

Targeted Suburban Municipalities Methodology

2025 Distressed Older Suburban Municipality Definition

According to P.L.2025, c.111, "Distressed older suburban municipality" means a municipality that is not designated by the agency as a targeted urban municipality, and that, in the determination of the agency, meets at least four of the following criteria:

- a) has experienced a sustained drop in income levels compared to the region;
- b) has an elevated percentage of residents living below 100 percent of the poverty line, adjusted for family size, established and adjusted under section 673 of the federal "Community Services Block Grant Act," (42 U.S.C. s.9902);
- c) experiences high rates of unemployment or low labor force participation rates;
- d) has a large share of homes built before 1960 and elevated rates of residential property vacancy and abandonment;
- e) experiences stagnant or declining property values;
- f) experiences declining commercial ratables; and
- g) experiences declining municipal capacity as a consequence of budget stress.

Steps

To determine whether a municipality qualifies as a Distressed Older Suburban Municipality pursuant to P.L.2025, c.111, NJHMFA applied the following steps:

1. Confirm the municipality is not designated as a Targeted Urban Municipality (TUM) by the Agency.
 - a) https://www.nj.gov/dca/hmfa/developers/docs/lijtc/tax/tum_list.pdf
2. Determine whether the municipality experienced a sustained drop in income levels compared to the housing region.
 - a) Calculate municipal household income in 2015 and 2023; Calculate housing region income in 2015 (2014 chart was utilized in 2015) and 2023.
3. Determine whether the municipality has an elevated percentage of residents living below 100 percent of the poverty line relative to the statewide rate.
 - a) Compare 2023 municipal poverty rate to 2023 NJ statewide rate.
4. Determine whether the municipality experiences high unemployment rates or low labor force participation rates relative to statewide benchmarks.
 - a) Calculate the municipal unemployment rate in 2023 and compare to the 2023 NJ statewide unemployment rate.
 - b) Calculate the municipal labor force participation rate in 2023 and compare to the 2023 NJ statewide participation rate.
5. Determine whether the municipality has a large share of homes built before 1960 or elevated residential property vacancy or abandonment relative to statewide benchmarks.

- a) Calculate both the percentage of municipal homes built before 1960 and the municipal residential vacancy rate for 2023; Compare both measures to NJ statewide benchmarks.
6. Determine whether the municipality experiences stagnant or declining residential property values.
 - a) Calculate the municipal median home values in 2015 and 2023 and measure the percent change.
7. Determine whether the municipality experiences declining commercial ratables.
 - a) Compare municipal commercial ratables in 2018 to municipal commercial ratables in 2023.
8. Determine whether the municipality experiences declining municipal capacity as a consequence of budget stress, as reflected in State aid trends.
 - a) Compare municipal state aid received in 2015 to municipal state aid received in 2024.

Data Sources

Targeted Urban Municipality (TUM) Status - 2025 NJHMFA Targeted Urban Municipalities (TUMs) List, https://www.nj.gov/dca/hmfa/developers/docs/lihtc/tax/tum_list.pdf

Income Relative to Region – ACS 5-Year Estimates (Table B19013, Median Household Income);
Affordable Housing Professionals New Jersey (AHPNJ), Affordable Housing Regional Income Limits by Housing Size.

Poverty Relative to State – ACS 5-Year Estimates (Table S1701, Percent Below Poverty Level).

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Labor and Employment Relative to State – ACS 5-Year Estimates (Table S2301, Unemployment Rate & Labor Force Participation).

Old or Vacant Housing Relative to State – ACS 5-Year Estimates (DP04, Year Structure Built & Housing Vacancy Status).

Property Value Change – ACS 5-Year Estimates (B25077, Median Home Value).

Budget Change – Division of Community Affairs, State Aid Multipurpose Table (2015 and 2024).