Readington Township

Affordable Housing: Obligation + Compliance

Planning Board and Township Committee

Informational Forum

March 25, 2019
Who qualifies for Affordable Housing?

Based on 2018 Regional Median Income in Hunterdon, Somerset & Middlesex Counties

<table>
<thead>
<tr>
<th>Maximum Household Income</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median (reference)</td>
<td>$75,530</td>
<td>$86,320</td>
<td>$97,110</td>
<td>$107,900</td>
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<tr>
<td>Moderate</td>
<td>$60,424</td>
<td>$69,056</td>
<td>$77,688</td>
<td>$86,320</td>
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<tr>
<td>Low</td>
<td>$37,765</td>
<td>$43,160</td>
<td>$48,555</td>
<td>$53,950</td>
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<tr>
<td>Very Low</td>
<td>$22,659</td>
<td>$25,896</td>
<td>$29,133</td>
<td>$32,370</td>
</tr>
</tbody>
</table>
### Affordable Home Sales Prices (illustrative) – Low - Moderate

- One-bedroom: $97,000 - $146,000
- Two-bedroom: $116,000 - $176,000
- Three-bedroom: $134,00 - $203,000

### Affordable Rents (illustrative) – Very Low/Low - Moderate

- One-bedroom: $600 - $1,100
- Two-bedroom: $700 - $1,400
- Three-bedroom: $800 - $1,600
COAH Rulemaking “Rounds”

1st Round
1987-1993

2nd Round
1993-1999

3rd Round
1999-2025

Known now as
PRIOR ROUND
1987-1999
The Obligation

Rehabilitation
(present need)

Prior Round
(1987-1999)

Third Round
(1999-2025)

The Obligation

25% min rental

25% max senior

50% min low income

13% min very low income

The Obligation

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The Obligation

Rehab.

Prior Round
(1987-1999)

Third Round
(1999-2025)

95

395

1,046

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Satisfying the Obligation

- Inclusionary Zoning
- Municipally Sponsored
- Credit – Surplus and other
Satisfying the Obligation

What?
Zoning that requires market rate (MR) residential development to include affordable housing (AH).

Why?
To create mixed income neighborhoods that would not otherwise be created.

Benefits
- Developer responsibility
- Integrated affordable housing

Challenges
- Increased densities, units and land area
- Base set-aside (15-20%)
  5 MR units = 1 AH is required
Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Extension of Expiring Controls
Satisfying the Obligation

- Credits without Controls
- Surplus Credits
- Rental Bonuses – 25% of obligation
Satisfying the Obligation

Rehabilitation: 95

- County Program - homeownership
- Township Program – rental

Prior Round: 394

- RCA – funds transferred
- Group Homes – Existing - completed
- Inclusionary family for sale – completed
- 100% Affordable senior and family rental units – completed
- Credits without Controls - proposed
Satisfying the New Construction Obligation

Utilize Existing Stock of Housing

- Extension of Controls
- Surplus Credits
- Group Homes
- Market to Affordable

New Programs/Sites

- Inclusionary Housing
- 100% Affordable Development: Municipally Sponsored
- Maximize family rental bonuses (25%) + senior credits (25%)
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Block 36 Redevelopment: Proposed Multi-family Housing + Circulation
Housing Element/Fair Share Plan

- Consideration of lands for affordable housing
- Probable future affordable housing stock
- Housing, demographic, employment analysis
- Satisfaction of rehabilitation obligation
- Satisfaction of prior round & third round obligations
- Trust Fund: spending plan, development fee ordinance
- Resolutions, draft ordinances, administration manuals
Readington Commons Inclusionary Zoning
Readington Township’s 40 Years of Compliance

- **1978-80’s:** Zoning for and Construction of Least Cost Housing
- **1989:** 1st/2nd Round Substantive Certification
- **1997:** 2nd Round Substantive Certification Extension
- **2009:** 3rd Round Substantive Certification
- **2015:** Six interveners file & Declaratory Judgement
- **To Present:** AH Committee working on Compliance Plan

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Clarke Casein Hintz
Historical Context

1975 Mount Laurel I
Each municipality has a constitutional obligation to provide affordable housing

1983 Mount Laurel II
Required creation of municipal obligations
Court approves Housing Plans

1985 Fair Housing Act
COAH created to administer FHA

1986-2014 COAH Rule Making
COAH administered the FHA and promulgated first, second and third round rules
Third Round History

2004 - 2013

3rd Round Rules
“Growth share” rules are adopted twice and overturned

2013

Supreme Court Decision
Invalidated methodology
Ordered new rules to be adopted

2014

COAH Fails to Adopt
COAH fails to adopt 3rd round rules

2014

FSHC Motion
Fair Share Housing Center (FSHC) files motion to compel the State to adopt rules

2015

Mount Laurel IV
Supreme Court transfers approval of housing plans to Courts
Satisfying the Obligation

- **100% Affordable Development**
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls

**Benefits**
- Economies of scale
- Federal/State Funding
- Bonus credits for rental – 2 for 1
- Municipal control

**Challenges**
- Concentrated of AH units
- Funding is not guaranteed
Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls

Benefits
- Fulfills Large Need
- Infill Housing
- Credits by Bedroom

Challenges
- Increasing Costs
Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- **Market-to-Affordable**
- Accessory Apartments
- Extension of Expiring Controls

**Benefits**
- Use of existing housing stock
- Integrated throughout Twp
- Remedy for vacant homes

**Challenges**
- Cost based on market conditions
- Credit Cap
- Management of rental units
Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls

Benefits
- Low Cost
- Integration within residential areas

Challenges
- Participation is limited
- Affirmative marketing
- Cost for adm. agent
Satisfying the Obligation

- 100% Affordable Development
- Supportive/Special Needs Housing (Group Homes)
- Market-to-Affordable
- Accessory Apartments
- Extension of Expiring Controls

Benefits
- Low cost
- Use of existing housing stock

Challenges
- Participation is voluntary