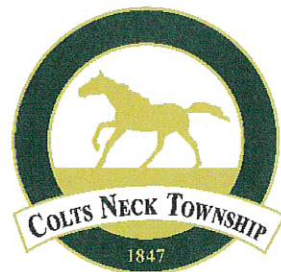


Colts Neck Township

State-Mandated Affordable Housing Status Report for Residents of Colts Neck



May 22, 2024

Welcome

Members of the Colts Neck Township Committee

- Mayor Frank Rizzuto
- Deputy Mayor Tara Torchia Buss
- Committeeman Michael Viola
- Committeeman JP Bartolomeo
- Committeewoman Sue Fitzpatrick

Colts Neck Township Staff

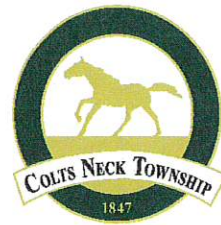
- Kathleen Capristo, Township Administrator
- Meghan Ann Bennett, General Counsel
- Tim Anfuso, Township Planner
- Trina Lindsey, Municipal Clerk

The Township's Affordable Housing Professionals

- Legal Counsel: Thomas Trautner & Ronald Israel of Chiesa, Shahinian & Giantomasi, PC
- Beth McManus: Affordable Housing Planner, Kyle McManus
- Dave Puchalski: PE NewFields

Our Focus for this Evening:

Round III update
A4/S50 Round IV Introduction
Q & A



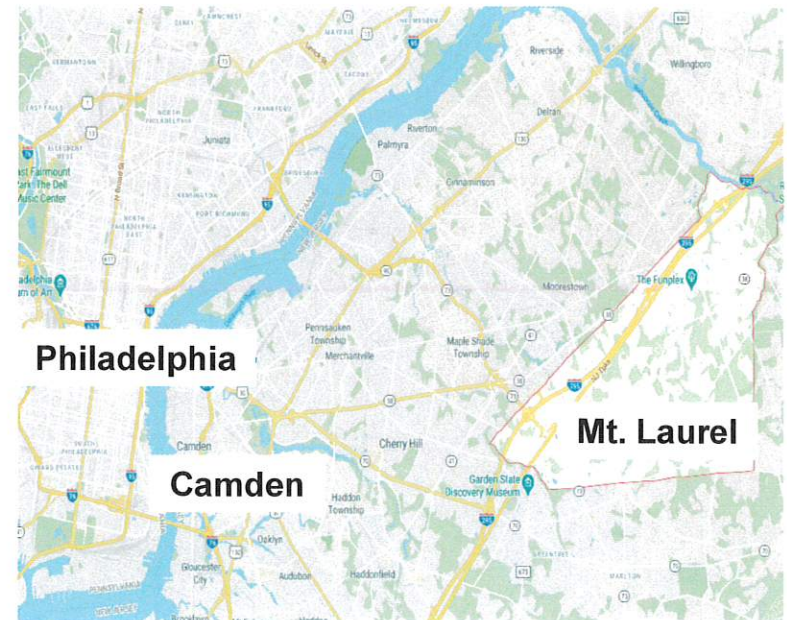
Where does this
Township stand?



History: State-Mandated Affordable Housing in NJ

How & When It All Started:

- **Landmark case:** 1975, NAACP vs. Mount Laurel, N.J., which addressed exclusionary zoning practices.
- In that case, the NJ Supreme Court ruled that municipalities must take measures to satisfy **regional affordable housing needs**.
- Over the years, subsequent state legislation and court cases have **reinforced** the Mount Laurel ruling.
- **As such, New Jersey municipalities are under strict court order** to provide opportunities for the development of affordable housing or face the risk of losing control of municipal planning and zoning to the courts and losing protection from legal action from real estate developers seeking greater building opportunities.



State-Mandated Affordable Housing

Essential Facts to Understand for Round III and Round IV:

1. Mandated by the state, required by the state constitution
2. No “opting out”
3. For every municipality, there were three choices:
 - a) Accept obligation (maintain control)
 - b) Litigate (risk loss of control)
 - c) Settle (maintain control)
4. Municipalities are left to contend with **all** implications on schools, infrastructure, emergency services, quality of life, etc.
5. Colts Neck has been engaged in this issue for many years
6. Major players, different motivations

Prior Rounds Credits (1987-1999)

Plan Components	Credits
RCA w City of Long Branch	107 including 32 rental units
The Grande	88 units (22 rental, 66 sale units)
Bonus Credits	22 (The Grande)
Amboy Road Associates	1 unit, family sale
Total	218

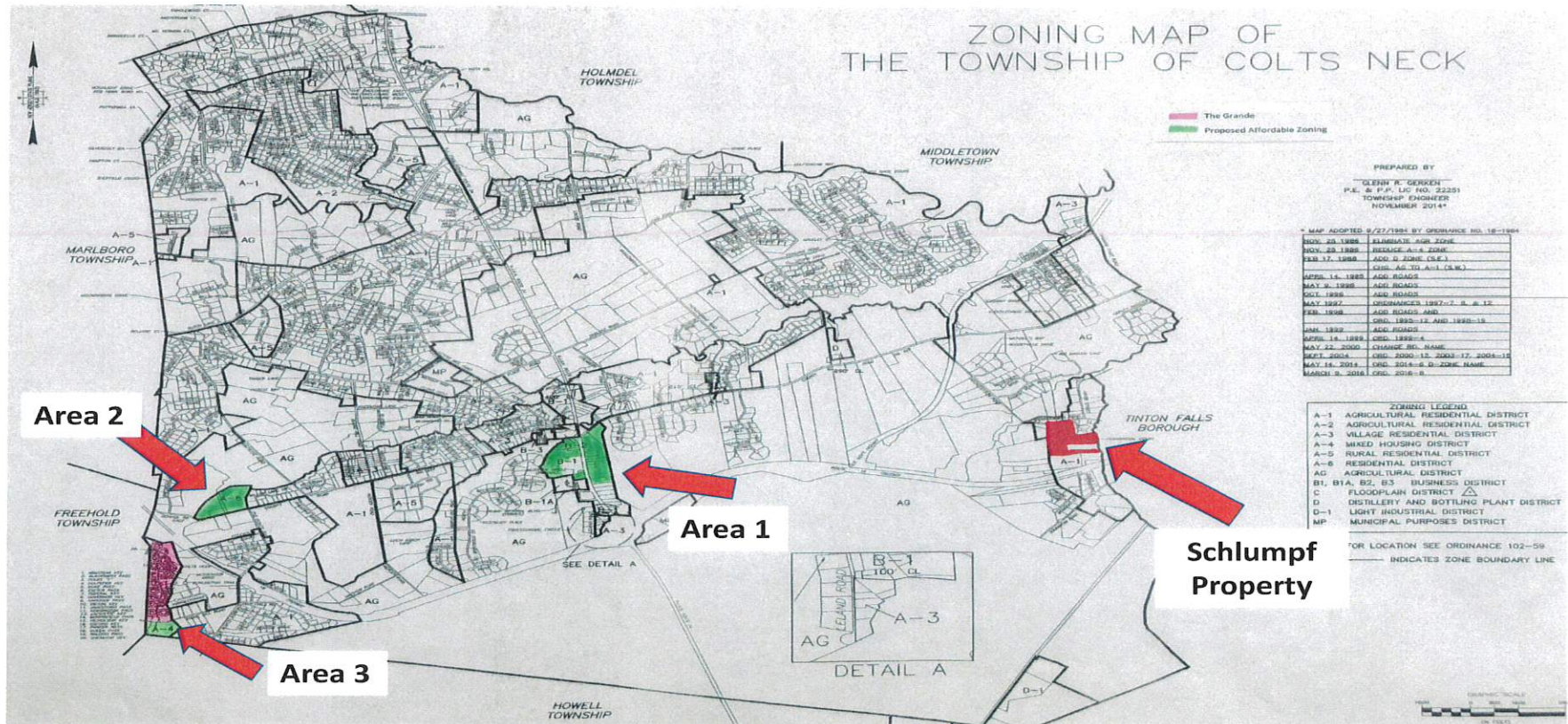
Third Round State-Mandated Affordable Housing in Colts Neck

	Obligation Proposed by Fair Share Housing Center for Colts Neck, ~ 2014	Obligation for Colts Neck, under new methodology, as of June 2018*	Final "Round Three" Obligation for Colts Neck following two- year mediation+
Total Units (100%)	2,765	1,530	1,280
Market Rate (80% of total)	2,212	1,224	1,051
State-Mandated Affordable Housing Units (20% of total)	553	306	229

* Methodology as part of the judgement coming out of Mercer County landmark decision

+ New housing units to be constructed to meet obligation.

Round III "Intervener" Owned/Contracted Sites



Round III Proposed Credits (1999-2025)

Plan Components	Unit Type	Units	Status
Mauro Cross Street	Family sale	2	Built
Colts Neck Building Assoc	Family rentals	72	Proposed
Countryside Developers	Family rentals	15	Proposed
Reflections at Colts Neck	Assisted living	7	Built
Overlay Zoning	Family sale/rental	123	Adopted
		219	

State-Mandated Affordable Housing: Colts Neck's Timeline

October 2021

Colts Neck Township Committee holds town hall meeting at CNHS

May 2022

Colts Neck informs the court and all litigants that negotiations with US Navy have been suspended due to the exorbitant cost of the project.

@\$13+ million to bring sewer line to one property considered for 120 units

An additional \$12m+ to bring the line to business district overlay zone.

Court orders Colts Neck to refile our plan by September with trial to be held in early December 2022

December 2022

Two-day trial in Freehold pertaining to Colts Neck seeking Durational Adjustment

December 2023

NJ Assembly enters A4 during lame duck session to abolish COAH and establish new management and oversight of AH Round IV, Senate introduces S50

March 2024

A4/S50 adopted and signed into law by Gov Phil Murphy

What is a Durational Adjustment?

- A deferral of the obligation until public utilities (water & sewage) are available, obligation does NOT go away, it is deferred and the township accepts the following conditions
 - Reserve and set aside new sewer capacity, when it becomes available, for low and moderate income housing on a priority basis
 - Endorse all applications to the NJDEP or its agent to provide sewer capacity
 - amend its housing element and fair share housing ordinance to permit development where the NJDEP or its designated agent approves a proposal to provide infrastructure to a site for the development of low and moderate income housing

Major Provisions of A4/S50

- COAH abolished! Its duties and functions would be split between the Department of Community Affairs (DCA) and the Administrative Office of Courts (AOC).
- The newly established Affordable Housing Dispute Resolution Program (“*Program*”) within the AOC reviews and approved municipal housing plans and handles any dispute.
- On or before October 20, 2024, the DCA (Department of Community Affairs) shall prepare and submit a report setting forth calculations of the regional need and municipal obligations. The report is not binding on any municipality or other entity.
 - Methodology based mainly on the data sets and calculations found in the 2018 Mercer County / Jacobson opinion, but the legislation makes specific changes with present need calculation (rehabilitation) and prospective need.
- Each municipality sets its own obligation number and must adopt the number through a binding resolution. The municipal obligation must be consistent with the legislation and it may take into consideration the DCA report in determining its present and prospective obligations.
- The availability of bonus credits has been expanded compared to the bills introduced last legislative session but remain capped. The rental bonus credit is eliminated.
- The Chief Justice of the NJ Supreme Court Makes appointments to the “*Program*”.

Round IV Entities & Responsibilities

- County Level Judge/Superior Court
- If a dispute regarding the obligation between a municipality and objector is not resolved by March 15, 2026, the county level judge determines validity of the dispute in a summary proceeding based upon standards that the Administrative Director of the Court will establish
- If a municipality does not adopt a Housing Element and Fair Share Plan by June 30, 2025, the Rules of Court may permit the “*Program*” or County Level Judge to allow the municipality to secure a grace period.

Round IV Process & Deadlines

- Within 180 days of Signed FHA: Municipal spending plan updates to be submitted to DCA.
- October 20, 2024: DCA Regional and Municipal Fair Share Obligation Report due.
- January 31, 2025: Binding resolution by the municipality committing to fair share numbers.
- The municipality must file an action with the Program no later than 48 hours after adoption of the resolution, which will be put on the Program's website and the municipality's website.
- February 28, 2025: Deadline for an interested party to challenge the municipality's determination of its obligation to the Program. It shall apply "an objective assessment standard". If challenged the Program can:
 - Make a finding that the municipality's determination of its obligation did not facially comply with the law and immunity is revoked
 - Make an adjustment to the municipality's determination to comply with the law and not revoke immunity or Reject the challenge and affirm the municipality's determination of its obligation.
- March 1, 2025: The municipality's determination of its obligation will be established by default if not challenged.

Round IV Process & Deadlines

- March 31, 2025: The “*Program*” must issue a decision on the obligation challenge.
- June 30, 2025: Municipality shall adopt a Housing Element and Fair Share Plan and propose drafts of ordinances and resolutions to implement the plan.
- August 31, 2025: Deadline for an interested party to file a challenge of the HEFSP with the Program.
- December 31, 2025: Deadline for a municipality to settle any challenge or provide an explanation as to why it will not make all, or some of the changes brought by the challenge.
- March 15, 2026: Municipality to amend the HEFSP and implement the agreed upon revisions. resulting from a challenge and adopt all pertinent ordinances.
- Midpoint (2030): Action by municipality or interested party filed to seek a realistic opportunity review of any projects that have not moved forward.

Types of housing Round IV seeks

Required

1. Family Housing (min. 50%)
2. Rental Housing (min. 25%)
3. Very Low Income Housing (min. 13%)

Permitted and/or encouraged

1. Age-Restricted (max. 30%)
2. Special Needs
3. Non-Profit Partnership
4. Proximity to Transit
5. Redevelopment
6. Extension of Affordability Controls
7. 100% Affordable with Municipal Contribution

Bonus Credits

Bonus credits are limited:

- No more than one type of credit for any unit
- No more than 25% of the obligation
- No rental bonus credit

One Bonus Credit (examples)

- Supportive and Special Needs Bedrooms
- Market to Affordable Units (conversion of a market rate unit to an affordable unit)
- 100% Affordable Projects (provided the municipality contributes the land or a minimum of 3% of the project costs)

Half Bonus Credit (examples)

- Partnership with Non-Profit
- Sites previously developed for office, retail, or commercial space

Discussion

1. Please come to the front of the room to ask your question.
2. Please give your name and address.
3. We would like everyone to have an opportunity to ask a question.
4. Please be cognizant and courteous about time.



Thank You

