

# AFFORDABLE HOUSING

EXPLANATION OF SUMMIT'S COMMITMENT  
TO FAIR SHARE HOUSING



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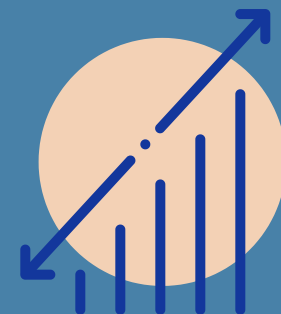
NOVEMBER 14, 2022

# Where?



New Jersey municipalities are mandated by the State of New Jersey courts to establish public policy to create a realistic opportunity for the construction of low- and moderate-income housing.

# Why?



In 1975, the New Jersey Supreme Court found that due to municipal land use practices, coupled with movement of industry and retail out of cities post WWII, it became increasingly difficult for low- and moderate-income households to live where they worked.

# From COAH to Litigation

## Council on Affordable Housing (COAH)

- State agency charged with making affordable housing rules.
- Charged with approving municipal affordable housing plans.
- Created by the NJ Fair Housing Act.
- Created rules for Rounds 1, 2, and 3.
- Made compliance with Mount Laurel doctrine more uniform.
- Round 3 rules in litigation since 2005.

## Litigation

- In 2015, the NJ Supreme Court declared COAH non-functioning and sent municipalities back to the courts.
- No fully established Round 3 rules and obligations – left to the courts to decide.



# How we got here



# Establishing Summit's AH Obligation

OBLIGATION	Econsult	FSHC
REHABILITATION of existing units	149	131
NEW CONSTRUCTION: Prior Need	171	171
NEW CONSTRUCTION: Prospective Need	183	1,446

# SUMMIT'S FINAL REHAB & NEW CONSTRUCTION OBLIGATION



REHABILITATION 131

NEW CONSTRUCTION

- Prior Need Obligation 171
- Prospective Need Obligation 567

Total new construction: 738

# REHABILITATION OBLIGATION

## 131 Unit Rehabilitation Obligation

- Rehabilitation of sub-standard units owned or rented by qualified affordable households.
- Minimum \$10K/unit must include major system (roof, windows, HVAC, etc.).
- Union County Rehab Program
- Residents of Summit can apply for the program.

# NEW CONSTRUCTION OBLIGATION

**738 UNIT TOTAL**

## OBJECTIVE 1

### Long Term Units (1987 - future)

Total Units Owed: 738  
(1987 - 2025)

City's credits: 75

Balance: 663

Summit's long-term unit  
obligation: 613

## OBJECTIVE 2

**50 New Units**  
(by 2025)





# OBJECTIVE 1: Existing Units & Credits



## COMPLETED PROJECTS

## # of UNITS

Rental Bonuses	9
Elizabeth Reg. Contribution Agreement	26
50 Parmley Place	2
120 Morris Avenue	2
13 North Street	3
31 Russel Place	2
708 - 710 Springfield Avenue	4
785 Springfield Avenue	2
545 Morris Avenue	5
Sunrise Assisted Living (River Road)	8
43 Glendale Avenue	4
39 Morris Avenue	6
4 to 6 Ashwood Avenue	2

9
26
2
2
3
2
4
2
5
8
4
6
2



## **OBJECTIVE 2: 50 New Units by 2025**

**"Summit shall take all reasonable steps needed to achieve the goal of facilitating the construction of 50 new rental or ownership affordable units with the city in 100% scattered site affordable housing developments."**

**~ Court-approved settlement agreement**

# AFFORDABLE HOUSING - NEW CONSTRUCTION OBLIGATION

## Project

## # of Units

## Objective 1 Long term

## Objective 2 50 New Units

Total new construction AH obligation

738

Existing Units & Credits

75

663

50 new units by 2025

613

50

412 Morris Avenue

1

1

146 Morris Avenue (Habitat for Humanity)

12

12

123 - 127 Summit Avenue

3

3

Ashwood Court (Habitat settlement)

2

2

CURRENT SUBTOTAL

93

613

+

32

= 645

# OBJECTIVE 2: 50 Unit Progress

## New affordable housing units

**18 of 50 units**



### APPROVED & COMPLETED PROJECTS

146 Morris Avenue (Habitat)	12
123 - 127 Summit Avenue	3
Ashwood Court (Habitat settlement)	2
412 Morris Avenue	1

### FUTURE PROJECTS

Redevelopment (i.e. Broad St. West)	TBD
Pending Zoning Board Applications	TBD
Partnerships with Nonprofit Developers	TBD

18

?

# Mechanisms for Capturing AH Units

## Adopted Ordinances

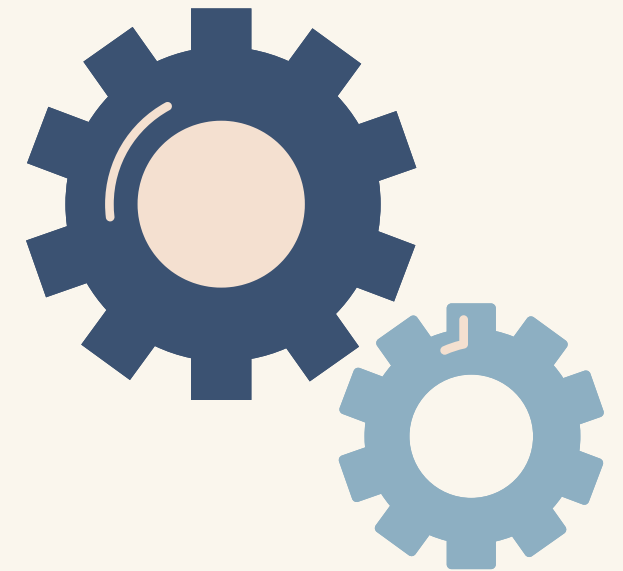
**Overlay Zoning Ordinance** captures affordable units as housing is built

- Development in overlay zones is not counted toward the 50 new unit requirement

**Mandatory Set-Aside Ordinance** captures affordable units in projects yielding five or more units in multi-family projects

## Redevelopment (i.e. Broad Street West)

## Partnerships with Nonprofit Affordable Housing Developers





Unmet Need

7 AREAS  
IDENTIFIED



Source 1: Municipal boundary data from NJDEP.  
Source 2: Street centerlines data from NJDEP.  
Source 3: Parcel data from NJGIN Warehouse, Union County.  
Source 4: Vacant land data from Mod IV Tax data assessment.  
Source 5: Potential Overlay Zones from Burgis Associates, Inc.



# AFFORDABLE HOUSING TRUST FUND

## DEVELOPMENT FEE ORDINANCE

Developers building residential and non-residential projects that do not include affordable housing units pay into the City’s Affordable Housing Trust Fund.

2018 - 2025

INCOME \$	Budget	\$4,871,374
	Actual (YTD)	\$3,697,924

AH  
Trust  
Fund

# AFFORDABLE HOUSING SPENDING PLAN

2018 - 2025

## INCOME from development fees (annual projections)

Residential	\$190,152
Non-residential	\$183,900
Interest	\$4,894

## EXPENSES

Rehabilitation	\$1,310,000 (or \$10K/131 units)
Affordability assistance	30% of revenues collected
Administration	20% of revenues maximum
Affordable Housing Development	





# TAKEAWAYS

- Every municipality in New Jersey is mandated by the state to create realistic opportunities for affordable housing.
- COAH vs. the legal/court approved agreement.
- Summit's obligations:
  - Rehab: 131**
  - New construction: 738**
  - Long-term and short-term objectives**
    - **32 more affordable housing units by 2025**
- Pursuit to create affordable housing opportunities and capture mechanisms to meet our obligation.



**Thank you and good night.**