

**CITY OF UNION CITY
COUNTY OF HUDSON, STATE OF NEW JERSEY**

ORDINANCE 2020-13

**ORDINANCE AMENDING CHAPTER 40 TO SET FORTH RESTRICTIONS
ON THE CONVERSION OF AFFORDABLE RENTAL HOUSING TO A
CONDOMINIUM OR COOPERATIVE FORM OF OWNERSHIP**

WHEREAS, pursuant to Section 2 of P.L. 1991, c.509 as amended, a qualified municipality may, by ordinance, prohibit the conversion of any “affordable rental housing unit” to a condominium or cooperative form of ownership; and

WHEREAS, that statute defines “affordable rental housing unit” as a rental housing unit that is subject to a rent control ordinance; and

WHEREAS, the City of Union City (the “City”), is a “qualified municipality” as defined by the above statute and is authorized to adopt the within ordinance; and

WHEREAS, according to the 2014-2018 American Community Survey (the “Survey”), there are 26,712 total housing units available in the City; and

WHEREAS, pursuant to the City’s current records, the City has the following statistics:

- 8,501 Registered Rent-Controlled Units
- 2,793 Condominium Units
- 750 Cooperative Ownership Units

WHEREAS, based on the foregoing, 31.8% of the City’s total housing units are affordable rental units; and

WHEREAS, the proportion of existing affordable units to condominium and cooperative units in the City is 2.4 affordable rental units for every 1 condo/cooperative unit; and

WHEREAS, as represented below, in Union City, 58% of occupied units paying rent are spending 30% or more of their household income on household costs, compared to 46.9% at the County level and 52.3% at the State level, showing that these households are all cost burdened:

Gross Rent as a Percentage of Household Income*						
2018 Estimates						
	Union City		Hudson County		New Jersey	
	Number	Percent	Number	Percent	Number	Percent
Occupied units paying rent	18,805	100.0%	168,169	100.0%	1,097,204	100.0%
Less than 15%	1,954	10.4%	24,346	14.5%	130,483	11.9%
15 to 19%	1,844	9.8%	23,430	13.9%	132,227	12.1%
20 to 24%	2,146	11.4%	22,496	13.4%	135,268	12.3%
25 to 29%	1,954	10.4%	19,085	11.3%	125,564	11.4%

30% or more	10,907	58.0%	78,812	46.9%	573,662	52.3%
Not computed	586	3.1%	6,878	4.1%	3,175	0.3%

WHEREAS, the Department of Housing and Urban Development defines cost burdened households as those that pay more than 30% of their income for housing. The data in the chart above indicates that there is a housing affordability issue within the City as more than half the occupied renter households are considered cost burdened. The renter occupied cost-burdened households represent 40% of the City's total housing units; and

WHEREAS, based upon the Survey, 21.3% of the City's residents are below poverty level, compared to 16.3% at the County level and 10.4% at the State level. The higher percentage of those below the poverty level within the City indicates there is a need for additional affordable housing opportunities for the City's residents; and

WHEREAS, the City of Union City is one of the most densely populated cities in the United States with a large percentage of low, and moderate-income residents; and

WHEREAS, there is a shortage of affordable rental housing within the City and a public need to prevent the loss of affordable rental housing units through conversions.

NOW, THEREFORE, BE IT ORDAINED, by the Board of Commissioners of the City of Union City, County of Hudson, State of New Jersey that the Code of the City of Union City is hereby amended and revised as follows:

SECTION ONE:

Chapter 40 is hereby amended to include the following:

Article III: Conversion of Affordable Rental Housing

40-15. Prohibition on Conversions. The conversion of any affordable rental housing unit to a condominium or cooperative form of ownership is prohibited, subject to sections 40-16 through 40-18 below.

40-16 Criteria to Determine the Minimum Number of Affordable Rental Housing Units Required. The City shall require a minimum of 5 affordable rental units for every 1 condo/cooperative unit.

40-17 Suspension of Prohibition. If the governing body determines that criteria enumerated above are satisfied, the prohibition on conversion shall be suspended by resolution.

40-18 Reinstatement of Prohibition. In the event that the governing body subsequently determines that the criteria established above are no longer met, the prohibition may be reinstated by resolution.

SECTION TWO:

Severability. If any term or provision of this Ordinance is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, in whole or in part, such determination shall not affect the validity of the remaining terms and provisions of this Ordinance.

SECTION THREE:

Repealer. To the extent that any provision of the Code of the City of Union City is found to conflict with this Ordinance, in whole or in part, this Ordinance shall control.

SECTION FOUR:

In order to avoid accidental repeal of existing provisions, the City Clerk and the Corporation Counsel are hereby authorized to change any chapter numbers, article numbers and/or section numbers in the event that the codification of this Ordinance reveals that there is a conflict between those numbers and the existing Code.

SECTION FIVE:

This Ordinance shall take effect upon passage and publication as required by law.


Commissioners	Yea	Nay	Abstain/Present	Absent
Lucio P. Fernandez				
Wendy A. Grullon				
Celin J. Valdivia				
Maryury A. Martinetti				
Mayor Brian P. Stack				

I HEREBY CERTIFY this to be a true and correct Ordinance of the City of Union City Board of Commissioners, introduced on June 30, 2020 and was further considered and adopted after a Public Hearing held on July 14, 2020.

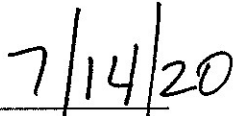
INTRODUCED: June 30, 2020

ADOPTED: July 14, 2020

ATTEST:



 Erin Knoedler
 City Clerk



 DATE

SUMMARY OF ORDINANCE

Ordinance to prohibit conversions of affordable rental housing units to condominium or cooperative forms of ownership.