



**AFFORDABLE HOUSING
IN
HOPEWELL TOWNSHIP**

WHERE ARE WE?

- **AFFORDABLE HOUSING REGULATIONS**

- Constitutional obligation
 - Established by Supreme Court for each of the 566 municipalities to establish a realistic opportunity for the provision of fair share low and moderate income housing obligations, generally through land use and zoning powers.
- COAH was the state agency created to manage
 - Municipalities enter the COAH process voluntarily by petitioning COAH for substantive certification of a housing element (required by the Municipal Land Use Law as part of each municipality's master plan) and a fair share plan establishing a realistic opportunity for the provision of affordable housing affordable directly related to certificates of occupancy issued for residential and non-residential market rate development.
- Round 1 and Round 2
 - Township met the required obligation of 520 units for Rounds 1 and 2

- **COAH: Round Three Compliance**

- Required by 12/31/08
- Rules not finalized until 9/22/08
- Rules mandate retroactive compliance for period between 2004 and 2008
- Additional 419 units required for Round 3



Township Efforts

- **Adopted Housing Plan** – Meeting Round Three Requirements in November of 2008
- **Scattered site developments** – Minnietown Lane & Wrick Avenue for sale units to be completed in 2010
- **Pennytown** – Township purchased in 2009; redevelopment declaration by Township Committee in 2009; joint planning with Kooltronic to create redevelopment alternatives in 2010 and 2011
- **Weidel** – Township purchased in 2006. Requires Denow Road construction.
- **Partnerships with Non-Profits**
 - **Project Freedom** – Township purchased property in 2008; project approved, construction start anticipated in 2011 pending financing
 - **HomeFront** – Long term lease of Township owned property; completed building renovations of two existing single family units; occupancy pending in 2010
 - **Community Options** – Township purchased property in 2009 ; funding approved, site demolition completed, new home construction planned in 2011
- **Accessory Apartments** – ordinance approved in 2004 to encourage development of apartments
- **Housing Liaison** – position mandated by COAH rules to manage properties, programs and provide assistance
- **Financial Assistance**
 - Condo dues assistance program to provide loans to Brandon Farms affordable housing residents
 - Rehabilitation program to renovate existing houses of income qualified families to meet codes

Affordable Housing Trust

- Created to receive developer fees and to fund the affordable housing program
- Township efforts to date have been funded by the Trust

	2010	2011	2012	2013	2014
Beginning Cash Balance	2,295,686.46	855,072.30	962,485.58	-	-
Interest	30,000.00	10,000.00	-	-	-
Deposits	9,107.29	-	-	-	-
Rents HI Rib	21,000.00	84,000.00	21,000.00		
New Unit Sales		350,000.00			
CHS Refund Reimb		639,633.75			
Weidel Refund					
Loan Repayments	22,977.08	8,977.08	8,977.08	8,977.08	8,977.08
Disbursements					
Salary and Wage	69,825.22	71,909.88	74,105.04	76,419.81	78,864.13
Debt Service Bonds	-	600,287.67	574,412.50	614,662.50	653,412.50
Debt Service Notes	232,091.00	133,000.00	266,000.00	266,000.00	266,000.00
Assistance Condo Fees	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Assistance Home Front	95,000.00	-	-	-	-
New Construction	307,148.56	-	-	-	-
Legal	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Engineering	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Planning	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Other Prof. Svc	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
State Mandated Refund	639,633.75				
Hopewell Gardens	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Misc. Other Exp.	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Shortage to be funded by taxes	-	-	102,054.88	1,128,105.23	1,169,299.55
Ending Cash	855,072.30	962,485.58	-	-	-



Current Regulatory Situation

- State of COAH, based on opinion provided by counsel to the AHC at June 8, 2010 meeting:
 - There may be no more COAH as we have known it. Bill S-1 is moving through the state legislature to abolish COAH and make all previous numbers and quotas null and void.
- Potential future affordable housing requirements
 - There will still be some obligation to build affordable housing and percentages are being discussed based on development as it occurs within the municipality.
- Timing of implementation; potential for legal challenges
 - All of the current rules are subject to change and we should continue as we have been doing until the rulings are settled.
 - It will take at least 6 months for the new legislation to take effect and, until we know exactly what will be expected, it is recommended that we continue as we have done or be open to possible builder's remedy.
- Counsel's recommendation:
 - "Don't make dramatic changes"
 - Implicit requirement to maintain existing units
 - Property purchase, per the old rules, is good as it gives the community control and, preserving inventory is also good.
 - With the possible new rules, we may be able to divest ourselves of some properties.
 - Under the current rulings, buying the foreclosures is good to keep them in our inventory.



Strategies – Short Term

Counseled not to take “dramatic steps” with our property inventory because of ongoing uncertainty regarding COAH and the determination of a future affordable housing obligation. Once the state adopts new affordable housing regulations, the Township will be able to determine the extent of its obligation, whether or not it should dispose any affordable housing inventory

- **Preservation of existing affordable units**
 - Historical data: net cost of a new for sale unit in Twp. Is approximately \$327,000 depending on site acquisition costs
 - Historical data: net cost to preserve an existing for sale unit in Twp. averages \$106,500 depending on circumstances
 - Recommendation: continue to preserve units
- **Adjustments to housing element**
 - Convert new Minnietown units from rental to for sale
 - Reduces Twp. management scope, staffing burden
- **HI Rib lease**
 - Provides income at Pennytown property
- **Hopewell Gardens subsidy**
 - Potential for reduction of expenses; dependence on Project Freedom



Strategies – Long Term

- **Disposition of affordable housing inventory**
 - Pennytown
 - Weidel
 - Burroughs
- **Shared services agreements with other municipalities**