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Court Orders N.J. Towns to Allow Affordable Housing.

New Jersey towns and cities must accommodate unmet affordable-housing needs, the state Supreme Court said Wednesday in a unanimous decision that could greatly expand housing options for the state's low- and moderate-income residents.

In a 6-0 decision written by Justice Jaynee LaVecchia, the Supreme Court ruled that towns and cities are constitutionally required to allow enough affordable housing to be built to satisfy needs that arose during a 16-year period when a state agency charged with enforcing housing laws failed to do its job.

"Municipal responsibility for a fair share of the affordable housing need of low- and moderate-income households formed during that period was not suspended," Justice LaVecchia wrote.

New Jersey's Council on Affordable Housing was created in 1985 to monitor and enforce constitutionally mandated affordable-housing requirements, but the agency has been plagued by bureaucratic and legal problems since 1999. In 2015 the state Supreme Court stripped it of its powers after determining that it had failed to enforce state housing laws.

The case was brought by the southern shore town of Barnegat, which had argued that it was unfair to hold towns and cities responsible for affordable-housing requirements that accrued between 1999 and 2015 when the state failed to enforce them. Barnegat was joined by nearly 300 other municipalities.

Wednesday's Supreme Court decision didn't address the scope of the affordable-housing obligations towns and cities will now be required to meet.

Kevin Walsh, executive director for the affordable housing advocacy group Fair Share Housing Center, said his analysis shows that about 200,000 affordable housing units are needed to fulfill obligations spanning from 1999 to 2025, but the exact number likely will be worked out through litigation.

"The municipalities don't have to build the homes, the municipalities don't have to fund the homes," Mr. Walsh said. "All the municipalities have to do is remove the local red tape that prevents starter homes and apartments from being built."

In some cases, Fair Share Housing Center and local officials already have reached agreements on the number of affordable housing units.

The Somerset County town of Bridgewater, which had about 17,000 housing units as of 2010, has agreed to allow the building of 1,414 affordable units. Affordable-housing eligibility in Bridgewater, where the annual median household income is about \$115,000, ranges from \$22,050 in annual income for a single person to \$97,440 for a family of six, according to the town's website.

Jeffrey Surenian, who represented Barnegat in the case, didn't immediately return a call for comment. In previous interviews with The Wall Street Journal, Mr. Surenian said that towns and

cities shouldn't be held responsible for state government dysfunction, and said that requiring them to meet the retroactive obligations would infringe on local zoning powers.

State Sen. Steve Oroho and Assemblyman Parker Space, both Republicans, said the Supreme Court's ruling will force towns to conduct expensive housing studies, spur further litigation and increase property taxes.

"This court-ordered overdevelopment will change the landscape of many communities," Messrs. Oroho and Space said in a joint statement. "It will decimate open space while forcing taxpayers to pay for additional services to handle the increase in population."

Len Albright, an assistant professor at Northeastern University and co-author of *Climbing Mount Laurel*, a 2013 book about New Jersey's affordable housing laws, countered by saying his research found affordable housing didn't increase crime rates or drive increases in property taxes. Low-income residents experienced rising incomes and were able to depend less on government assistance once they found stable housing, he said.

"Families that were able to move into subsidized housing in the suburbs became more economically self-sufficient," Mr. Albright said. "We also found people's health was better and their education levels went up."

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