits.

Actual funding levels will vary project by project and may be lower based on cost reasonableness and needs of project.

#### **F. Eligible Beneficiaries/Residents**

The Hudson County HOME Program is designed to provide affordable housing to low and very-low-income households and individuals living in Hudson County. For local income limits and Fair Market Rents as defined by HUD, please see Appendix 3: HUD Area Income Limits.



While different restrictions apply to each type of activity, the method for calculating income is the same. The annual income definition found at 24 CFR Part 5 is used by a variety of Federal programs including Section 8, public housing and the Low-Income Housing Tax Credit Program and will be used as the qualifying standard for all County of Hudson HOME programs.

The Part 5 definition of annual income is the *gross amount of income of all adult household members* that is *anticipated to be received* during the coming 12-month period by all adult household members (everyone 18 years of age and older).

Detailed instructions for calculating annual income and determining eligibility for residents can be found in Appendix 6: Calculating Income Eligibility or completed using HUD's online calculator at <https://hudexchange.info/incomecalculator>.

### ***Rental Projects***

For rental projects with four or fewer HOME units, all households must be at or below 60% of Area Median Income (AMI). For projects with five or more units, 20% of the households must be at or below 50% of AMI and the remaining 80% of the units must be at or below 60% of AMI.

Units with multiple sources of funding may be governed by HOME rules as well as other restrictions. In these cases, the stricter of the two regulations will apply. For example, tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42.

To ensure ongoing compliance owners must establish systems to re-certify tenant income on an annual basis. Recertification documents will be monitored by the Division. Units must remain affordable for the duration of the affordability period. These provisions are provided in Section G below. For additional guidance, please see the Rental Compliance Monitoring Guide in Appendix 7: Rental Compliance Monitoring Guide.

### ***Homeowner Projects***

Eligible homebuyers must meet the following requirements:

- Household must be at or below 80% of area median income (*At time of purchase*);
- Household will ultimately use the dwelling unit as their principal residence; and
- Household will ultimately legally own the dwelling unit/property (as evidenced though a fee simple title, 99 year leasehold interest, or equivalent form of ownership approved by the County of Hudson)

### ***Hudson County Continuum of Care***

The Hudson County Alliance to End Homeless (HCAEH), the local administrator of the Continuum of Care, operates under Coordinated Assessment. All supportive housing for the homeless constructed with Hudson County HOME funds must fill those units through the Coordinated Assessment process. Please see the Coordinated Assessment Policies under the Library Tab. The U.S. Department of Housing and Urban Development is encouraging

communities to use resources such as the HOME Program to assist in the creation of permanent housing for the homeless with a focus on the chronically homeless. As such the creation of such housing is a priority in our Consolidated Plan and the HOME application review.

In addition, the Veteran Committee of the HCAEH has established a working list of homeless veterans in Hudson County. All projects proposing to serve homeless veterans must work with the Committee and only take referrals from this list.

If you would like further information on how to use HOME funds to assist the homeless please refer to CPD Notice 03-08 which is available at the following website: <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/notices/index.cfm>

## IV. Long Term Affordability and Occupancy Requirements

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### A. Rental Projects

The Consortium will provide initial maximum rent limits for each funded project, which may not exceed the published HOME Rents. For projects with five or more HOME units, 20% of the units must be at or below the following Low HOME rent and the remaining units must be below the High HOME rents. The Consortium may designate more than the minimum HOME units in a rental housing project to have Low HOME rents. The rent limit includes both rent and a utility allowance. If an applicant chooses to not include utilities in the rent, the rents must be reduced by the applicable allowances. Allowances are based on building type. Current rent limits and utility allowances are attached in Appendix 4 and Appendix 5.

The Division will allow the developer to determine if the assisted units are “fixed” or “floating”.

- A “fixed” unit is when the owner applies funding requirements to specific units throughout the affordability period.
- A “floating” unit is when the units designated as HOME assisted may change over the term of affordability, as long as the number of HOME assisted unit in the project remains constant.

Whether units are fixed or floating, there always has to be the required amount of designated HOME units in the projects.

Every unit assisted with HOME funds is subject to annually updated rent limits. The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

The Division must review and approve rents for each HOME-assisted project annually. The Developer must submit proposed rents to the Division each year (during the period of affordability) for review and approval. Undue rent increases from year to year are prohibited.

If the assisted unit has multiple subsidies, e.g. HOME and LIHTC the more restrictive guidelines must be met for the rent and income limits. Any increase in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants

of those units not less than 30 days prior written notice before implementing any increase in rents.

Additional information on rent limits can be found in the Consortium’s Rental Compliance Guide included in Appendix 6.

***Lease Requirements***

The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner. There are a number of prohibited lease provisions. Lease requirements can be found at §92.253.

Further lease and compliance information may be found in the Consortium’s Rental Compliance Monitoring Guide found in Appendix 6.

***Affordability Compliance Period***

The minimum length of an affordability period depends on the amount of the HOME Investment in the property and the nature of the activity:

| <b>HOME Investment per Unit</b>  | <b>Minimum Affordability Period</b> |
|--|-------------------------------------|
| Less than \$15,000   | 5 years                             |
| \$15,000-\$40,000  | 10 years                            |
| More than \$40,000   | 15 years                            |
| New Construction or acquisition of newly constructed <b>rental</b> housing | 20 years                            |
| Refinancing of <b>rental</b> housing                                       | 15 years                            |

The Division reserves the right to impose longer affordability periods on a case by case basis.

Throughout the period of affordability, income eligible households must occupy the assisted units. When designated rental units become vacant during the period of affordability, subsequent tenants must be income eligible and must be charged the applicable rent. In projects in which the HOME units are designated as floating, tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

Tenants who no longer qualify as low-income (exceeding 80% of Area Median Income) families must pay as rent:

1. The lesser of the amount payable by the tenant under State or local law; or
2. 30 percent of the family’s adjusted income.

**B. Homeowner Projects**

All units must be sold at or below the HOME Unit Sale Limits (95 percent of the median purchase price for the area for the specified housing type) to an eligible buyer at or below 80

percent area median income. The sale price must be such that the amount of Principal, Interest, Taxes, and Insurance does not exceed 35 percent of the Buyer's annual income.

Unit prices may vary (underneath this limit) based on neighborhood trends, target buyers, and project underwriting.

The sale of a property and any assistance to a homebuyer require that the buyer be underwritten according to the County's HOME project underwriting guidelines for homebuyers. This underwriting will include standards for the first mortgage and establish the terms for any subordination of the HOME loan.

If HOME funds are used to help a purchase/acquire one or more rental units along with the homeownership unit, the HOME rental affordability requirements apply to the rental units.

The ownership interest may be subject only to the following:

- Mortgages, deeds of trust or other debt instruments approved by the County of Hudson; or
- Any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME Program restrictions on resale.

All homeowners must be provided homebuyer counseling prior to purchase.

Forgiveness of homebuyer debt will be conditioned on the requirement that the properties must be maintained in accordance with minimum local codes and standards throughout the affordability period.

***Resale and Recapture Policy***

To ensure investments provide affordable housing over the long term occupancy restrictions continue throughout the period of affordability. If a home purchased with HOME assistance is sold during the period of affordability *resale provisions* apply to ensure the continued provision of affordable housing over the entire period of affordability. Resale provisions are used because the Hudson County HOME program does not provide direct assistance to the homebuyer.

If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, that housing must be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence.

The minimum length of an affordability period depends on the amount of the HOME Investment in the property and the nature of the activity:

| <b>HOME Investment per Unit</b> | <b>Minimum Affordability Period</b> |
|---------------------------------|-------------------------------------|
| Less than \$15,000              | 5 years                             |
| \$15,000-\$40,000               | 10 years                            |

|                    |          |
|--------------------|----------|
| More than \$40,000 | 15 years |
|--------------------|----------|

The Division reserves the right to impose longer affordability periods on a case by case basis.

All designated HOME-assisted property sales or transfers under the resale provision during the period of affordability shall meet the following criteria:

1. Sales prices shall be set such that the amount of Principal, Interest, Taxes, and Insurance does not exceed 35 percent of the new Buyer’s annual income. Exceptions may be made for multi-unit HOME-assisted housing to account for rental income as needed.
2. The new purchaser must meet the criteria of low income, having an income between 60% and 80% of AMI, and occupy the property as the family’s principal residence.
3. Net proceeds from the sale must provide the original homebuyer, a “fair return” on his/her investment (including any down payment and capital improvement investment made by the seller since purchase). The sales price may encompass the following in its formula:
  - a. The cost of any capital improvements documented with receipts including but not limited to the following:
    - i. Any additions to the home such as a bedroom, bathroom, or garage;
    - ii. Replacement of heating, ventilation, and air conditioning systems;
    - ii. Accessibility improvements such as bathroom modifications for disabled or elderly which were not installed through a federal, state, or locally funded grant program; and
    - iv. Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.
  - b. The increase in the value of owner equity and investment as calculated by the cumulative percentage of change as calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency <http://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx> and projects what a given house purchased at a point in time would be worth today if it appreciated at the average appreciation rate of all homes in the area.

The resale policy is enforced through the use of restrictive covenants. The restrictive covenant will include the following:

1. Length of affordability;
2. Requirement that the home remain the buyer’s principal residence throughout the affordability period; and
3. The conditions and obligations of the owner, should the owner wish to sell before the affordability period has expired , including:
  - a. Owner must notify the Hudson County Division of Housing and Community Development in writing if the wish to sell a HOME-assisted unit during the affordability period;

- b. The subsequent purchaser must be between 60% and 80% AMI and occupy the home as their primary residence;
- c. The sales price must be affordable to the subsequent purchaser; affordable is defined as limiting the principal, interest, taxes and insurance total amount to no more than 30% of the new purchaser's monthly income.

Throughout the period of affordability, income eligible households must occupy the assisted units. When designated rental units become vacant during the period of affordability, subsequent tenants must be income eligible and must be charged the applicable rent.

## V. Funding and Underwriting

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### A. Application

Applications to the HOME program are accepted on a rolling basis. The application may be found and completed online [through this link](#). Please contact the Hudson County Consortium directly to receive a paper copy. Only complete applications will be reviewed.

Applicants and developers must be in compliance at all existing Hudson County Consortium funded developments in order to be eligible for new funding.

### B. HOME Subsidy Layering and Underwriting Policy

Before committing funds to a project, the Consortium will evaluate each application to determine the feasibility and eligibility. The experience of the project sponsor or developer in the field of housing development, rehabilitation and/or housing management will be assessed. In addition, the financial stability and quality of the project will be evaluated by the Division. This will include, at a minimum, an examination of the sources and uses of funds for the project and a determination that the costs are reasonable; and an assessment of the current market demand in the neighborhood in which the project will be located, level of site control, amount of funding required, level of displacement and firm written financial commitments for the project.

#### *General Underwriting Guidelines*

- a. Debt Service Coverage Test. Net operating income, after vacancy reserve and expenses, must be at least 115 percent (1.15 DCR) of the total annual debt service payments due from loan financing, if applicable.
- b. Minimum vacancy allowances of at least 5% will be used for underwriting purposes. Higher vacancy allowances may be used for smaller projects, consistent with sound underwriting practice.
- c. The Division will underwrite stabilized operating expenses as if the property were owned and managed at “arm’s length”, as in foreclosure. Management fees of 4-6% annually will be based on those commonly available in the market, and appropriate reserves based on scale and construction type will be used for replacement of capital items.



- d. The construction and rehabilitation budget must be adequate to complete the proposed work and bring the property into full code compliance.
- e. If additional funding is received from either a state or federal program, the more stringent regulations of either the other program or the HOME Program shall apply.

The County reserves the right to request a letter of credit, a payment and performance bond, or other liquid security acceptable to the County, to ensure successful completion of the project. The bond will be required for the amount of construction or rehabilitation being financed. The bond must be provided by a recognized bonding company or guarantor acceptable to the Department. The amount of a letter of credit will be determined by the County. This letter of credit is particularly important when an owner is acting as a general contractor. In such a case the County will request a letter of credit in an amount equal to the difference between the contractor's cost and the County's cost to hire a general contractor through a public bidding process. Letters of credit must be irrevocable, non-documentary, issued by a reputable bank approved by the County and in a form acceptable to the County. Other forms of security will be subject to County approval. The Department will consider alternative forms of surety that both insulate the Consortium from construction risk, and promote the affordability goals of the program.

The Division may rely upon the guidelines developed and/or evaluations conducted by other agencies, such as when Low Income Housing Tax Credits (LIHTC) or New Jersey Housing and Mortgage Finance Agency.

### **C. Commitment Letter**

Upon review of the completed application package, a positive or negative recommendation to fund the project will be made to the County Administrator and the County Executive. The Project sponsor will be advised, in writing, of the Consortium's approval of the application.

Once an application is approved, a funding commitment letter will be prepared which describes the specific terms of the grant/loan, including rate, amount, collateral, equity requirements, and affordability requirements. The Commitment letter will also specifically identify which units will be HOME assisted and how many are designated as High and Low HOME units.

### **D. Administrative Plan**

An administrative Plan (the "Plan") must be submitted by the project sponsor to the Division prior to closing. The Plan must provide detail of the project throughout the construction period and lease-up. The Plan will be used by the Division to estimate the payment schedule and monitor the progress of the project. The Plan may be based on the budget and timetable that were submitted in Rental Production Program application. The Plan must include, at a minimum, the following items:

- a. A schedule of construction and/or rehabilitation activities detailing when items will start and finish, as well as which items will overlap. The schedule should include all activity that will take place after the loan contract has been executed.
- b. A complete description of the staff responsible for the implementation of the project. The staff description should include the person responsible for the submission of payment vouchers and monthly reports, as well as the person on site who will be in charge of daily activity.
- c. A sample monthly monitoring report to be used by developers of construction and/or rehabilitation projects. The report should compare actual progress and expenses with the original schedule and budget. The report should provide space to explain any variances.
- d. Any information unique to the project should be detailed in a narrative and incorporated into the schedule, if necessary.

## **E. Closing Documents**

Depending on the type of funding provided, the applicable legal documents will be executed. This typically includes the mortgage, note, regulatory agreement and deed restriction. Various documents will be required before the closing may proceed. Please see the Closing Checklist in Appendix 8: Closing Checklist.

## **F. Drawdown Process**

### ***Beginning of Construction***

Construction may not begin on an approved project until the development has been awarded HOME funds and has closed with the County. Costs incurred prior to this date are ineligible for reimbursement.

### ***Release of Funds***

All owner equity must be invested in the project prior to the release of any County funds. Prior to the initial release of funds all applicable items on the project checklist included in Appendix 8 must be satisfied. All requests for payment must include an invoice on agency letterhead and the proper Hudson County voucher. Items submitted for reimbursement must include a copy of the original invoice and a copy of the cashed check or bank record. Construction draws will be permitted on a monthly basis. An executed Application & Certificate for Payment (AIA) form must accompany all construction drawdown requests. Correct and complete draw requests submitted by the 5<sup>th</sup> of the month will be processed for payment by the end of the month.

There will be a maximum of 10% retainage on each contract or subcontract until all work under that contract is completed, lien release is obtained and until the issuance of Certificates of Occupancy by the local municipality.

Taxes, insurance, and debt service payments on the construction loan must be current at the time of each draw. In addition, all of the project sponsor's reporting requirements (construction schedule, draw schedule, Administrative Plan, Affordable Housing Agreement, or other

requirements of the commitment or closing documents) must be current to the satisfaction of the Division.

Construction inspections will be conducted by staff of the Division in consultation with the project sponsor and the project architect, as necessary.

### ***Final Payment***

At the completion of construction, each project sponsor will be required to submit a detailed cost certification form, certified as true and accurate by the borrower. This form will, at a minimum, show budgeted costs, as approved at the time of the funding commitment. The form must show the costs actually incurred, and must be supported by paid receipts and a comparison must be made between real and projected costs. If actual costs are less than budgeted costs, the amount of the funds may be reduced at the discretion of the Department.

In order to receive final payment the project sponsor must satisfy all items listed in the closing portion of the checklist in Appendix 8.

## **G. Deadlines for Completion and Occupancy**

### ***Rental***

Within 4 years of contract execution rental projects must be complete; meaning 100% of HOME funds has been disbursed for the project. Once construction is complete, the property has 18 months in which to achieve 100 percent occupancy. However, both construction and lease-up may not exceed 5 years in total.

The HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of this section to qualify as affordable housing. If eligible tenants do not occupy the housing within six months following the date of project completion, the Developer must submit marketing information and, if appropriate, a marketing plan.

HOME funds invested in any housing unit that has not been rented to eligible tenants 18 months after the date of project completion shall be repaid to the County of Hudson and/or HUD.

### ***Homeowner***

All projects must complete construction and sell the units with transfer of title within 4 years of the commitment of HOME funds. In addition, any unit not sold within 9 months (6 months for projects funded under county action plans 2013 and earlier) of the completion of construction must be converted to rental and meet all of the requirements for HOME rental housing. HOME funds provided for any such unit that is not rented within 18 months of conversion must be repaid to the County.

## **H. Lease-up and Affirmative Marketing Program**

### ***Property Management Policies***

All HOME program participants must comply with all state and federal laws and regulations regarding fair housing and equal opportunity. No person in the United States shall on the grounds of race, color, national origin, religion, sex, or sexual orientation, be excluded, denied benefits, or subjected to discrimination under any program funded in whole or in part by HOME funds.

### ***Rental***

All projects must develop and submit a tenant selection plan to the county for approval that includes, at a minimum, the following items:

- Are consistent with the purpose of providing housing for very low and low-income families;
- Are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;
- Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- Give prompt written notification to any rejected applicant of the grounds for any rejection.

The developer must use fair marketing practices when leasing HOME units. The County of Hudson will review and approve the developer's marketing policy as part of the application review and it will incorporate the policy as part of the funding agreement.

Developers/owners must distribute to residents:

- All applicable HUD or Environmental Protection Agency (EPA) approved pamphlets
- "Renovate Right" Brochure (prior to any repairs that may disturb lead based paint in home built prior to 1978).
- "Protect Your Family from Lead in Your Home"
- "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" signed by renters prior to their becoming obligated under a rental
- The County of Hudson requires that developers/owners obtain evidence of tenant receipt of any pamphlet distributed. Owners may create their own receipt of disclosure.

The owner cannot refuse to lease HOME-assisted units to persons with a voucher for Section 8 Tenant-Based Assistance.

### ***Homeownership***

The developer must use fair housing marketing practices when selling HOME units, as required by the Fair Housing Act (42 U.S.C. 3601-29). The County will review and approve the developer's marketing policy as part of the application review and it will incorporate the policy as part of the funding agreement.

### ***Affirmative Fair Housing***

Recipients of HOME funds are held to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 20 Title VI of the Civil Rights Act of 1964, P. L. 88-352 and the regulations of HUD with respect thereto, including 24 CFR, Parts 1.

HOME recipients are prohibited from discriminating on the basis of:

- Race
- Color
- Religion
- National origin
- Disability Status (Including prior Alcohol & Illegal Substance Addictions)
- Familial status
- Ethnicity
- Gender
- Gender Identity
- Language(s) Spoken
- Literacy
- Sexual Orientation
- Veteran Status

Discrimination is prohibited in the assistance, tenant selection, sale, rental, and financing of dwellings. It is also prohibited in program administration and any enforcement mechanisms.

In accordance with the regulations of the HOME Program 24 CFR 92.350 and 92.351; and in furtherance of the Hudson County Consortium's commitment to nondiscrimination and equal opportunity in housing, the Consortium has established procedures and requirements to affirmatively market units built or rehabilitated under the HOME Program containing five or more housing units Please see Appendix 9: Affirmative Fair Housing Marketing Plan for the Affirmative Fair Housing Marketing Plan HUD form.

The Consortium believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of their race, color, religion, sex and national origin. The Consortium is committed to the goals of affirmative marketing which will be implemented through a specific set of steps that the Consortium and participating owners will follow. These goals will be reached through the following procedures:

- i. *Informing the General Public, Potential Owners and Tenants About Federal Fair Housing Laws and the Consortium's Affirmative Marketing Policy*

The Hudson County Division of Housing and Community Development will inform the general public about fair housing laws and the Consortium's affirmative marketing policy through press releases, news articles, and advertisements in the local newspapers, i.e. the Jersey Journal and at least one widely circulated local Spanish language newspaper. It will conduct technical meetings with the representatives of local housing/tenant organizations, municipalities, non-profit groups and concerned citizens. It will clearly display the "Equal Housing Opportunity" logo or slogan in all announcements regarding the program. The Consortium will also make copies of its "Affirmative Plan" available to the public.

- a) Informing Owners

The Consortium will inform owners of the Federal Fair Housing Laws and the Consortium's affirmative marketing policy prior to the approval of their projects as a HOME assisted project. In addition, property owners will via a letter of

Certification and Assurance that they will comply with Title VI, Title VIII and Executive Orders 11063 and 11246.

b) Informing Potential Tenants

The Consortium will contact one or more tenant or public service organizations, in the housing market area that serves lower income people to inform potential tenants about Federal Fair Housing laws and the Consortium's affirmative marketing policy.

ii. *Affirmative Marketing Procedures for Informing Persons in the Housing Market Area about Units*

Property owners (developers and sponsors) will assume this responsibility under their contracts with the Hudson County Consortium as they participate in the HOME Program. Owners, often in cooperation with community groups and social service providers, will advertise or solicit prospective tenants. At a minimum, owners will be required to use the "Equal Housing Opportunity" logos in advertising. Owners also will be required to conduct tenant solicitation and selection according to applicable Fair Housing law. Project signs used during construction will also contain the "Equal Housing Opportunity" logo.

The Hudson County Consortium will require that property Owners, selected for program participation, to honor affirmative marketing contract stipulation indicating non-compliance may result in foreclosure proceedings.

All projects will be affirmatively marketed through:

- a. the local media, including Hispanic newspapers;
- b. local service agencies and non-profits.

iii. *Procedures to be used by Owners to Inform and Solicit Applications From Persons in the Housing Market Area Who Are Not Likely to Apply for Housing Without Special Outreach*

U.S. 2010 Census data indicates that the Hudson County Consortium is the residence of a substantial Hispanic population. Due to the language barrier, it is believed that this group is least likely to apply for rehabilitated housing without special outreach. An analysis of tenant racial characteristics occupying rehabilitated units is indicative of this fact. Program advertisement will be placed in newspaper publications within the Hispanic community and will appear in Spanish.

Each owner will be required, as part of the agreement for assistance, to:

- a. Use the "Equal Housing Opportunity" logo, slogan, or statement in all advertising.
- b. Where appropriate to advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing.
- c. Accept a fair housing policy.
- d. Where there is a project sign, display the "Equal Housing Opportunity" logo.

- e. Work cooperatively with the various County and non-profit agencies who serve individuals and families in the target income groups.

**iv. Record Keeping**

In accordance with HUD requirements, Section 511.71(a)(2), the Consortium will, to the greatest extent possible, secure and keep data on the racial, ethnic and gender characteristics of the tenants:

- a. occupying units before HOME assistance;
- b. moving from and into projects after HOME assistance;
- c. applicants for tenancy, 90 days following completion of rehabilitation.

Property owners will also keep records of:

- a. copies of ads placed in the Jersey Journal or other publication as required;
- b. records of dates with tenants;
- c. records of dates of meetings and descriptions of attendees;
- d. letters to agencies and organizations for special group outreach for each HOME assisted unit
- e. applications for units by prospective tenants.

**v. Assessment to Affirmative Marketing Effort of All Participants**

The affirmative marketing efforts of project sponsor will be assessed as follows:

- a. To measure good faith efforts - examine records required of owners to be maintained on actions they have taken, and compare them with the actions required to be taken. If the required actions have been carried out, where possible, as specified, it will be assumed the owners have made good faith effort to carry out these procedures.
- b. To determine results - assess property owner's affirmative marketing efforts in relation to whether or not persons from a variety of racial and ethnic groups in the area, and particularly groups who ordinarily would not apply, have applied and become tenants in the rehabilitated units. If it is found that they have, it can be assumed that the owners have effectively carried-out the specified Affirmative Marketing Procedures.

If the representation of racial/ethnic group is not broad or the least likely to apply group is not represented, the Consortium will review the Affirmative Marketing Procedures to determine what changes, if any, might be made to make more effective the affirmative marketing efforts in informing persons in all groups about rental opportunities.

**vi. Corrective Action**

The Consortium will take corrective action if it is determined that a property owner has failed to carry out the required procedures or fails to maintain records on tenants and applicants. If, after discussions with the owner on the methods used to meet the affirmative marketing requirements, the owners continues to fail to meet the affirmative marketing requirements, and the owners has been given an opportunity to correct identified deficiencies, the Consortium may disqualify the owner from further

participation in future housing programs administered by the Consortium and/or legal action.

## VI. Federal Requirements

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### A. Housing Accessibility

Most housing properties fall under several different laws. Federal programs and the age of the property determine which laws apply.

- Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) protects race, religion, sex and national origin
- The Fair Housing Amendments Act of 1998 (Amendments Act - FHAA) added disability and familial status
- The Americans with Disabilities act (ADA) of 1990 addresses public accommodations (rental offices and common areas are considered public accommodations)

For more information on the Americans with Disabilities Act, visit the Department of Justice ADA Home Page. <http://www.ada.gov/>

- Section 504 of the Rehabilitation Act of 1973 (Section 504) applies to those receiving federal assistance

For more information, see the Reasonable Accommodations section of the Section 504 Frequently Asked Questions page.

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/disabilities/sect504](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/sect504)

### B. Employment and Contracting

#### *Equal Opportunity*

HOME recipients must comply with the following regulations that ensure equal opportunity for employment and contracting.

- Equal Employment Opportunity, Executive Order 11246, as amended: Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Provisions to effectuate this prohibition must be included



in all construction contracts exceeding \$10,000. Implementing regulations may be found at 41 CFR Part 60.

- Section 3 of the Housing and Urban Development Act of 1968: Requires that, to the greatest extent feasible, opportunities for training and employment arising from HOME will be provided to low-income persons residing in the program service area. Also, to the greatest extent feasible, contracts for work (all types) to be performed in connection with HOME will be awarded to business concerns that are located in or owned by persons residing in the program service area.

#### *Outreach to Minority and Women's Business Enterprises*

The Hudson County Consortium encourages the use of minority and women-owned businesses pursuant to Section 281 of the HOME Investment Partnerships Act and 24 CFR 92.350. Accordingly, the Consortium has adopted the following policies to ensure HOME funded agencies make a good faith effort to affirmatively assure that minority-owned and women-owned businesses are afforded contracting opportunities.

This policy applies to all contracts, subcontracts and procurements for services (including engineering and legal), supplies, equipment, and construction. The goal of this policy is to make MBE/WBE firms aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. To achieve this goal, the affirmative steps that must be followed are:

1. Include qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Ensure that small and minority and women's businesses are solicited whenever they are potential sources of products or services to be bid;
3. Include the statement “**minority and women owned businesses are encouraged to apply**” in all bid/solicitation documents
4. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women business enterprises;
5. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business and women business enterprises;
6. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
7. Require the Prime Contractor to take affirmative steps as outlined in items one through six above to subcontract with small and minority and women's businesses, if they award subcontracts.

Hudson County maintains a list of businesses in the Office of WMBE. Sponsors will be provided with a list prior to construction bidding and must document that bid advertisements were shared with these firms.

### *“Good Faith” Effort Compliance Documentation*

The recipient of HOME funds must provide documentation to support a “good faith” effort in the solicitation of MBE and WBE firms.

- Copies of announcements/postings in newspapers or other media for specific contracting/subcontracting opportunities. Include language in announcements/postings that MBE/WBE firms are encouraged to bid.
- Copies of bids obtained

### *Davis-Bacon Act*

Any contract for the construction of Affordable Housing with **12 or more units** will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act.

The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations, which pertain to labor standards, including the minimum wage law.

Recipients of HOME funds shall:

- Not discriminate against any employee or applicant for employment on the basis of religion and not limit employment or give preference in employment to persons on the basis of religion; and
- Not discriminate against any person applying for such public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; and
- Provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of such public services. <http://www.hud.gov/progdesc/sec-109.cfm>

### **C. Environmental Review**

The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD’s implementing regulations at 24CFR parts 50 and 58.

Any funds committed to a HOME activity or project will be conditional on the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58. No HOME funds will be disbursed without the establishment of an Environmental Review Record and the appropriate level of Review completed.

### **D. Lead Based Paint Hazards**

The HOME Program requires owners/developers to take actions to reduce lead-based paint hazards in HOME-assisted units. Owners must comply with 24 CFR 35, the regulations

implementing the Lead-Based Paint Poisoning Prevention Act along with requirements for dealing with lead-based paint found in the Uniform Physical Condition Standards (UPCS). Current Part 35 requirements stipulate that all occupants receive and acknowledge notice of the possible presence of lead paint.

| Level of Assistance in Property  | Hazard Reduction Requirements          | Summary of Requirements   |
|--|--|---|
| Assistance of more than \$5,000 per unit up to and including \$25,000 per unit | Interim controls.                      | <p><i>Interim controls</i> means a set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paint hazards.</p> <p>Once work is completed a passing a NJ Dept. of Health LEAD SAFE CERTIFICATE must be realized for the exterior, common spaces, and all assisted units. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based paint maintenance activities, and the establishment and operation of management and resident education programs.</p>  |
| Assistance of more than \$25,000 per unit                                      | Abatement of lead-based paint hazards. | <p><i>Abatement</i> means any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards (see definition of “permanent”) on the exterior, common spaces, and all assisted units. Once work is completed a passing a NJ Dept. of Health Lead Free Certificate must be realized for the exterior, common spaces, and all assisted units.</p> <p>Abatement includes:</p> <ol style="list-style-type: none"> <li>(1) The removal of lead-based paint and dust lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and</li> <li>(2) All preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures.</li> </ol> |

The Lead-Based Paint Poisoning Prevention Act applies to all units in a property assisted with HOME funds -- not only to HOME-assisted units. During the compliance review, staff will monitor to ensure that the owner has conducted all necessary activities and maintained appropriate documentation in their files.

Owners/developers must be in compliance with 24CFR35 and Sections 302 and 401 (b) of the Lead-Based Paint Poisoning Prevention Act. This subpart implements the provisions of 42 U.S.C. 4852d, which impose requirements on the sale or lease of housing. The seller or lessor of housing shall:

- Disclose to the purchaser or lessee the presence of any known lead-based paint and/or lead-based paint hazards;
- Provide available records and reports;
- Provide the purchaser or lessee with a lead hazard information pamphlet;
- Give purchasers a 10-day opportunity to conduct a risk assessment or inspection; and

- Attach specific disclosure and warning language to the sales or leasing contract before the purchaser or lessee is obligated under a contract to purchase or lease target housing.

In addition, any disturbance of a painted surface on housing constructed prior to 1978 requires additional testing, notices and remediation as specified by 24CFR35.

#### E. Recordkeeping

The County of Hudson, HUD, the Comptroller General of the United States or any of their authorized representatives, has the right to access the Project and any books, documents, papers or other records of a HOME assisted unit.

Developers/owners will maintain all books and records pertaining to HOME assisted units with the provisions of 24 C.F.R. § 92.508 for a period of not less than five (5) years after the affordability period ends and all matters pertaining to the project (e.g., audit, disputes or litigation) are resolved under applicable federal or state laws, regulations or policies.

Developers/Owners shall maintain records for inspection by the County as discussed in the Rental Compliance Monitoring guide found in Appendix 7. The developer/owner will make any additional records requested available to the County of Hudson upon request.

#### F. Uniform Relocation Assistance

All owners/developers shall be in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.).

#### G. Construction Standards

Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. Specifically, housing must meet the County of Hudson HOME Construction Standards and must conform to any design plans and specifications provided as part of a developer or owner application. Projects will be regularly inspected during the construction period to monitor for progress and compliance.

Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

The housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt State and local codes covering the same aspects of performance for such housing.

An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

The following requirements apply to housing for homeownership that is to be rehabilitated after transfer of the ownership interest:

Before the transfer of the homeownership interest, Hudson County will:

- Inspect the housing for any defects that pose a danger to health; and
- Notify the prospective purchaser of the work needed to cure the defects and the time by which defects must be cured and applicable property standards met.

The housing must be free from all noted health and safety defects before occupancy and not later than 6 months after the transfer. The housing must meet the property standards in paragraph (a) (1) of this section not later than 2 years after transfer of the ownership interest.

All new buildings and gut rehabilitations shall be designed to meet the National ENERGY STAR efficiency performance specifications. All projects must comply with the National Home Energy Rating System guidelines and use ENERGY STAR mechanical systems and appliances. Other Energy Star and “green” components are encouraged as practicable. Additionally, rental housing property owners must maintain these housing standards for the duration of the regulatory period. Periodic inspections will be conducted by the County to insure these standards are complied with.

## H. Financial Management Requirements

Projects and programs receiving HUD funds must abide by the financial management requirements of the Federal Office of Management and Budgets which pertain to their particular type of organization, whether it is an institution of Higher Education, a hospital, other non-profit, a state, a local government, etc. For instance, a CHDO serving as a sub-recipient for the Consortium and as a development organization has different OMB requirements based on their activity.

Some of the basic financial requirements are:

**OMB Circular A-110:** Uniform Administrative Requirements for grants and Agreement with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a110/a110.html>);

**OMB Circular A-133:** Audits of States, Local Governments and Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a133/a133.html>);

**OMB Circular A-122:** Cost Principles for Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a122/a122.html>)

*Audit requirements for non-profit organizations*

Non-profit organizations subject to regulations in the part 200 and part 800 series of title 24 of the CFR shall comply with the audit requirements of revised OMB Circular A-133, “Audits of States, Local Governments, and Non-profit Organizations” (see 24 CFR 84.26). For HUD programs, a non-profit organization is the mortgagor or owner (as these terms are defined in the regulations in the part 200 and part 800 series) and not a related or affiliated organization or entity.

For rental projects with 10 or more units financial statements prepared an independent CPA (in the form of either a formal annual audit or CPA-compiled review) must be annually submitted to the County of Hudson for review.

The Hudson County Consortium will collect organizational audits during the annual Rental Compliance Monitoring process.

*Fiscal Policies*

The owner must submit annual operating budgets to the County of Hudson for review (in a similar format to the pro-forma). If problems are identified, the County of Hudson may offer technical assistance and/or request additional documentation and corrective actions.

## VII. Community Housing Development Organizations

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### A. Overview

The National Affordable Housing Act of 1990 (the “Act”) created the HOME Investment Partnerships Program (HOME). The Act’s objectives include (1) promoting partnerships among states, local governments and nonprofit organizations; (2) increasing the capacity of nonprofit organizations to develop and manage affordable housing.

To help achieve these objectives the Act requires that Participating Jurisdictions (PJs) set aside at least 15% of their HOME funds for housing that is developed, owned or sponsored by Community Housing Development Organizations (CHDOs).

The reason for the 15% set-aside is to:

- Provide reasonable supplemental operating funds to CHDOs with the purpose of expanding their ability to produce housing units. This funding is not intended to serve as a primary source of funding for the organization. The CHDO should demonstrate the ability to leverage other sources of funds for future operations and to grow into self-sufficiency.
- Increase the organizational capacity of the recipient to allow the organization to develop HOME Program CHDO-eligible activities such as; transitional housing, permanent supportive housing, rental housing, and homebuyer activities, within 24 months of receiving the award.

### B. Definition of A CHDO

The HOME Program definition of a CHDO can be found at 24 CFR 92.2

The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the:

- legal status of the organization;
- capacity and experience;
- organizational structure;
- and relationship of the CHDO to for-profit entities

The CHDO checklist outlines these criteria in detail. The following is a summary of some of the key criteria necessary to qualify as a CHDO.

## 1. Legal Status

- 1) The CHDO must be organized under state law
- 2) One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons. This statement of purpose may be evidenced in the organization's charter, articles of incorporation, by-laws, or board resolutions.
- 3) The CHDO must be have nonprofit status under §501(c)(3) or (4) of the Internal Revenue Code of 1986.
- 4) The organization must have a clearly defined geographic area that is smaller than the entire state.

## 2. Capacity and Experience:

- 1) The CHDO must have at least one year of experience serving the community. This can be satisfied by a statement that documents at least one year of experience in serving the community, or for a newly created organization formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community. This service can include developing new housing, rehabilitating housing, managing housing, or delivering non-housing services to the community such as counseling, food services, or child care facilities.
- 2) The organization must have paid employees with housing development experience who will work on projects assisted with HOME funds. (*\*for its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization*).
- 3) The CHDO must have financial management systems that meet the federal standards outlined in 24 CFR 84.21. The most recent version of OMB Circulars A-110 (24 CFR 84) A-133 may be obtained at <http://www.whitehouse.gov/omb/circulars>

## 3. Organizational Structure

- 1) At least one-third of the organization's board of directors must be representatives of the low-income community served by the CHDO; no more than one-third may be representatives of the public sector, including employees of the PJ.
- 2) The CHDO must also provide a formal process for low-income HOME Program beneficiaries to advise the organization in all of its decisions regarding the design,



development, and management of all HOME Program assisted affordable housing projects. This provision for accountability to the low- income community, entails, at a minimum, a written procedure adopted by the board for obtaining input from the community regarding the delivery of housing whenever HOME Program funds are used.

#### 4. Relationship to For-Profit Entities

The CHDO cannot be controlled by for-profit organizations or individuals.

#### C. Certification/Review Process

The Division will accept CHDO certification applications throughout the year. The Division will only review completed application packets and applicable documentation. Applicants will be notified by the Division, if their application has been approved, denied, or what additional information and documentation is necessary to make a determination.

The Division is required to certify an organization as a CHDO each time it commits funds to an organization. Therefore, organizations that have previously been certified by the Division must complete this application for each new project. For a copy of the CHDO application see Appendix10: CHDO Application.

Each application will be reviewed by evaluating the following:

- Completeness - All required exhibits and attachments are included and the application was received on or before the due date.
- The application meets the required thresholds (serves the eligible populations, has requested funding for the appropriate uses, etc.).
- The organization has shown enhanced capabilities including, but not limited to; employees have specialized skills, the organization has long-term partnerships with for-profit entities, and has shown an advanced ability to leverage additional funding, etc.

#### D. Accessing CHDO HOME Funds

Any nonprofit organization is eligible to apply for funding under the HOME Program, but only those nonprofit organizations that receive certification as a CHDO are eligible to apply for funds from the Division's CHDO set-aside.

Once an organization has been approved and receives CHDO status from the Consortium, it may apply for CHDO funds. Certification as a CHDO does not guarantee that an organization will receive funding from the HOME Program. Whether a CHDO is successful in accessing funds will be a function of the merits of its proposed project, project feasibility, ability to proceed, and the strength of its partnership in and with the Division. The strength of the partnership between the Consortium and the CHDO has a great deal to do with communication and compliance.

## E. Eligible CHDO Set-aside Activities

1. Only certain types of activities count toward the 15% set-aside.

The eligible activities are:

- a. Acquisition and/or rehabilitation of rental housing
- b. Construction of new rental housing
- c. Acquisition and/or rehabilitation of properties for home ownership
- d. New construction for home ownership

The following activities are not eligible for CHDO set-aside:

- a. Tenant-based rental assistance
- b. Rehabilitation of owner-occupied properties
- c. Direct home buyer assistance for existing housing (not developed, owned, or sponsored by a CHDO)

## F. CHDO Roles

The 15% set-aside can only be used for projects in which a CHDO is the developer, owner or sponsor.

1. **CHDO as “Developer”** – A CHDO is a “developer” when it either owns property or develops a project.
  - a. **Rental Housing:** A CHDO that is a "developer" of rental housing is defined at §92.300(a)(3). The CHDO is the owner (in fee simple absolute or long-term ground lease) and developer of the project and must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs. The CHDO must own the HOME-assisted housing during the development process and throughout the period of affordability.
  - b. **Home ownership:** For HOME-assisted homebuyer projects, the housing is "developed" by the CHDO if it is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that is owned or will be acquired by the CHDO and rehabilitated for sale to low-income families, in accordance with §92.254. To be the "developer," the CHDO must arrange financing for the project and be in sole charge of construction. As part of its set-aside funds, the CHDO can provide direct down payment assistance to a buyer of the housing it has developed with HOME funds in an amount not to exceed 10 percent of the amount of HOME development funds.
2. **CHDO as “Owner”** –A CHDO that is an "owner" of rental housing is defined at §92.300(a)(2). The CHDO is required to own (in fee simple absolute or long-term

ground lease) multifamily or single family housing that is rented to low-income families, in accordance with §92.252. The CHDO must own the HOME project during development and throughout the period of affordability, and is required to hire and oversee all aspects of the development process. At a minimum, the CHDO can own the property and hire a project manager or contract with a development contractor to oversee all aspects of the development – including, obtaining zoning, securing non-HOME financing, selecting a developer, or general contractor, overseeing the progress of the work and determining the reasonableness of costs.

- 3. CHDO as “Sponsor”** – The Final HOME Rule provides two definitions of a “sponsor” of HOME-assisted rental housing:
- a. §92.300(a)(4) clarifies the requirement for CHDOs to maintain effective project control when acting as "sponsor" of rental housing: A CHDO "sponsors" rental housing when the property is "owned" or "developed" by:
    - A subsidiary of the CHDO (in which case the subsidiary, which may be a for-profit or nonprofit organization, must be wholly owned by the CHDO);
    - A limited partnership (in which the CHDO or its wholly owned subsidiary must be the sole general partner); or
    - A limited liability company (in which the CHDO or its wholly owned subsidiary must be the sole managing member). If the limited partnership or limited liability company agreement permits the CHDO to be removed as sole general partner or sole managing member, respectively, the agreement must require that the removal be "for cause" and that the CHDO must be replaced by another CHDO. In addition, HOME funds must be provided to the entity that owns the project.
  - b. §92.300 (a)(5) codifies the pre-2013 Rule definition of "sponsor." It states that a CHDO "sponsors" HOME-assisted rental housing in situations in which the CHDO owns and develops the housing and agrees to convey the housing to a private nonprofit organization (that does not need to be a CHDO but cannot be created by a governmental entity) at a predetermined time after completion of the project development. Such arrangements typically occur when a CHDO has development expertise and the nonprofit organization has the capacity to own and operate the housing. The CHDO is required to own the property before the development phase of the project and is required to select the nonprofit organization before entering into an agreement with the PJ that commits HOME funds to the project. The nonprofit organization assumes the CHDO's HOME obligation (including any repayment of loans) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor remains liable for the HOME assistance and the HOME project.

## Appendix 1: Definitions

1. **Action Plan:** The one-year portion of the Consolidated Plan. It includes the PJ's annual application for HOME funds.
2. **Adjusted Income:** Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs and the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.
3. **Affordability:** The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership or rental housing).
4. **Annual Income:** Annual income as defined in 24 CFR 5.609, referred to as "Part 5 annual income", also known as the rules for determining income under the Section 8 voucher program.
5. **Commitment:** Commitment means (1) The participating jurisdiction has executed a legally binding written agreement (that includes the date of the signature of each person signing the agreement) with a State recipient, a subrecipient, or a contractor to use a specific amount of HOME funds to produce affordable housing, provide down payment assistance, or provide tenant-based rental assistance; or has met the requirements to commit to a specific local project, as defined in paragraph (2) of this definition. (See § 92.504(c) for minimum requirements for a written agreement.) An agreement between the participating jurisdiction and a subrecipient that is controlled by the participating jurisdiction (e.g., an agency whose officials or employees are official or employees of the participating jurisdiction) does not constitute a commitment. An agreement between the representative unit and a member unit of general local government of a consortium does not constitute a commitment. In addition, and only until October 21, 2013, a properly executed written agreement reserving a specific amount of funds for a CHDO may constitute a commitment. As of October 22, 2013 the requirements for commitment to a specific local project will apply to all CHDO fund commitments.

**6. Commitment to a specific local project:** Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements:

(1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within 12 months of the agreement date.

(2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract.

(3) If the project involves the acquisition of standard housing and the County of Hudson is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchase within six months of the agreement date.

(4) If the project consists of TBRA, the County of Hudson/Subrecipient must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

(5) Note that preliminary or conditional “commitments” may be made, but no funds are considered committed under the rules unless the above conditions have been met.

**7. Consolidated Plan:** A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

**8. Consortium:** Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

**9. Community Housing Development Organization (CHDO):** A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. The HOME New Rule requires that CHDO’s have paid staff with demonstrated capacity appropriate to the CHDO’s role (this requirement cannot be met through volunteer, donated staff, shared staff, or board members). A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs.

**10. Draw-Down:** The process of requesting and receiving HOME funds. The County of Hudson will draw down funds from a line of credit established by HUD.

11. **Final Rule:** The Final HOME Rule was published at 24 CFR Part 92 on July 24, 2013 and became effective on August 24, 2013.
12. **Group Home:** Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.
13. **HOME-Assisted Units:** A term that refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.
16. **Household:** One or more persons occupying a housing unit.
17. **Jurisdiction:** A state or unit of general local government.
18. **Low-Income Families:** Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).
19. **Match:** Match is the other funding contributions to projects receiving funding from the HOME Program – the private, local, or other non-Federal contribution to the partnership. The Consortium’s match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.
20. **New Construction:** The creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.
21. **Participating Jurisdiction (PJ):** The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan. Program Income: Gross income received by the C, state recipient, or a sub recipient directly generated from the use of HOME funds or matching contributions.
22. **Project:** A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four block radius.
23. **Project completion:** All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw-down of HOME funds has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of § 92.502(d) of this part, project completion occurs upon completion of construction and

before occupancy. For TBRA, project completion means the final draw-down has been disbursed for the project.

**24. Reconstruction (also rehabilitation):** The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. Except that housing that was destroyed may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction the number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

U.S. DEPARTMENT OF HUD 03/25/2015  
STATE:NEW JERSEY

| PROGRAM   | 1 PERSON | 2 PERSON | 3 PERSON | 4 PERSON | 5 PERSON | 6 PERSON | 7 PERSON | 8 PERSON |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| ----- 2015 ADJUSTED HOME INCOME LIMITS -----        |          |          |          |          |          |          |          |          |
| Warren County, NJ HUD Metro FMR Area                |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 18350    | 21000    | 23600    | 26200    | 28300    | 30400    | 32500    | 34600    |
| VERY LOW INCOME                                     | 30600    | 35000    | 39350    | 43700    | 47200    | 50700    | 54200    | 57700    |
| 60% LIMITS  | 36720    | 42000    | 47220    | 52440    | 56640    | 60840    | 65040    | 69240    |
| LOW INCOME  | 46100    | 52650    | 59250    | 65800    | 71100    | 76350    | 81600    | 86900    |
| Atlantic City-Hammonton, NJ MSA                     |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 14400    | 16450    | 18500    | 20550    | 22200    | 23850    | 25500    | 27150    |
| VERY LOW INCOME                                     | 24000    | 27400    | 30850    | 34250    | 37000    | 39750    | 42500    | 45250    |
| 60% LIMITS  | 28800    | 32880    | 37020    | 41100    | 44400    | 47700    | 51000    | 54300    |
| LOW INCOME  | 38400    | 43850    | 49350    | 54800    | 59200    | 63600    | 68000    | 72350    |
| Bergen-Passaic, NJ HUD Metro FMR Area               |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 19500    | 22250    | 25050    | 27800    | 30050    | 32250    | 34500    | 36700    |
| VERY LOW INCOME                                     | 32450    | 37100    | 41750    | 46350    | 50100    | 53800    | 57500    | 61200    |
| 60% LIMITS  | 38940    | 44520    | 50100    | 55620    | 60120    | 64560    | 69000    | 73440    |
| LOW INCOME  | 46100    | 52650    | 59250    | 65800    | 71100    | 76350    | 81600    | 86900    |
| Jersey City, NJ HUD Metro FMR Area                  |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 16100    | 18400    | 20700    | 23000    | 24850    | 26700    | 28550    | 30400    |
| VERY LOW INCOME                                     | 26850    | 30650    | 34500    | 38300    | 41400    | 44450    | 47500    | 50600    |
| 60% LIMITS  | 32220    | 36780    | 41400    | 45960    | 49680    | 53340    | 57000    | 60720    |
| LOW INCOME  | 42950    | 49050    | 55200    | 61300    | 66250    | 71150    | 76050    | 80950    |
| Middlesex-Somerset-Hunterdon, NJ HUD Metro FMR Area |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 21850    | 24950    | 28050    | 31150    | 33650    | 36150    | 38650    | 41150    |
| VERY LOW INCOME                                     | 36400    | 41600    | 46800    | 51950    | 56150    | 60300    | 64450    | 68600    |
| 60% LIMITS  | 43680    | 49920    | 56160    | 62340    | 67380    | 72360    | 77340    | 82320    |
| LOW INCOME  | 48800    | 55800    | 62750    | 69700    | 75300    | 80900    | 86450    | 92050    |
| Monmouth-Ocean, NJ HUD Metro FMR Area               |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 19250    | 22000    | 24750    | 27500    | 29700    | 31900    | 34100    | 36300    |
| VERY LOW INCOME                                     | 32100    | 36700    | 41300    | 45850    | 49550    | 53200    | 56900    | 60550    |
| 60% LIMITS  | 38520    | 44040    | 49560    | 55020    | 59460    | 63840    | 68280    | 72660    |
| LOW INCOME  | 46100    | 52650    | 59250    | 65800    | 71100    | 76350    | 81600    | 86900    |
| Newark, NJ HUD Metro FMR Area                       |          |          |          |          |          |          |          |          |
| 30% LIMITS  | 19250    | 22000    | 24750    | 27450    | 29650    | 31850    | 34050    | 36250    |
| VERY LOW INCOME                                     | 32050    | 36600    | 41200    | 45750    | 49450    | 53100    | 56750    | 60400    |
| 60% LIMITS  | 38460    | 43920    | 49440    | 54900    | 59340    | 63720    | 68100    | 72480    |
| LOW INCOME  | 46100    | 52650    | 59250    | 65800    | 71100    | 76350    | 81600    | 86900    |



U.S. DEPARTMENT OF HUD 03/25/2015  
STATE:NEW JERSEY

| PROGRAM  | 2015 ADJUSTED HOME INCOME LIMITS |          |          |          |          |          |          |          |
|--|----------------------------------|----------|----------|----------|----------|----------|----------|----------|
|  | 1 PERSON                         | 2 PERSON | 3 PERSON | 4 PERSON | 5 PERSON | 6 PERSON | 7 PERSON | 8 PERSON |
| <b>Ocean City, NJ MSA</b>                              |                                  |          |          |          |          |          |          |          |
| 30% LIMITS   | 15800                            | 18050    | 20300    | 22550    | 24400    | 26200    | 28000    | 29800    |
| VERY LOW INCOME  | 26350                            | 30100    | 33850    | 37600    | 40650    | 43650    | 46650    | 49650    |
| 60% LIMITS   | 31620                            | 36120    | 40620    | 45120    | 48780    | 52380    | 55980    | 59580    |
| LOW INCOME   | 42150                            | 48150    | 54150    | 60150    | 65000    | 69800    | 74600    | 79400    |
| <b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA</b> |                                  |          |          |          |          |          |          |          |
| 30% LIMITS   | 17050                            | 19500    | 21950    | 24350    | 26300    | 28250    | 30200    | 32150    |
| VERY LOW INCOME  | 28400                            | 32450    | 36500    | 40550    | 43800    | 47050    | 50300    | 53550    |
| 60% LIMITS   | 34080                            | 38940    | 43800    | 48660    | 52560    | 56460    | 60360    | 64260    |
| LOW INCOME   | 45450                            | 51950    | 58450    | 64900    | 70100    | 75300    | 80500    | 85700    |
| <b>Trenton-Ewing, NJ MSA</b>                           |                                  |          |          |          |          |          |          |          |
| 30% LIMITS   | 20400                            | 23300    | 26200    | 29100    | 31450    | 33800    | 36100    | 38450    |
| VERY LOW INCOME  | 33950                            | 38800    | 43650    | 48500    | 52400    | 56300    | 60150    | 64050    |
| 60% LIMITS   | 40740                            | 46560    | 52380    | 58200    | 62880    | 67560    | 72180    | 76860    |
| LOW INCOME   | 46100                            | 52650    | 59250    | 65800    | 71100    | 76350    | 81600    | 86900    |
| <b>Vineland-Millville-Bridgeton, NJ MSA</b>            |                                  |          |          |          |          |          |          |          |
| 30% LIMITS   | 13650                            | 15600    | 17550    | 19500    | 21100    | 22650    | 24200    | 25750    |
| VERY LOW INCOME  | 22750                            | 26000    | 29250    | 32500    | 35100    | 37700    | 40300    | 42900    |
| 60% LIMITS   | 27300                            | 31200    | 35100    | 39000    | 42120    | 45240    | 48360    | 51480    |
| LOW INCOME   | 36400                            | 41600    | 46800    | 52000    | 56200    | 60350    | 64500    | 68650    |

----- 2015 HOME PROGRAM RENTS -----

| PROGRAM  | EFFICIENCY | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR |
|--|------------|------|------|------|------|------|------|
| <b>Warren County, NJ HUD Metro FMR Area</b>                |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT  | 687        | 868  | 1042 | 1204 | 1343 | 1482 | 1620 |
| HIGH HOME RENT LIMIT                                       | 687        | 921  | 1124 | 1469 | 1638 | 1857 | 2015 |
| For Information Only:                                      |            |      |      |      |      |      |      |
| FAIR MARKET RENT   | 687        | 921  | 1124 | 1469 | 1638 | 1884 | 2129 |
| 50% RENT LIMIT   | 811        | 868  | 1042 | 1204 | 1343 | 1482 | 1620 |
| 65% RENT LIMIT   | 1041       | 1117 | 1342 | 1542 | 1700 | 1857 | 2015 |
| <b>Atlantic City-Hammonton, NJ MSA</b>                     |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT  | 631        | 676  | 811  | 937  | 1046 | 1154 | 1261 |
| HIGH HOME RENT LIMIT                                       | 800        | 859  | 1033 | 1184 | 1301 | 1417 | 1534 |
| For Information Only:                                      |            |      |      |      |      |      |      |
| FAIR MARKET RENT   | 817        | 947  | 1176 | 1626 | 1890 | 2174 | 2457 |
| 50% RENT LIMIT   | 631        | 676  | 811  | 937  | 1046 | 1154 | 1261 |
| 65% RENT LIMIT   | 800        | 859  | 1033 | 1184 | 1301 | 1417 | 1534 |
| <b>Bergen-Passaic, NJ HUD Metro FMR Area</b>               |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT  | 828        | 887  | 1065 | 1230 | 1372 | 1514 | 1655 |
| HIGH HOME RENT LIMIT                                       | 1056       | 1133 | 1362 | 1565 | 1726 | 1887 | 2047 |
| For Information Only:                                      |            |      |      |      |      |      |      |
| FAIR MARKET RENT   | 1070       | 1156 | 1371 | 1776 | 2014 | 2316 | 2618 |
| 50% RENT LIMIT   | 828        | 887  | 1065 | 1230 | 1372 | 1514 | 1655 |
| 65% RENT LIMIT   | 1056       | 1133 | 1362 | 1565 | 1726 | 1887 | 2047 |
| <b>Jersey City, NJ HUD Metro FMR Area</b>                  |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT  | 675        | 723  | 867  | 1002 | 1118 | 1234 | 1349 |
| HIGH HOME RENT LIMIT                                       | 888        | 952  | 1144 | 1313 | 1445 | 1576 | 1707 |
| For Information Only:                                      |            |      |      |      |      |      |      |
| FAIR MARKET RENT   | 1009       | 1109 | 1315 | 1673 | 1847 | 2124 | 2401 |
| 50% RENT LIMIT   | 675        | 723  | 867  | 1002 | 1118 | 1234 | 1349 |
| 65% RENT LIMIT   | 888        | 952  | 1144 | 1313 | 1445 | 1576 | 1707 |
| <b>Middlesex-Somerset-Hunterdon, NJ HUD Metro FMR Area</b> |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT  | 918        | 984  | 1181 | 1365 | 1522 | 1680 | 1837 |
| HIGH HOME RENT LIMIT                                       | 952        | 1214 | 1495 | 1727 | 1906 | 2085 | 2264 |
| For Information Only:                                      |            |      |      |      |      |      |      |
| FAIR MARKET RENT   | 952        | 1214 | 1495 | 1940 | 2545 | 2927 | 3309 |
| 50% RENT LIMIT   | 918        | 984  | 1181 | 1365 | 1522 | 1680 | 1837 |
| 65% RENT LIMIT   | 1165       | 1250 | 1502 | 1727 | 1906 | 2085 | 2264 |
| <b>Monmouth-Ocean, NJ HUD Metro FMR Area</b>               |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT  | 803        | 861  | 1033 | 1193 | 1331 | 1469 | 1606 |
| HIGH HOME RENT LIMIT                                       | 936        | 1106 | 1331 | 1529 | 1686 | 1842 | 1998 |
| For Information Only:                                      |            |      |      |      |      |      |      |
| FAIR MARKET RENT   | 936        | 1106 | 1373 | 1903 | 2239 | 2575 | 2911 |
| 50% RENT LIMIT   | 803        | 861  | 1033 | 1193 | 1331 | 1469 | 1606 |
| 65% RENT LIMIT   | 1033       | 1108 | 1331 | 1529 | 1686 | 1842 | 1998 |

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

----- 2015 HOME PROGRAM RENTS -----

| PROGRAM  | EFFICIENCY | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 6 BR |
|--|------------|------|------|------|------|------|------|
| <b>Newark, NJ HUD Metro FMR Area</b>                   |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT                                    | 801        | 858  | 1030 | 1190 | 1327 | 1464 | 1601 |
| HIGH HOME RENT LIMIT                                   | 1025       | 1063 | 1269 | 1535 | 1694 | 1850 | 2006 |
| For Information Only:                                  |            |      |      |      |      |      |      |
| FAIR MARKET RENT                                       | 1025       | 1063 | 1269 | 1637 | 1871 | 2152 | 2432 |
| 50% RENT LIMIT   | 801        | 858  | 1030 | 1190 | 1327 | 1464 | 1601 |
| 65% RENT LIMIT   | 1036       | 1112 | 1337 | 1535 | 1694 | 1850 | 2006 |
| <b>Ocean City, NJ MSA</b>                              |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT                                    | 658        | 705  | 846  | 978  | 1091 | 1203 | 1316 |
| HIGH HOME RENT LIMIT                                   | 668        | 833  | 1117 | 1282 | 1410 | 1537 | 1665 |
| For Information Only:                                  |            |      |      |      |      |      |      |
| FAIR MARKET RENT                                       | 668        | 833  | 1122 | 1588 | 1671 | 1922 | 2172 |
| 50% RENT LIMIT   | 658        | 705  | 846  | 978  | 1091 | 1203 | 1316 |
| 65% RENT LIMIT   | 866        | 929  | 1117 | 1282 | 1410 | 1537 | 1665 |
| <b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA</b> |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT                                    | 713        | 764  | 917  | 1060 | 1182 | 1304 | 1426 |
| HIGH HOME RENT LIMIT                                   | 814        | 959  | 1156 | 1375 | 1515 | 1653 | 1791 |
| For Information Only:                                  |            |      |      |      |      |      |      |
| FAIR MARKET RENT                                       | 814        | 959  | 1156 | 1440 | 1546 | 1778 | 2010 |
| 50% RENT LIMIT   | 713        | 764  | 917  | 1060 | 1182 | 1304 | 1426 |
| 65% RENT LIMIT   | 929        | 997  | 1198 | 1375 | 1515 | 1653 | 1791 |
| <b>Trenton-Ewing, NJ MSA</b>                           |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT                                    | 848        | 909  | 1091 | 1261 | 1407 | 1552 | 1697 |
| HIGH HOME RENT LIMIT                                   | 932        | 1053 | 1269 | 1659 | 1850 | 2022 | 2195 |
| For Information Only:                                  |            |      |      |      |      |      |      |
| FAIR MARKET RENT                                       | 932        | 1053 | 1269 | 1659 | 1919 | 2207 | 2495 |
| 50% RENT LIMIT   | 848        | 909  | 1091 | 1261 | 1407 | 1552 | 1697 |
| 65% RENT LIMIT   | 1131       | 1213 | 1458 | 1676 | 1850 | 2022 | 2195 |
| <b>Vineland-Millville-Bridgeton, NJ MSA</b>            |            |      |      |      |      |      |      |
| LOW HOME RENT LIMIT                                    | 581        | 623  | 747  | 863  | 963  | 1063 | 1162 |
| HIGH HOME RENT LIMIT                                   | 740        | 794  | 956  | 1095 | 1201 | 1307 | 1413 |
| For Information Only:                                  |            |      |      |      |      |      |      |
| FAIR MARKET RENT                                       | 784        | 905  | 1115 | 1432 | 1795 | 2064 | 2334 |
| 50% RENT LIMIT   | 581        | 623  | 747  | 863  | 963  | 1063 | 1162 |
| 65% RENT LIMIT   | 740        | 794  | 956  | 1095 | 1201 | 1307 | 1413 |

\* Adjusted Low HOME Rent or High HOME Rent corrects for 2010-2012 incorrect hold harmless rent.  
For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

## Community Development Block Grant (CDBG)

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### Program Overview

The Community Development Block Grant (CDBG) program is authorized under Title I of the Housing and Community Development Act of 1974, as amended. The Entitlement Program is the portion of the CDBG Program that provides block grant funds to metropolitan cities and urban counties. The Department of Housing and Urban Development (HUD) awards CDBG grants to entitlement communities to carry out affordable housing and community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Hudson County, in partnership with seven municipalities within the county through an interlocal agreement, receives CDBG funds on an entitlement basis as an Urban County Consortium. The Division administers the CDBG Program for the Urban County Consortium which includes the municipalities of East Newark, Guttenberg, Harrison, Kearny, Secaucus, Weehawken and West New York. The Division provides funding to municipalities, non-profits, and public agencies to address a myriad of community, housing and economic development needs. Predominantly serving low and moderate income neighborhoods and households, its programs serve as valuable tools to empower people to create viable urban communities as well as safe, affordable and decent housing opportunities.

### Eligible Activities

*CDBG funds can be used for a wide variety of projects, services, facilities and infrastructure:*

- Activities related to real property: Acquisition, disposition, public facilities and infrastructure, clearance and demolition, rehabilitation, street and sewer improvements, homeownership assistance, and housing for the homeless.
- Rehabilitation Activities: Acquisition for rehabilitation, energy improvements, removal of material and architectural barriers, code enforcement, historic preservation, lead based paint testing, and abatement.
- Public Services: services for the homeless, drug intervention and domestic violence programs, basic health services, youth programs, child care, crime prevention, and fair housing counseling.

Each eligible activity must meet one of three National Objectives:

- Benefit to low and moderate income persons
- Aid in the prevention or elimination of slums or blight
- Meet a need having a particular urgency such as earthquakes or flood disasters

### Ineligible Activities

Generally, the following activities are ineligible:

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- Political activities
- Certain income payments
- Construction of new housing by units of general local government
- Purchase of equipment, furnishings, and personal property
- Operating and maintenance expenses for public facilities
- Maintenance of publicly owned streets, parks, playgrounds, and water / sewer facilities, etc.
- Staff salaries for operation of public works and facilities

### Consolidated Plan

*Entitlement communities develop their own programs and funding priorities which are reflected in their Consolidated Plan. The consolidated plan is prepared by the Division in accordance with 24 CFR Part 91, which describes needs, resources, priorities, and proposed activities to be undertaken with respect to HUD programs including CDBG. The plan is prepared for a five-year period, along with an annual Action Plan.*

All projects funded by the CDBG must be consistent with the Consolidated Plan priorities and objectives.

### **Applications for Funding**

The Division typically releases applications for CDBG funding in February.

For more information on the Division's Community Development Block Grant Program contact:

Heather Hanks

CDBG Program Manager

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201.369.4520

| <b>File</b> | <b>Description</b>   | <b>Date</b> |
|-------------|--|-------------|
| PDF         | Hudson County CDBG Application Instructions - Public Service | 02/19/2015  |
| LSX         | Hudson County CDBG Budget - Public Service                   | 02/13/2015  |
| PDF         | Hudson County CDBG Application - Public Service              | 02/13/2015  |

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