

AFFORDABLE HOUSING

EXPLANATION OF SUMMIT'S COMMITMENT
TO FAIR SHARE HOUSING



— NOVEMBER 14, 2022

Where?



Why?



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.

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
- Prospective Need Obligation

171

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

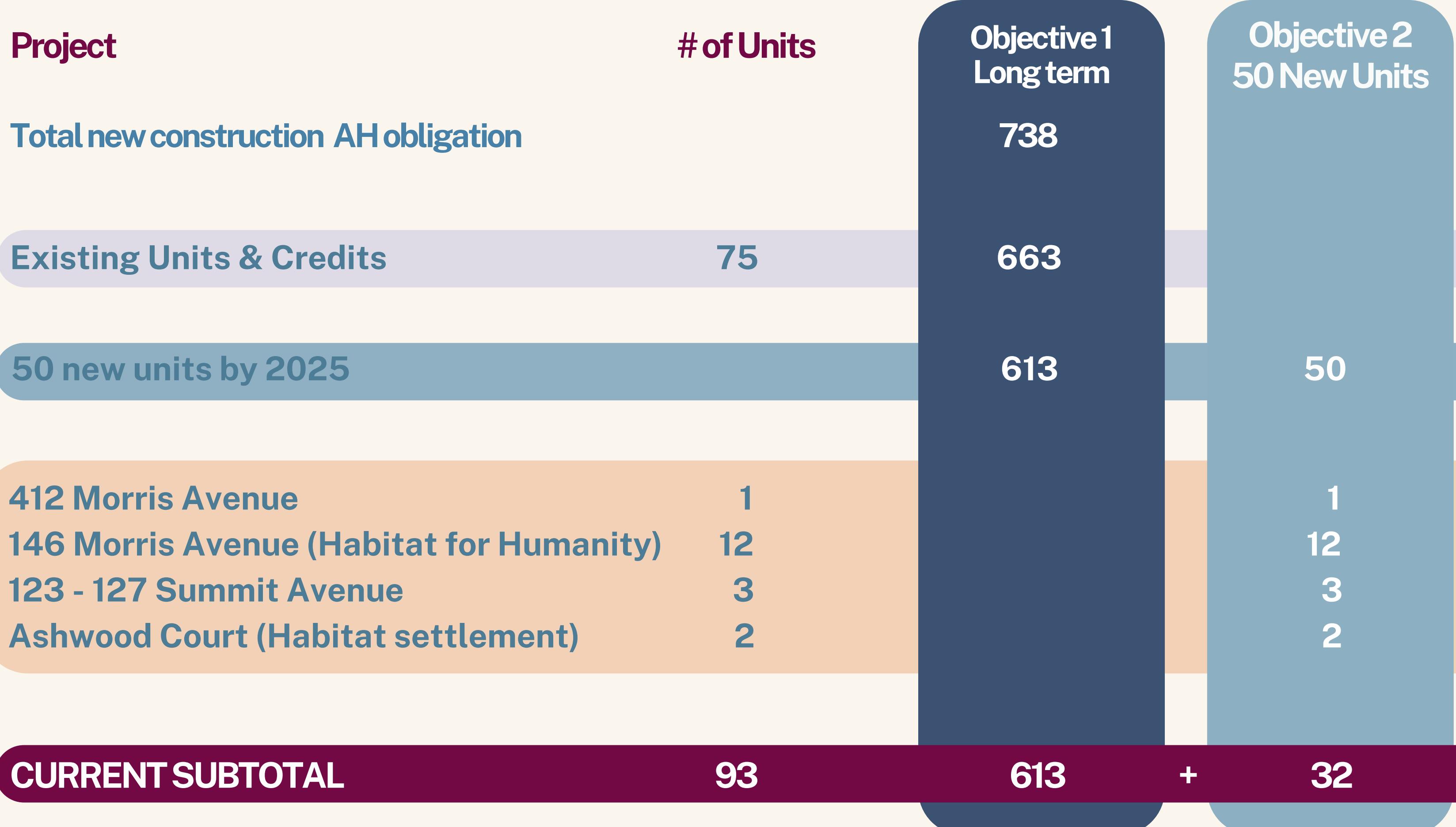
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OBJECTIVE 2: 50 New Units by 2025

"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



OBJECTIVE 2: 50 Unit Progress

New affordable housing units

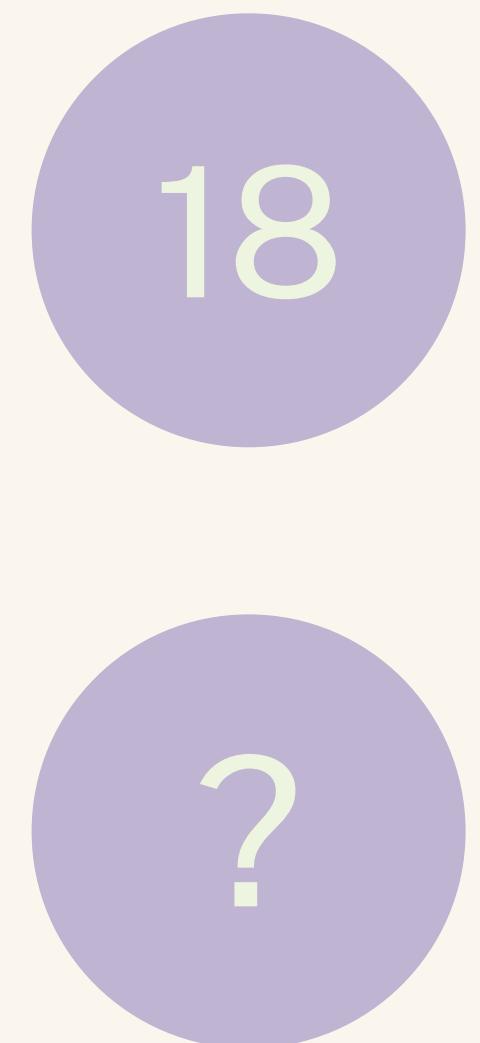


APPROVED & COMPLETED PROJECTS

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

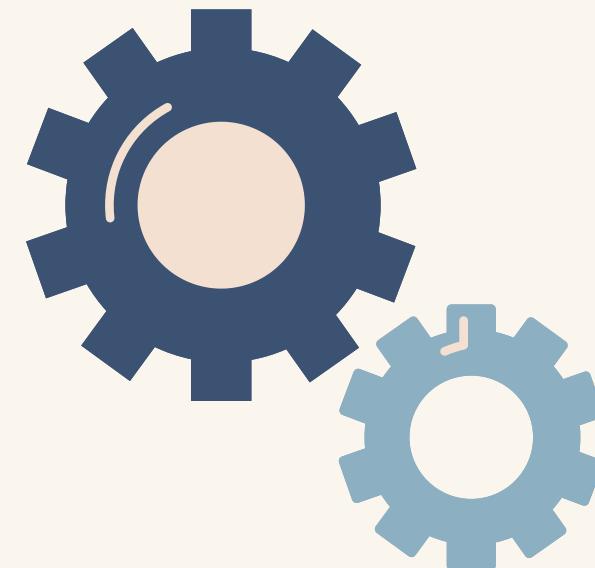


Mechanisms for Capturing AH Units

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

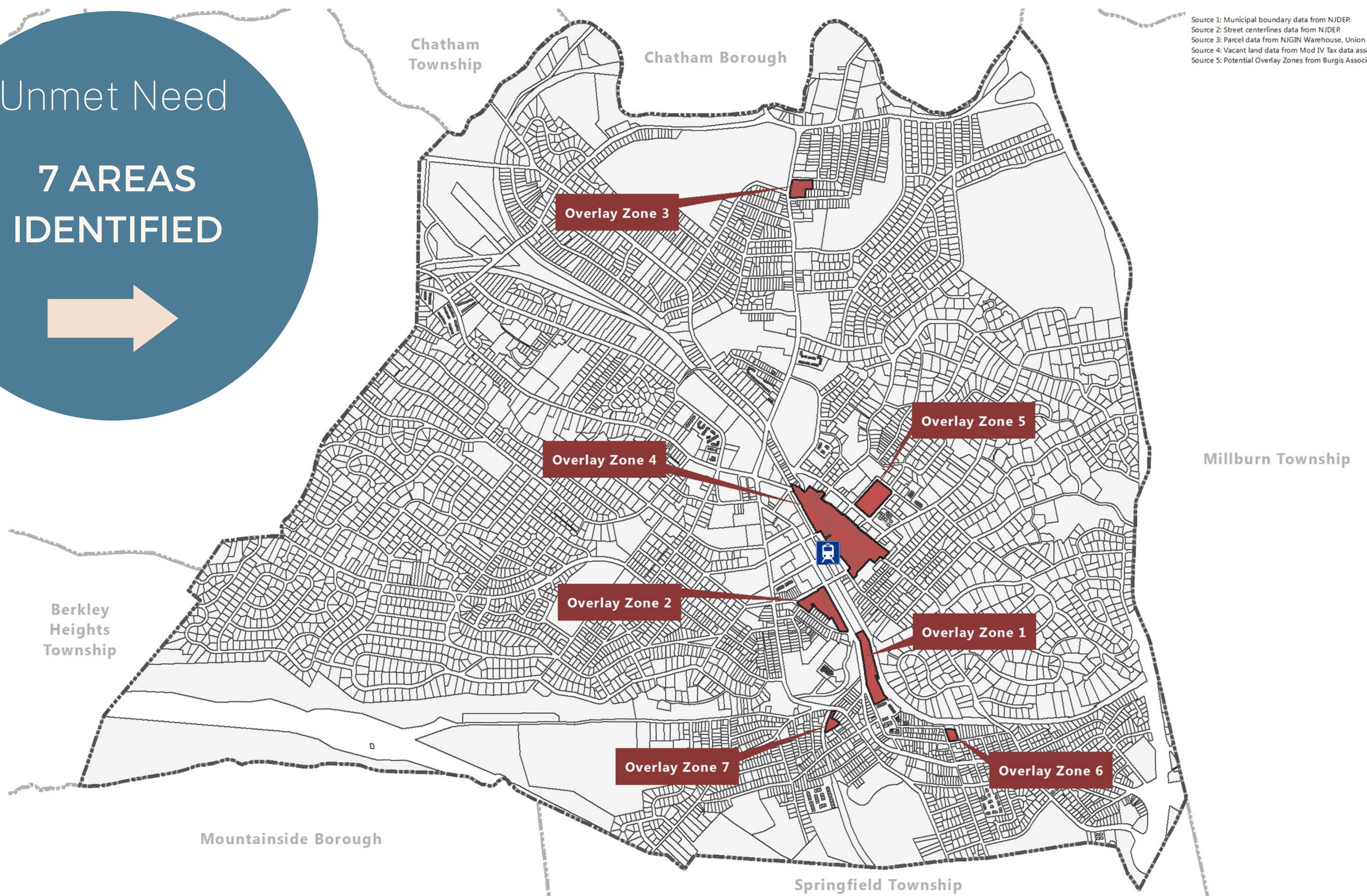


Mandatory Set-Aside Ordinance captures affordable units in projects yielding five or more units in multi-family projects

Redevelopment (i.e. Broad Street West)

Partnerships with Nonprofit Affordable Housing Developers

Unmet Need
7 AREAS
IDENTIFIED



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



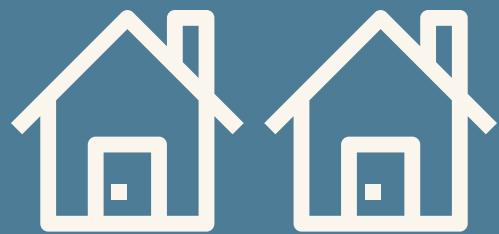
EXPENSES

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.