

# ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



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## **Introduction & Executive Summary**

The City of New Brunswick, New Jersey, initiated an Analysis of Impediments (AI) to Fair Housing Choice in May 2010. This study is conducted every (5) five years in order to gain fresh perspectives on the fair housing issues facing the community.

The lead agency for undertaking the AI was the Department of Planning, Community, and Economic Development (DPCED) staff. The staff followed the suggested planning process contained in the U.S. Department of Housing and Urban Development (HUD) publication Fair Housing Planning Guide in preparing this document. Existing, available data was used in the background; sources for the data are cited within the document text.

### **Conclusions:**

An "impediment" to fair housing choice is defined as "any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice" or "any actions, omissions, or decisions that have this effect."

The AI process resulted in the following (2) two impediments being recognized as the most prevalent in the community:

- Lack of property owner education about fair housing
- Lack of affordable housing

Further discussion on these identified impediments is discussed later in this document.

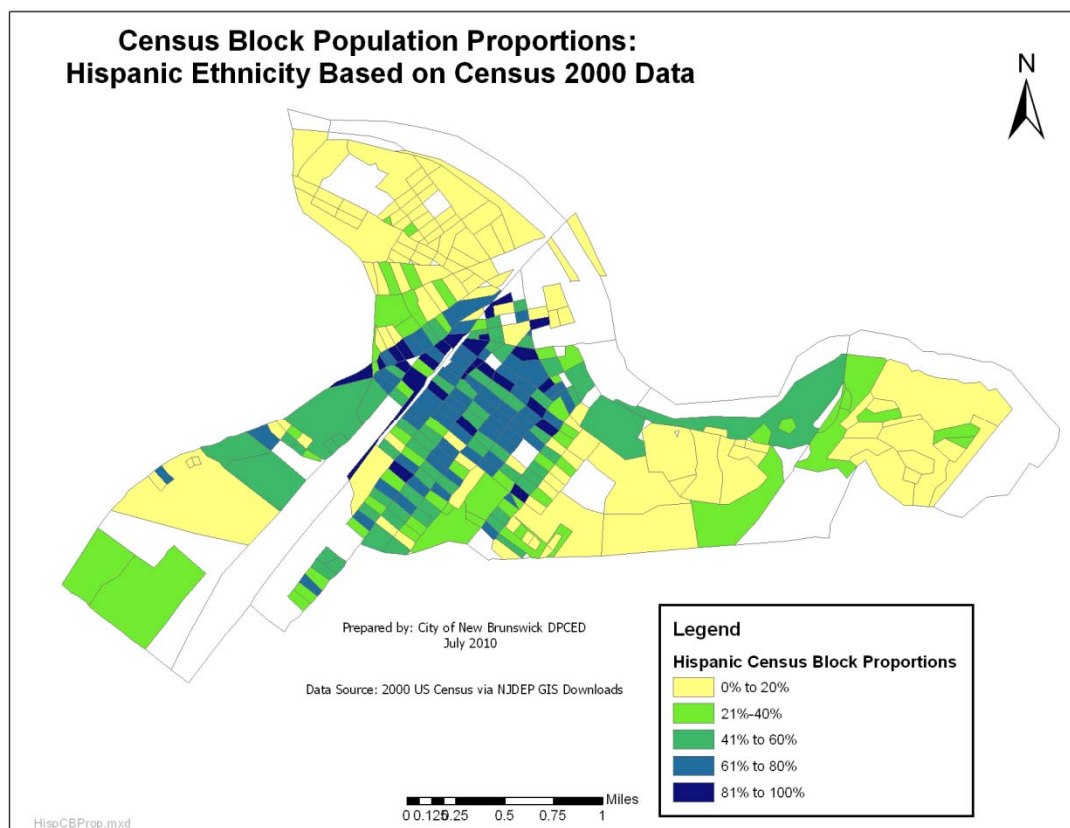
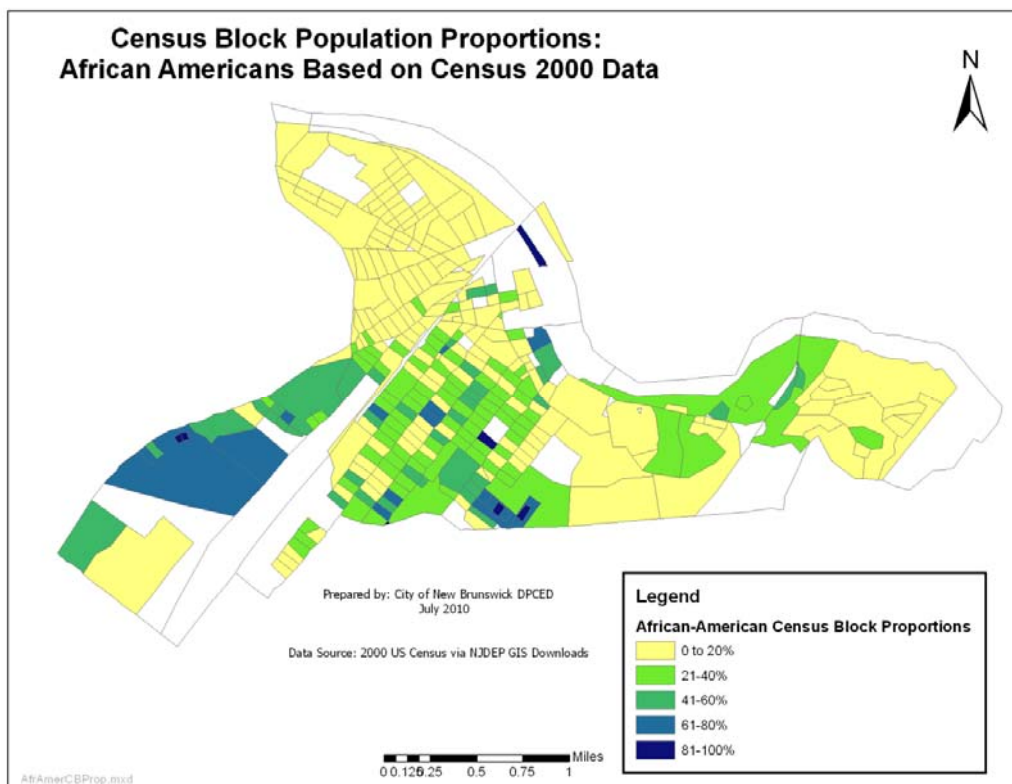
## **BACKGROUND DATA**

The City of New Brunswick is the county seat of Middlesex County and is located in the Middlesex-Somerset-Hunterdon, NJ Primary Metropolitan Statistical Area. New Brunswick is located along the Raritan River and is often referred to as the “Hub City” or the “Healthcare City” as it is home to Robert Wood Johnson University Hospital, St. Peters University Hospital, and is the corporate headquarters for the Johnson & Johnson corporation. In the 2000 Census, New Brunswick’s population was 48,573. The population grew over 16% in the decade from 1990 to 2000, which increases the demand on the housing industry within the City of New Brunswick and the surrounding area.

The dynamics of New Brunswick’s population are increasingly changing as more and more Hispanic immigrants take residence within the municipality. The table below shows the population and population percent increases between the 1990 and 2000 decennial censuses.

<b>Population Characteristic</b>				<b>1990</b>	<b>2000</b>	<b>Percent Change</b>
Total Population				41,711	48,573	16.5%
Race						
White Only				23,929	23,701	-1.0%
Black/African American Only				12,337	11,185	-9.3%
American Indian/ Alaskan Native				130	224	72.3%
Asian or Pacific Islander				1,651	2,624	58.9%
Other (other race,two or more races)				3,664	10,839	195.8%
Hispanic Ethnicity				8,036	18,947	135.8%

The geographical distribution of some of these populations (Hispanic ethnicity and Black/African American) is shown in the following maps. Each population is shown as a percentage of the total population in that individual census block.

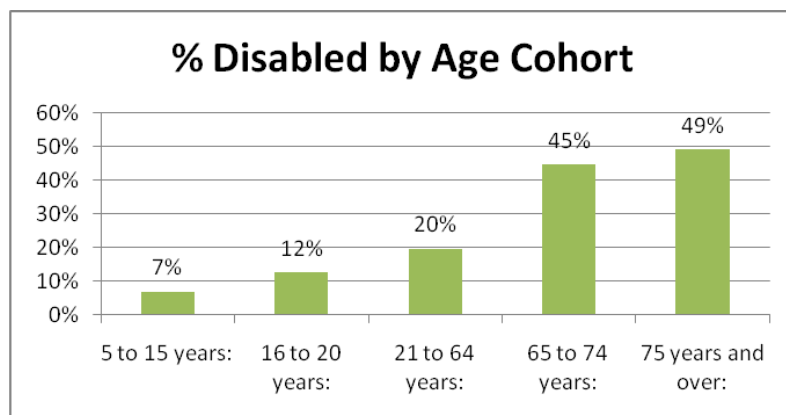


The median age in New Brunswick is fairly young at 23.6 years (Census 2000), compared to 36.7 years for New Jersey and 35.3 years for the United States. This can be attributed to the fact that New Brunswick is a university town. Other age comparisons can be found in the table below:

Age Characterstic and Rate	New Brunswick	New Jersey	United States
Total Population	48,573	8,414,350	281,421,906
Median Age	23.6	36.7	35.3
Under 5 Years	7.0%	6.7%	6.8%
School Age (5 to 18 years)	13.1%	18.1%	18.9%
Elderly (65 years and over)	6.5%	13.2%	12.4%

Source: U.S. Census Bureau, Census 2000

The 2000 Census sample count collected data regarding persons with disabilities, including sensory, physical, mental and self-care disabilities. The census reported 18% of the City's population age 5 years and older to have a disability. The occurrence of a disability for males and females was substantially the same, with 18% of males and 19% of females reporting disabilities. Applying this rate to the U.S. Census Bureau's report population for the year 2000 for the City of New Brunswick would indicate that 8,333 persons in the City are disabled. As would be expected, the occurrence of a disability increased with in older population cohorts, as shown in the table below.



The total disabled population of 8,333 had instances of 13, 983 disabilities.

Sixty-six percent (66%) of the disabled 16-64 year old population was reported as employed, compared to 79% of the non-disabled 16-64 year old population.

In the Census 2000, the median household income for the City of New Brunswick was \$36,080, which is less than the median household income of Middlesex County at \$61,446.

The following table which shows income data for households in the City of New Brunswick was created using data provided by HUD's State of the Cities Data System (SOCDS).

% of MFI	Renter				Total Renters	Owner Elderly	Owner All Other	Total Owners	Total Households
	Renter Elderly 1 & 2 Member	Renter Small Related 2 to 4	Renter Large Related 5 or more	Renter All Other Households					
0 to 30%	675	940	434	1,262	3,311	203	75	372	3,683
31 to 50%	180	599	474	964	2,217	188	70	517	2,734
51 to 80%	49	335	369	494	1,247	92	105	404	1,651
TOTAL Households	1,039	2,759	1,907	3,894	9,599	831	648	3,394	12,993
Percent LMI (0 to 80%)	87.0%	67.9%	67.0%	69.9%	70.6%	58.1%	38.6%	38.1%	62.1%

Source: U.S. Department of Housing and Urban Development, SOCDS CHAS Data, 2000

The data indicates that 70.6% of all renters in the City of New Brunswick are low income.<sup>1</sup> In fact, over one-half (57.6%) of renter households are very low income, and about one-third (34.4 %) of renter households are extremely low income. Data shows that almost half (45.6%) of all low income renters pay more than 30% of adjusted monthly income toward housing and a quarter (25.7%) of them pay 50% or more. (SOCDS CHAS Data, 2000)

According to the data, 87% of the households, which are elderly one or two member renters, are at or below 80% of the area median family income. Of that selected population, 86% of the low-income population is at 50% or below the area median family income. This is to be expected because they are mostly retired and the Middlesex-Hunterdon-Somerset MSA has the second highest income in the State. The

<sup>1</sup> HUD's Low Income Limit (uncapped): at or below 80% of area median family income. Middlesex-Somerset-Hunterdon MSA for family of four in 2010 = \$81,600

senior population is approximately 3,150 and there are over 600 affordable senior units so a large percentage of the senior population has to be low income to live here. They have lower rent burdens in comparison to other groups due to subsidies. According to the SOCDS CHAS data, 57.2% of elderly one & two member households who are at or below 80% of the area median family income pay greater than 30% of their income towards rent. In comparison, 62.3% of the small-related (2 to 4 members) households, who are at or below 80% of the area median family income, pay more than 30% of their income towards rent. The statistics for homeowners are relatively better than the statistics for renters with over 60% (60.9%) of all homeowners being at or above 80% of the area median family income. In comparison, approximately 40% (41.5%) of all renters are at or above the area median family income.

About 67 percent of the City of New Brunswick population age 16 and over is in the labor force (Census 2000). The City of New Brunswick maintains a relatively low unemployment rate, especially for an urban center. The City's unemployment rate of 8.5% in April 2010 was lower than that of the Nation (9.9%), the State of New Jersey (9.6%), and Middlesex County (8.9%) (Bureau of Labor Statistics April 2010). This rate is up a percentage point in comparison to April 2009 and three percentage points from April 2008 due to the economic decline nationwide. The national and state unemployment rates increase similarly during this period. The national unemployment rate has risen almost 5 percent since April 2008 and the state unemployment rate has risen over 5 percent.

The employment population using the 2007 NAICS for New Brunswick is broken down by industry in the following table:

<u>2007 NAICS</u>	<u>Industry description</u>	<u>Establishments</u>	<u>Number of employees</u>
31-33	Manufacturing	59	1,726
44-45	Retail trade	135	958
51	Information	12	376
53	Real estate and rental and leasing	41	201
54	Professional, scientific, and technical services	155	1,221
56	Administrative and Support and Waste Mang and Remediation Srvs	69	4,313
61	Educational services	9	c
62	Health care and social assistance	128	9,083
71	Arts, entertainment, and recreation	11	205
72	Accommodation and food services	152	1,992
81	Other services (except public administration)	94	852
Source: U.S. Bureau of the Census, 2007 Economic Census			

Major employers in the City of New Brunswick include Johnson and Johnson, Bristol-Myers Squibb, Rutgers University, Middlesex County, Robert Wood Johnson University Hospital, and Saint Peters University Hospital.

#### Housing Unit Data

The 2000 Census reported that the total number of housing units in the City of New Brunswick was 13,893. Of these housing units 13,057 were occupied, 26.3 percent of them were owner-occupied and 73.7 percent of them were renter occupied (Census 2000). The City of New Brunswick's homeownership rate has been slowly declining. The homeownership rate in 1990 was approximately 32 percent. Remediation of this decline has been a focal point for the City of New Brunswick's municipal government and associated departments. This will be accomplished through various programs such as the owner-occupied housing rehabilitation program, which aims to rehab existing homes to encourage homeowner retention. This aims to combat the conversion of owner-occupied housing into rental housing for Rutgers University students.

The City also looks to encourage homeownership through the construction of affordable housing. With this, the City seeks to provide both ownership opportunities for low and moderate-income persons as a means of encouraging resident investment in neighborhoods and as a means of stabilizing and reversing the deterioration of the



housing stock. The City of New Brunswick is also part of the “Live Where You Work” program, which is administered by the State of New Jersey’s Housing and Mortgage Finance Agency (HMFA) which encourages residents to purchase homes in the municipality where they are employed through the attraction of low-interest mortgage loans and shorter commute times.

### **Subsidized Housing**

The Housing Authority of the City of New Brunswick currently manages 392 PHA units, 810 Housing Choice Vouchers, 35 unit VASH voucher program and 72 low income tax credits units (under contract with TCB-Hope Manor & Riverside). The Authority currently has a waiting list of 276 persons waiting for public housing and 1,867 persons waiting to take part in the Housing Choice voucher based program. As part of the goals the Housing Authority’s five- year plan, it looks to meet the needs of lower income families by increasing the number affordable units available and forging new partnerships to create other voucher-based programs.

### **III. Current Fair Housing Legal Status**

City of New Brunswick residents who feel that they have been subject to housing discrimination can seek a help from the Puerto Rican Action Board's (PRAB) Housing Coalition Unit. The Housing Coalition Unit can assist victims of discrimination by verifying complaints, advocating when appropriate, preparing cases, and helping the victim in the act of filing with the US Department of Housing and Urban Development (HUD), the New Jersey Division on Civil Rights (DCR), or private attorneys.<sup>2</sup>

Fair Housing complaint information provided by the U.S. Department of Housing and Urban Development (HUD) show that there have been seven (7) Title 8 fair housing complaints filed between 2004 and February 2010. Complaints are filed based on discrimination against the following categories: race/color, national origin, familial status, disability, sex, religion, retaliation, and sexual harassment. There were four (4) complaints based on race/color discrimination, two (2) based on national origin discrimination, and one (1) based on religious discrimination during this time.

HUD provided data that during the period of 2004 through 2009 there were eight (8) Title 8 fair housing complaint cases, which were closed. Five were determined to be no cause cases where there was insufficient evidence found during a Title 8 investigation to prove discrimination had existed; two were conciliated; and one was a cause case where discrimination was found to have existed. No detailed information about the case was obtained.

PRAB's Housing Coalition Unit's housing rights and homeownership counselors cover the topic of Housing Rights (Tenant/Landlord and Fair housing) at all of their educational outreach workshops. These workshops are held once or twice a month depending on the demand. The Puerto Rican Action Board's Housing Coalition Unit recorded four (4)

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<sup>2</sup> "Fair Housing, Housing Coalition of Central Jersey, Incorporated" 2004-2007. Web. 2010 July  
<http://www.hccj.org/fairhousing.asp>

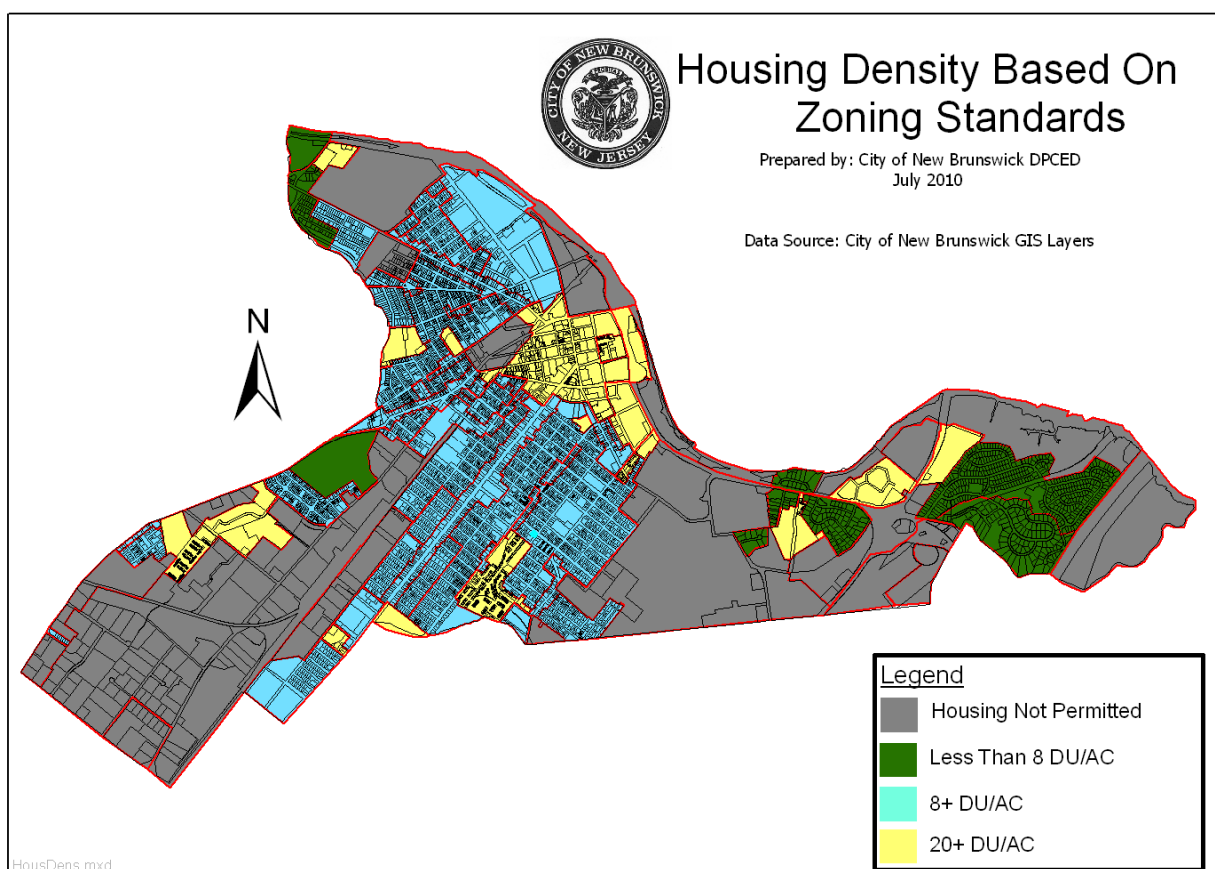
fair housing inquiries during 2008-2009 and four (4) during 2010. No detailed information was provided as to the nature of the inquiries.

#### **IV. Identification of Impediments to Fair Housing Choice**

##### **A. Public Sector**

###### **1. Zoning and Site Selection**

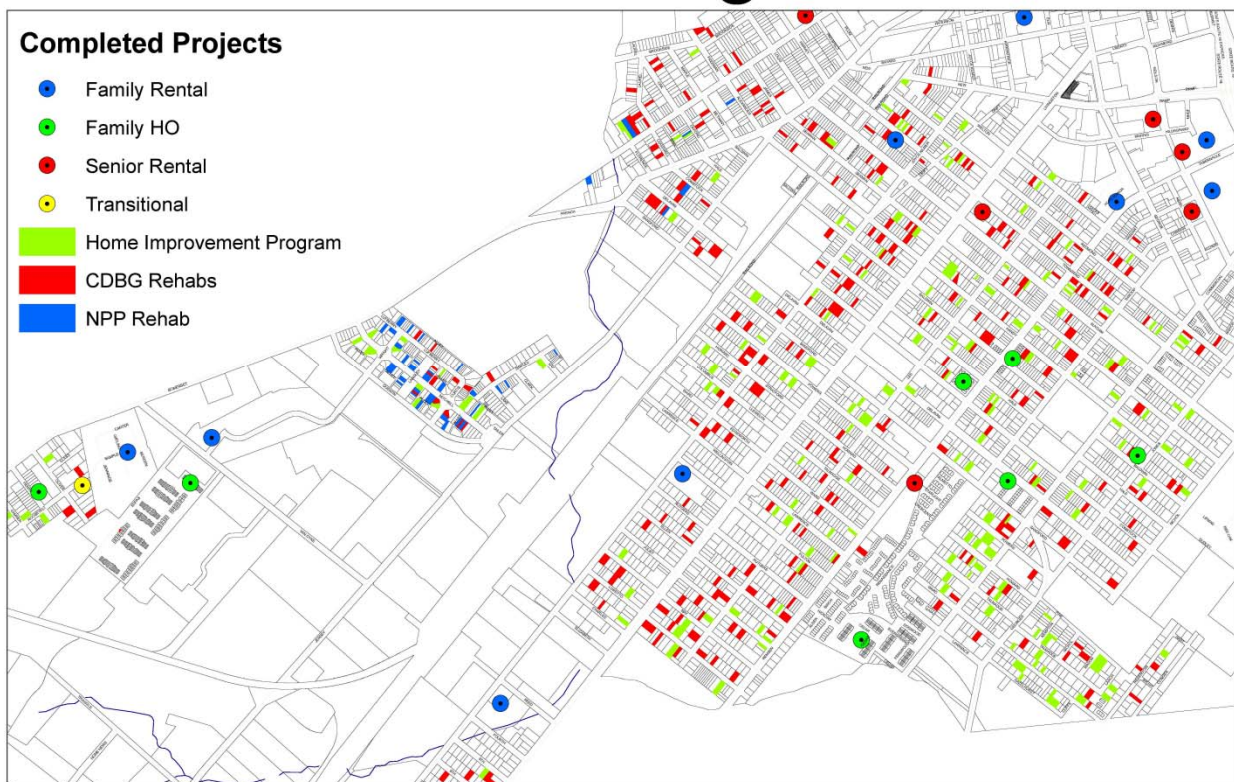
The City of New Brunswick's zoning ordinance provides the opportunity for high-density (8+ud/ac) development in most residential and mixed-use areas. Additionally, several zones permit very high-density (20+du/ac) development including the downtown core near job centers. Zoning areas for mixed-use development puts housing in proximity to services, retail and job centers. The figure below illustrates the housing densities allowed based on the standards set forth in the zoning ordinance.



## 2. Neighborhood Revitalization, Municipal and Other Services

Development of new market and affordable housing occurred in most neighborhoods. The construction of completed affordable housing projects is shown in the map below.

# Affordable Housing

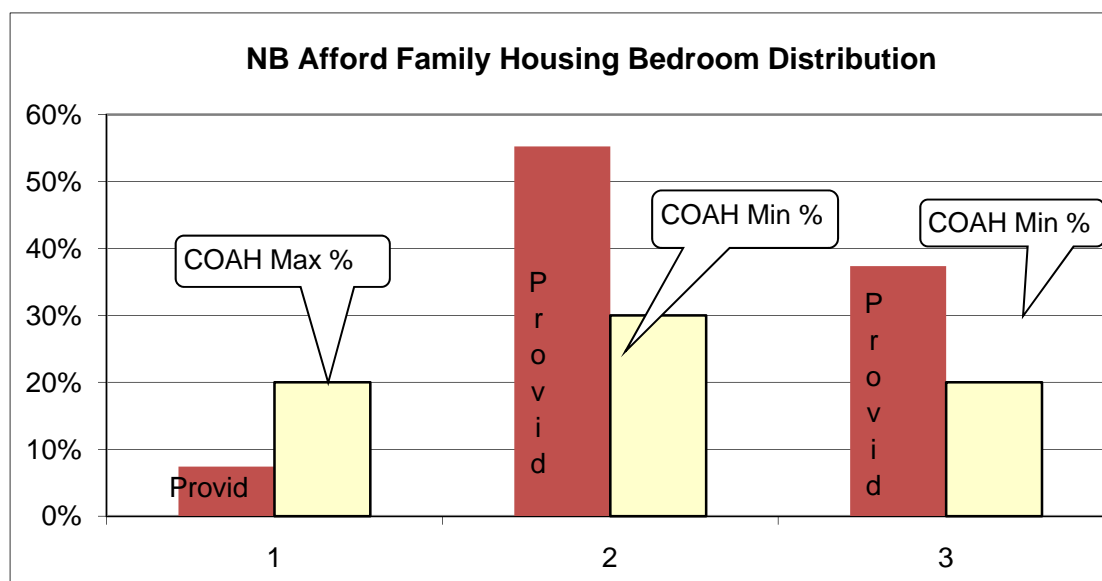


As part of the Analysis of Impediments, HUD guidance directs the entitlement community to assess the availability of affordable, accessible housing in a range of unit sizes. The below table documents the availability of affordable family housing units by bedroom size and ownership-type. In order to assess the adequacy of the distribution of units, the distribution of units was compared to the New Jersey Council on Affordable Housing's (COAH) requirements for bedroom distribution of affordable housing units. The COAH guidelines establish a maximum of 20% of affordable units being one-bedroom units and sets minimum percentages for two and three-bedroom units of 30% and 20%,

respectively. The bedroom distribution of New Brunswick's affordable housing units exceeds the COAH guidelines.

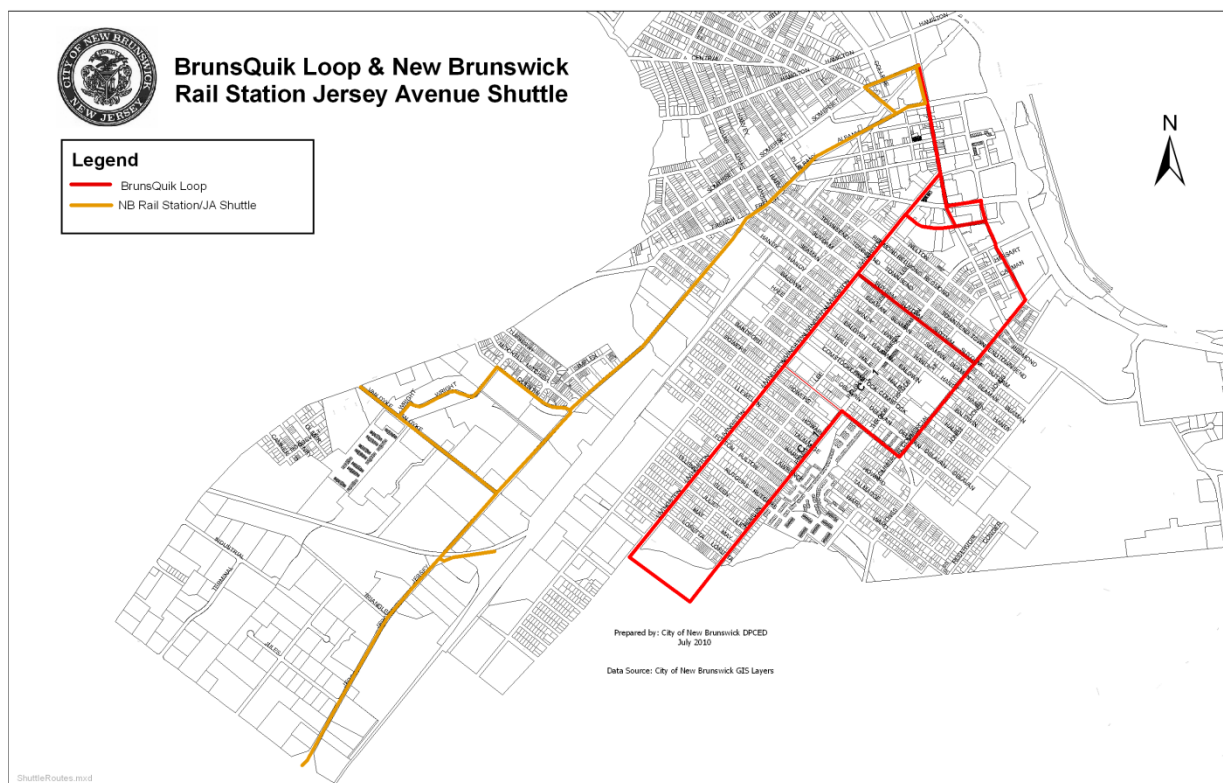
## Affordable Family Housing 2010

Project Name	Units	Type	<u>Bedroom Distribution</u>		
<b>Homeownership</b>			<b>1 BR</b>	<b>2 BR</b>	<b>3+ BR</b>
Delavan Court	44	Individual Ownership	2	36	6
Comstock Court	19	Individual Ownership	0	9	10
Hampton Club	54	Individual Ownership	6	28	7
Camner Square	19	Individual Ownership	0	0	19
Brunswick Raritan	3	Individual Ownership	0	0	3
Fulton Square	57	Individual Ownership	0	29	28
Mt. Zion	24	Individual Ownership	0	7	17
<b>TOTAL</b>	<b>220</b>		<b>8</b>	<b>109</b>	<b>90</b>
<b>Family Rental</b>					
Schwartz Robeson	258	Public housing	31	152	75
Hope Manor	68	LIHTC & HOPE VI	1	37	30
Riverside	76	LIHTC & HOPE VI	0	33	37
Skyline Tower	14	HMFA bond financing	6	8	0
PRAB	4	RCA	0	4	0
<b>Total</b>	<b>420</b>		<b>38</b>	<b>234</b>	<b>142</b>
<b>Total Homeownership and Family Rental</b>			<b>46</b>	<b>343</b>	<b>232</b>
<b>% by Bedroom</b>			<b>7%</b>	<b>55%</b>	<b>37%</b>
<b>COAH Allowable Bedroom Distribution</b>			<b>20%</b>	<b>30%</b>	<b>20%</b>
			<b>Max</b>	<b>Min.</b>	<b>Min.</b>





Funding is available for rehabbing owner-occupied housing of LMI households throughout the City. As 70 percent of the housing is rental and approximately 71 percent of the rental population is LMI, the City enforces rent control to limit rent increases to existing tenants to CPI (consumer price index) increases. The City has collaborated with Rutgers University and Middlesex County to provide frequent shuttle services in all LMI neighborhoods to connect these neighborhoods to employment centers in the downtown area and the Jersey Avenue industrial corridor. The figure below illustrates the routes for the BrunsQuik Loop and New Brunswick Rail Station Jersey Avenue shuttles.



The various shuttle routes interconnect to provide free or inexpensive access to all major employment areas from all LMI neighborhoods. Additionally, mixed use projects with residential components and affordable housing set asides have been developed in the downtown area.

### **3. PHA and Other Assisted/Insured Housing Provider Tenant Selection**

Public housing is limited to low-income families and individuals. Eligibility is based on: 1) annual gross income; 2) whether you qualify as elderly, a person with a disability, or as a family; and 3) U.S. citizenship or eligible immigration status. The Housing Authority provided a general description of the application process as follows:

#### **Application Information:**

- (1) Names of all persons who would be living in the unit, their sex, date of birth, and relationship to the family head;
- (2) Your present address and telephone number;
- (3) Family characteristics (e.g., veteran) or circumstances (e.g., living in substandard housing) that might qualify the family for tenant selection preferences;
- (4) Names and addresses of the current and previous landlords for information about the family's suitability as a tenant;
- (5) An estimate of the family's anticipated income for the next twelve months and the sources of that income;
- (6) The names and addresses of employers, banks, and any other information the HA would need to verify the income and deductions, and to verify the family composition; and
- (7) The PHA also may visit the current home to interview the family to see how they manage the upkeep of the current home.

After obtaining this information, the HA representative describes the public housing program and its requirements, and answer any questions the applicant might have.

### **4. Sale of Subsidized Housing and Possible Displacement**

Based on conversations with staff at the Housing Authority, there are currently no subsidized projects that are threatened with sale leading to displacement.

### **5. Property Tax Policies**

New Jersey property tax policy has lead to the highest property tax in the nation. The added cost burden from property taxes may be an impediment for LMI ownership. The Tax Assessor's Office places an "assessed valuation," each year, on each property in

the City. These valuations are based upon the Market Value of the entire property, including the value of the land, and the value of all of the buildings on it. For rental and income properties, the Market Value can be verified by applying a Capitalization Rate to the Net Operating Income of the property. For owner occupied, residential homes, the Market Value can be verified by analyzing the sales of comparable homes. The City has instituted policies to offer tax abatements to many new construction projects and additions to existing housing to minimize this burden. The State of New Jersey also offers property tax reductions to veterans of war, low income senior citizens, and disabled persons.

#### **6. Building Codes (Accessibility/Visitability)**

Accessibility in residential dwellings is governed by the New Jersey Barrier Free Subcode (N.J.A.C. 5:23-7.1 et al.) which is enforced by the City of New Brunswick's Office of the Construction Official. The NJ Barrier Free Subcode (NJBFS) applies to all buildings, including their associated sites and facilities, and portions thereof, unless specifically exempted and is interpreted to require access for people with disabilities, including, but not limited to, occupants, employees, consumers, students, spectators, participants, or visitors. The goal of the NJBFS furthers the spirit of fair housing by providing every person with the opportunity to reside in a location of his or her choice. Several examples of provisions in the code are as follows: the requirement of an elevator for all buildings three-stories or more; in a building without elevator service, each ground floor dwelling shall be required to have an accessible entrance, accessible route into and throughout the entry level of the dwelling unit, and adaptable kitchen, and one adaptable toilet and bathing facility on the accessible route; and all common facilities must be accessible.



## **B. Private Sector**

### **1. Lending Policies and Practices**

The Community Reinvestment Act (CRA) requires the federal financial institution supervisory agencies, to assess the institutions' CRA performance. A financial institution's performance in helping to meet the credit needs of its community is evaluated in the context of information about the institution, its community, and its competitors and peers.<sup>3</sup> Data shows that the eight (8) local banks of the City of New Brunswick exhibited at least satisfactory CRA ratings with the majority maintaining an "outstanding" CRA rating. The data indicates that the lending policies and practices of these banks further the needs of the local community.

## **C. Public and Private Sector**

### **1.Fair Housing Enforcement/Informational Programs**

PRAB's Housing Coalition Unit's housing rights and homeownership counselors cover the topic of Housing Rights (Tenant/Landlord and Fair housing) at all of their educational outreach workshops. These workshops are held once or twice a month depending on the demand. Every staff member of the Housing Coalition is trained to recognize discriminatory housing practices, fair housing is integrated into all of the agency's counseling and outreach efforts. The Unit provides homebuyer education, pre-purchase counseling, housing rights (fair housing and tenant/landlord) counseling, permanent housing and stabilization counseling (housing location assistance, home sharing) and a full range of homeowner assistance services (first-time homebuyer and mortgage foreclosure default counseling). The basic topics discussed at the education outreach workshops are: renting in New Jersey, The Fair Housing Act of 1988 & The New Jersey Law Against Discrimination, eviction procedures, security deposit, building codes

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<sup>3</sup> "Community Reinvestment Act" FFIEC. Web. 3/5/2007 Accessed: 9.1.2010  
<[http://www.ffiec.gov/craratings/ratings\\_faq.htm](http://www.ffiec.gov/craratings/ratings_faq.htm)>

violations, warranty of habitability (repairs), leases, rent control ordinance, and special programs for tenants (homeless prevention, relocation assistance, etc).

The City of New Brunswick has also posted on the official website information about the services offered by PRAB's Housing Coalition Unit and a flyer regarding fair housing. Additionally, fair housing information is available at the Department of Planning, Community, and Economic Development office at their information station.

PRAB's Housing Coalition Unit reported that they receive few inquiries or complaints about racial/ethnic/gender discrimination.

#### **D. Fair Housing Act Compliance**

Where there has been a determination of unlawful segregation or other housing discrimination found by a court or a finding of noncompliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973, or where the Secretary has issued a charge under the Fair Housing Act regarding assisted housing within a recipients jurisdiction, an analysis of the actions which could be taken by the recipient to help remedy the discriminatory condition shall be performed.

In New Brunswick, there have been no determinations of segregation or other housing discrimination.

#### **V. Assessment of Current Public and Private Fair Housing Programs and Activities in the Jurisdiction**

##### **Impediment #1- Lack of affordable housing**

One of the components to providing fair housing is providing a variety of housing that is affordable to people of all races, ethnicities, religious affiliations, gender, and income levels. Approximately, seventy (70%) percent of the City's rental population is low to moderate income. Census data shows that 55% of rental households with income of less than \$50,000(1999) pay 30% or more for their rent. This figure is skewed due to the

student households, which often have other means of rent support than reported income. However, a high percentage of rental households face a rent burden of 30% or more of their income.

**Current/Short Term Actions:**

- Use of rent control measures to limit unlawful rent increases above the consumer price index increases
- Maintain existing and seek out new public/private partnerships for the development of affordable housing
- Expansion of existing rental assistance programs

**Long Term Actions:**

- Maintain zoning policies and housing development at moderate and high densities to reduce per unit costs and encourage the construction of affordable housing
- Expansion of homeownership assistance programs, i.e., "Live where you work"

**Impediment # 2- Lack of Property Owner Education about Fair Housing Laws**

The City of New Brunswick is a rental dominated housing market (70% rental). Entities such as PRAB's Housing Coalition Unit have placed emphasis on educating tenants on their rights and how to take action if they feel their rights have been infringed upon. There has been little or no formalized effort in educating property owners about fair housing laws and what constitutes discrimination. Proper education of property owners could help minimize blatant infringements of tenant's rights as well as the "I did not know I couldn't do that" situations. The following actions should help further fair housing:

**Immediate Actions:**

- Provision of informational materials on fair housing to rental property owners through mailings and electronic sources

**Long Term Actions:**

- Work with local agencies to provide fair housing seminars and outreach programs to the owners of rental properties
- Development of a central person/place for property owners to contact with questions regarding fair housing

**VI. Conclusions**

The data provided by HUD and the conversations had with the staff at as PRAB's Housing Coalition Unit indicate that cases (reported) of fair housing discrimination in the City of New Brunswick are infrequent. The City of New Brunswick will analyze the Analysis of Impediments document periodically to indentify the current policies, practices and procedures that may have a negative effect on fair housing within our jurisdiction. The City will amend and revise, as necessary, the implementation of the goals and objectives within the Consolidated Plan to affirmatively further fair housing.

VII. Signature Page

  
Mark Siegle, AICP, PP  
Principal Planner

9-21-2010