



2023 AFFORDABLE HOUSING REPORT City of Summit



This status report identifies 2023 action to address affordable housing development in the City of Summit.

QUARTER 1, 2023 (JANUARY ~ FEBRUARY ~ MARCH)

- The Affordable Housing Committee met on 2/13/23 to review the 2022 Annual AH Report and discuss affordable housing activities per the City's fair share plan.
- The Municipal Housing Liaison presented the report to the council and the public including a Q & A at the 2/21/2023 council meeting. The 2022 Annual Report and meeting recording is posted on the City's website.
- Morris Habitat (MH) continued construction including foundation, interior, and exterior work on both buildings.
- Further research was conducted regarding possible deed restriction of 4 group home units owned by Our House.
- A final draft of the City's CTM COAH report was completed. The report is a comprehensive review (per mandated formatting) of the city's affordable housing information including units, AH assets and more. A final version will be posted on the City's website once complete.
- Additional housing resources were added to the Summit affordable housing webpage.
- Details are being finalized on an updated Operating Manual and materials to promote qualifying for housing in Summit along with what rehabilitation and affordability trust fund assistance is available.
- A Market to Affordable feasibility analysis is finishing up. The analysis will ensure the City has a clear understanding of the amount of funds it will take to write down a market rate unit in Summit.
- Additional work is being completed to advance the development for the two proposed affordable units on Ashwood Court because of the Morris Habitat settlement.

QUARTER 2, 2023 (APRIL ~ MAY ~ JUNE)

- Results of the Market to Affordable feasibility analysis was completed. The State Fair Housing Act makes an affordable housing mechanism available to municipalities where a market-rate home is turned into an affordable unit. It uses a subsidy to "write down" the housing expenses to make market-rate units affordable to income-eligible buyers. While this mechanism is not currently in the City's approved Spending Plan, it is an option that we continue to test for financial feasibility. The prescribed subsidy amounts in the State regulations (N.J.S.A. 5:97-6.9) are \$30,000 for a low-income home and \$25,000 for a moderate-income home. Data on sales suggest that a Market to Affordable program in Summit would require subsidies of more than \$125,000 per unit to bring them down to affordable levels. The City's Administrative Agent continues to monitor sales prices and mortgage rates and provide updates on the financial feasibility of this affordable housing mechanism.
- Morris Habitat (MH) continued construction at 146 Morris including foundation, interior, and exterior work on both buildings. Hazardous and potentially hazardous trees were removed from the city property that posed a risk to the new Habitat construction.
- The City property on Ashwood Court continued to be studied for possible inclusion of affordable housing on the site. No decision has been made about units at the time of this report.
 - Taller and more substantial fencing is being planned for the city owned site.
 - The city owned site was reviewed and a June 16 deadline was provided to Habitat to clean-up.
 - Engineering for a more comprehensive wall and grading/drainage restoration on the city owned property planning began.
- An offer for possible deed restriction of 4 units at a group home owned by Our House continues to be explored.
- The final CTM COAH report was completed and posted on the city website. The report is a comprehensive review (per state mandated formatting) of the City's affordable housing information including units, AH assets and more.
- The City's updated Operating Manual that includes details on the mechanics for administration of the City's AH plan was finalized and posted on the city website.
- A flyer promoting the City's affordable housing list, affordability assistance and county run rehab program was moved to final design stage and will be used starting in July or August of 2023.
- An updating of the City's affordable housing ordinances is in final stages of revision with likely introduction in September 2023.



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QUARTER 3, 2023 (JULY ~ AUGUST ~ SEPTEMBER)

- Morris Habitat (MH) continued construction at 146 Morris including foundation, interior, and exterior work on both buildings. Much of the exterior building work was completed. The Ashwood Court properties and Habitat's property abutting Ashwood Court were graded/seeded and the fence was installed.
- The City property on Ashwood Court continues to be studied for possible inclusion of affordable housing on the site. No decision has been made about units at the time of this report.
 - Engineering plans for a more comprehensive wall and grading/drainage restoration on the City owned property began and draft plans are currently being prepared with stakeholders.
- An offer for possible deed restriction of 4 units at a group home owned by Our House continues to be explored.
- The City's affordable housing webs page was reorganized for easier use and updated to include additional housing and other related resources.
- The Municipal Housing Liaison (MHL) spoke to Summit's Interfaith Council to help increase awareness of the City's AH programs and opportunities.
- A flyer promoting the City's affordable housing list, affordability assistance and county run rehab program was completed and was added to the City's website. It was also shared with the Summit Interfaith Council for distribution to their constituents.
- An update of the City's affordable housing ordinances is in the final stages of revision and is set for introduction in November of 2023.
- The Broad Street West redevelopment plan was ended by the council and discussions continue around future planning for that area. The City Planner has been working on additional measures and other mechanisms to ensure affordable housing development remains there and elsewhere in the city.
- The City's Tax Assessor has been working with several commercial entities including Bristol Meyer Squib (BMS) to ensure accurate Non-Residential Development Fees (NRDF) are collected for the City's AH trust fund.
- The City collected approximately \$143,428.39 in development fees and interest during the Q3 of 2023
- The MHL attended a seminar at a local church to discuss how the faith community can use existing land and more to develop affordable housing. The MHL also met with a local church about vacant land for possible use in the development of affordability housing units that could count towards the City's new unit obligation.

QUARTER 4, 2023 (OCTOBER ~ NOVEMBER ~ DECEMBER)

- Morris Habitat (MH) is concluding construction at 146 Morris including final interior and exterior work on both buildings.
 - In October, an Open House for neighbors and the community to tour the grounds and buildings / meet staff and future residents followed by a December dedication ceremony.
 - The Tax Office and other professionals worked to finalize deeds, close out permits, and finalize certificates of occupancy for new residents.
- The city property on Ashwood Court continues to be studied for possible inclusion of affordable housing on the site. No decision has been made about units at the time of this report.
- An offer for possible deed restriction of 4 units at a group home owned by Our House continues to be explored.
- The City's affordable housing web page was updated to include additional housing and other related resources.
- With the ending of the Broad Street West redevelopment by Common Council, the City Planner has been working on additional measures and other mechanisms to allow for affordable housing there and elsewhere in the City.
- Bristol Meyer Squib (BMS) paid a Non-Residential Development Fees (NRDF) to the City's AH trust fund in the amount of \$4,625,495 under protest, so that is being held in an escrow account while the amount is appealed by BMS to the Division of Taxation, per statute.
- The City collected approximately \$86,226.72 in development fees and interest during the Q4 of 2023.



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- The MHL attended several seminars on affordable Housing held at the NJ League of Municipalities annual conference.
- The City's affordable housing ordinance was amended to consolidate all AH-related ordinances into one location in the code book for easier access. As well, proposed language changes were required to bring the City's ordinances related to affordable housing up to date through this current housing cycle. The only discretionary language changes being proposed both relate to the Residential Development Fee. They include increasing the fee to 1.5% and creating a new definition for "new residential development" to prevent charging residents who are simply making minor renovations, but also closes a loophole used by developers to avoid the fee when an entirely new home is being built but portions of the old home remain (i.e. keeping an existing foundation wall).
- The Summit Housing Authority is working with the City to apply for rehabilitation funding for their housing stock. Many of the rehabilitated units present an opportunity for rehabilitation credit in the City's Fair Share plan.
- During their lame duck session, the NJ State Legislature began movement on a bill to overhaul the Affordable Housing Law and officially abolish COAH. The proposed bill is being studied and its progress is being closely monitored.

UNMET NEED STATUS

PROJECT	# OF AH UNITS	50 UNIT GOAL	BALANCE
Unmet Need			702
Elizabeth RCA	26		676
RDP Surplus	13		663
412 Morris (MF Zone)	1	1	662
146 Morris (Habitat for Humanity)	12	12	650
123-127 Summit Avenue	3	3	647
Ashwood Court (Habitat Settlement)	2	2	645
557-565 Morris (46-Unit Project)	7	7	638
Overlay Zones	TBD		
Multi-family Set-Aside Ordinance	TBD		
CURRENT SUBTOTAL:		25/50	638



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ADMINISTRATIVE AGENT ACTIVITY

PHONE INQUIRIES	
MONTH	TOTAL
January	4
February	2
March	1
April	1
May	4
June	0
July	3
August	2
September	4
October	4
November	4
December	0

WEB SIGN-UPS	
MONTH	TOTAL
January	26
February	24
March	25
April	38
May	28
June	20
July	28
August	36
September	14
October	31
November	26
December	35

HOUSE HOLDS QUALIFIED	
MONTH	TOTAL
January	1
February	0
March	0
April	0
May	0
June	0
July	0
August	0
September	0
October	0
November	0
December	0

2023 TRUST FUND BALANCE (as of December 2023)

Interest Checking for XXXXX-629-5

Balance Calculation

Previous Balance	1,876,285.78
Checks	- 13,623.35
Debits	- .00
Deposits & Credit	+ 46,987.79
Interest Paid	+ 6,408.51
Current Balance	= 1,916,058.73

Balance

Average Daily Balance	1,886,375.45
Interest	
Current Interest Rate	4.00%
Annual Percentage Yield Earned	4.07%
Number of Days Interest Earned	31
Interest Earned	6,408.51
Interest Paid This Year	53,296.32

2023 AH FEE INCOME

Current Year		Revenue Activity
.00		Jan: 49,594.87
368,408.71		Feb: 47,596.57
368,408.71		March: 25,112.05
.00		April: 4,000.00
.00		May: 25,475.26
-368,408.71		June: 13,681.58
		July: 16,134.97
		Aug: 86,542.05
		Sept: 32,641.07
		Oct: 17,500.00
		Nov: 3,142.50
		Dec: 46,987.79

2023 AH INTEREST INCOME

Current Year		Revenue Activity
.00		Jan: 3,547.67
53,296.32		Feb: 3,405.37
53,296.32		March: 3,934.07
.00		April: 3,771.40
.00		May: 3,927.94
-53,296.32		June: 3,842.50
		July: 4,011.65
		Aug: 4,098.65
		Sept: 4,160.64
		Oct: 6,042.64
		Nov: 6,145.28
		Dec: 6,408.51



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2024

- The AH Committee meeting is scheduled via ZOOM on Monday, February 12, 2024 to discuss the 2023 Annual Report as well as current and future activities (30-day notice provided via certified mail and a published advertisement).
- The Common Council is scheduled to receive its Annual AH Report (2023) on February 20, 2024, including opportunity for public comment.
- In addition working on our Round III obligation, the City will start preparing throughout 2024 for the new housing round (Round IV) in 2025.