



# Meeting Our Obligation: How to Work Within NJ's New Affordable Housing Framework

*Housing and Community Development Network of NJ  
April 2024*



# Meeting Our Obligation

- ▶ In March, Gov. Phil Murphy signed into law a new framework intended to guide towns toward meeting their 4th round of affordable housing obligations under the state's Mt. Laurel Doctrine. This landmark legislation allows for a multitude of affordable housing types and provides flexibility to towns and non-profit builders to achieve their goals. Network members will play an important role in achieving these obligations. Please join Assembly Housing Chair Yvonne Lopez, the Network, Fair Share Housing Center, and Network members for a virtual step-by-step look at S50:
  - ▶ How can Network members be able to best partner with municipalities to achieve these new fair share housing requirements
  - ▶ What subsidies and resources are available for builders and community development corporations?
  - ▶ What kind of technical assistance and advocacy can the Network provide?
  - ▶ What obstacles are you facing?



# Meeting Our Obligation

NJ's 4<sup>th</sup> Round Under *Mount Laurel*



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# Meeting Our Obligation

NJ's 4th Round Under *Mount Laurel*

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NJ's 4<sup>th</sup> Round Under *Mount Laurel*



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# KEY TAKEAWAYS

- **Council on Affordable Housing is abolished**
  - **Streamlined process for future rounds**
  - **Jacobson Methodology (as updated/clarified in the bill)**
  - **Updates to affordability controls, trust fund regulations, and enhanced reporting**
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# NUTSHELL

- Establishes a process within the judiciary, with a mediation program followed by county level housing judges
  - Prohibits COAH from coming back
  - Clarity on methodology
  - Significant adjustment to bonus structure
  - Revisions to affordability controls and updating UHAC/trust funds
    - 40 years for rental / 30 years for-sale / 30 year extensions of controls
  - Emphasis on family housing, redevelopment, and supportive housing
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# WHAT IS THE NEW PROCESS?

- **October 20, 2024 - DCA produces report on numbers**
  - **January 31, 2025 - Towns adopt resolution on numbers**
    - **February 28, 2025 - deadline to challenge town's calculation of number**
    - **April 1, 2025 - all challenges to numbers are resolved**
  - **June 30, 2025 - Towns file adopted Housing Element and Fair Share Plans**
    - **August 31, 2025 - deadline to challenge any HEFSP**
  - **December 31, 2025 - deadline to resolve challenges; unresolved challenges go to judges in each vicinage**
  - **March 15, 2026 - Deadline for municipalities to adopt all ordinances in the plan (unless outstanding challenge)**
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# WHAT'S YOUR NUMBER?

- **DCA publishes report by October 20, 2024**
    - **DCA is required to calculate numbers in accordance with Sections 6 & 7 of the bill (generally follows the Jacobson methodology with some revisions)**
  - **DCA's report will be advisory only**
  - **Municipalities shall adopt binding resolution by January 31, 2025 determine Fourth Round obligations. Must do so in accordance with Sections 6 & 7 of the bill.**
  - **Any town that does not adopt this resolution by January 31, 2025 will not have immunity**
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# WHAT'S YOUR NUMBER?

- **Specific methodology in the bill should reduce fights over number**
  - **Interested parties have one month to challenge any erroneous number - by February 28, 2025**
    - **Objections must include specificity as to why the town's calculation is wrong and objectors proposed calculation**
  - **March 31, 2025 - resolution of any disputes over number**
    - **1) town's calculation did not comply with the law and lose immunity**
    - **2) Adjust the calculation to comply with the law (keep immunity)**
    - **3) Reject the challenge and affirm the town's number**
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# PLANNING PROCESS

- **Towns must adopt a Housing Element and Fair Share Plan and present proposed ordinances to implement the HEFSP by June 30, 2025**
  - **Objections due August 31, 2025**
    - **If no objections the plan is still required to be reviewed for consistency with the FHA and Mount Laurel doctrine**
  - **In the event of objections the parties enter into mediation to attempt to resolve the dispute. All disputes to be resolved by December 31, 2025**
  - **Any dispute unable to be resolved by December 31, 2025 will be sent to a county level housing judge for resolution (procedures to be created by AOC)**
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# BONUSES RESTRUCTURED

- **No more rental bonuses**
- **New bonuses**
  - **One bonus for:**
    - **Special needs or supportive housing units**
    - **100% Affordable developments with municipal contribution of land or funds**
    - **Market-to-affordable**





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# BONUSES RESTRUCTURED

- **One half bonus for:**
    - **Non-profit partnership for for-sale housing**
    - **Transit-oriented development**
    - **Redevelopment sites**
    - **Age-restricted units (with caps)**
    - **Three bedroom units beyond minimum**
    - **Very Low-Income units beyond minimum**
    - **Extension of affordability controls**
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# TRUST FUNDS

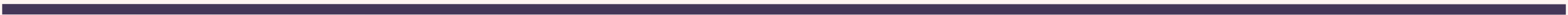
- **DCA taking over responsibility for rule-making on trust funds**
    - **New rule-making by December on trust funds required**
  - **Towns must submit trust funds as part of HEFSP submitted by June 30, 2025**
  - **Towns must provide significant info on trust funds to DCA within 60 days of bill effectiveness**
  - **Annual monitoring goes to DCA**
  - **DCA needs to create infrastructure for this purpose including a publicly -facing website**
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# ADMINISTRATION OF AH UNITS

- **DCA now responsible for training and certifying Municipal Housing Liaisons and Administrative Agents**
- **DCA and HMFA will update UHAC**
  - **New rulemaking required by December**
- **40 year controls for new rentals (30 years for for-sale units, 30 years for extensions of controls OR an extension of at least 20 years that results in a minimum total 60 year control).**



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# TOOLKIT BILLS

- **Five other bills were also passed and signed:**
    - **S1415 - HMFA Pilot program on for-profit developments participating in certain funds to reduce insurance costs**
    - **S1422 - provides alternative method of depreciating certain property expenditures in building AH**
    - **S1484 - Exempts materials, supplies, and services made to contractors on certain eligible affordable housing sites from sales and use taxes**
    - **S2309 - permits municipalities to delegate certain authorities to town clerk**
    - **S2312 - permits exemption of affordable housing projects funded through AHTF from property taxes and permitting PILOTs instead**
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# Meeting Our Obligation

NJ's 4<sup>th</sup> Round Under *Mount Laurel*



Liz DeCoursey  
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## How Can You Help Meet a Town's Obligation



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Morris  
**Habitat**  
for Humanity®

Liz DeCoursey  
CEO

We build *strength, stability* and *self-reliance* through *shelter*.

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# **Case Study:**

## **Roxbury Township, Morris County**

- **Relationship began in 2008**
- **Habitat introduced by another non-profit**
- **Get to know the people**
- **Relationship was built over time**
- **Navigating a change in leadership**

# Build the Relationship

- **Introduce your organization**
- **Understand the town's needs**
- **Benefits of partnering**
- **Collaborative approach**
- **Subject Matter Expert - offer solutions**

# Working Together

- Roxbury contacted MHFH in 2012 with RFPs to commit (protect) municipal AHTFs
- MHFH approached Roxbury with a project and learned it was a site they were also targeting
- Continue to understand changing needs & circumstances (e.g., limited AHTF dollars)
- Things will go wrong! Incorporate changes for better outcomes on the next project (e.g., approvals)
- It is OK to say no – it earns respect

# What Roxbury Values

1. **“Track record of success.**  
Roxbury knows that Habitat will perform as promised. This is important so that the project gets completed on time and in accordance with approvals.”



# What Roxbury Values

2. “**Flexibility.** Depending on the needs of the town, it helps if the non-profit has various models of development to fit varied circumstances.”

# What Roxbury Values

3. “**Patience.** Development of housing is complex, especially in NJ. The non-profit and town must be comfortable with each other through a positive relationship which will most likely take years to realize the goal of the housing. This relationship is based on trust and mutual understanding of the goals of the project.”

# Results: 10 Projects in Roxbury

1. Salmon Road – Rehab single family home
2. 119 & 121 Main St. – 12 condominiums
3. 580 Main St. – 2 duplexes (zero lot lines)
4. Edith Road – 1 home (Roxbury H.S. built)
5. West Dewey Ave. – 4 homes (Roxbury H.S. 2)
6. 1450 Rt. 46 – 165 units (50 affordable)
7. 140 Ledgewood Ave. – 24 condominiums
8. 104 Mt. Arlington Blvd. – vacant lot (1 home)
9. 270 Mt. Arlington Blvd. - vacant lot (1 home)
10. Budd Road – vacant lot (1 home)

**99 Affordable Homes!**



# ? Questions ?

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# Supportive/Affordable Housing & Municipal Partnerships:

## *Models For Success*







# Affordable Housing Alliance

- 501 c3 organization formed in 1990
- Developed, Own, and Manage about 600 apartments throughout Monmouth County
- All apartments are affordable and many serve a Special Needs population
- Provide a variety of Housing Stability Based Services
  - Homeownership Counseling, Financial Counseling, Emergency Shelter, Homeless Prevention Assistance, Rapid Rehousing and Utility Assistance

# Partnership

- Millstone and AHA have worked together for over 20 years
- 5 Existing Housing Sites
- Multiple Populations Served
  - Developmental Disabilities
  - Very Low to Moderate Income Seniors
  - Very Low Income Formerly Homeless
  - Other Low Income Individuals
- 3 New Sites in the Pipeline
- Housing Rehabilitation Program



# Willing Municipal Partner

- Land Donations
- Monetary Donations through the Affordable Housing Trust Fund
- Township Engineer Assistance on Design
- Regular COAH Call among all parties to stay up to date on Town Obligations
- Participation in Resident Meetings





# Pipeline

# 6 Novad Court

- **Featuring 3 Two Bedroom Apartments**
- **Housing Individuals or Families Experiencing or Previously Experiencing Homelessness**
- **Units feature spacious living rooms, kitchens, bathrooms, bedrooms, patios, and will be built to Energy Star Standards**
- **Committed Funding Sources include:**
  - **NJDCA National Housing Trust Fund - \$1,000,000**
  - **Monmouth County HOME American Rescue Plan - \$441,000**
- **Project Team Includes:**
  - **Gregory Ralph Architect**
  - **Leon S. Avakian, Inc Engineering**
  - **Collaborative Support Programs (CSP)**

# 6 Novad Court Municipal Assistance

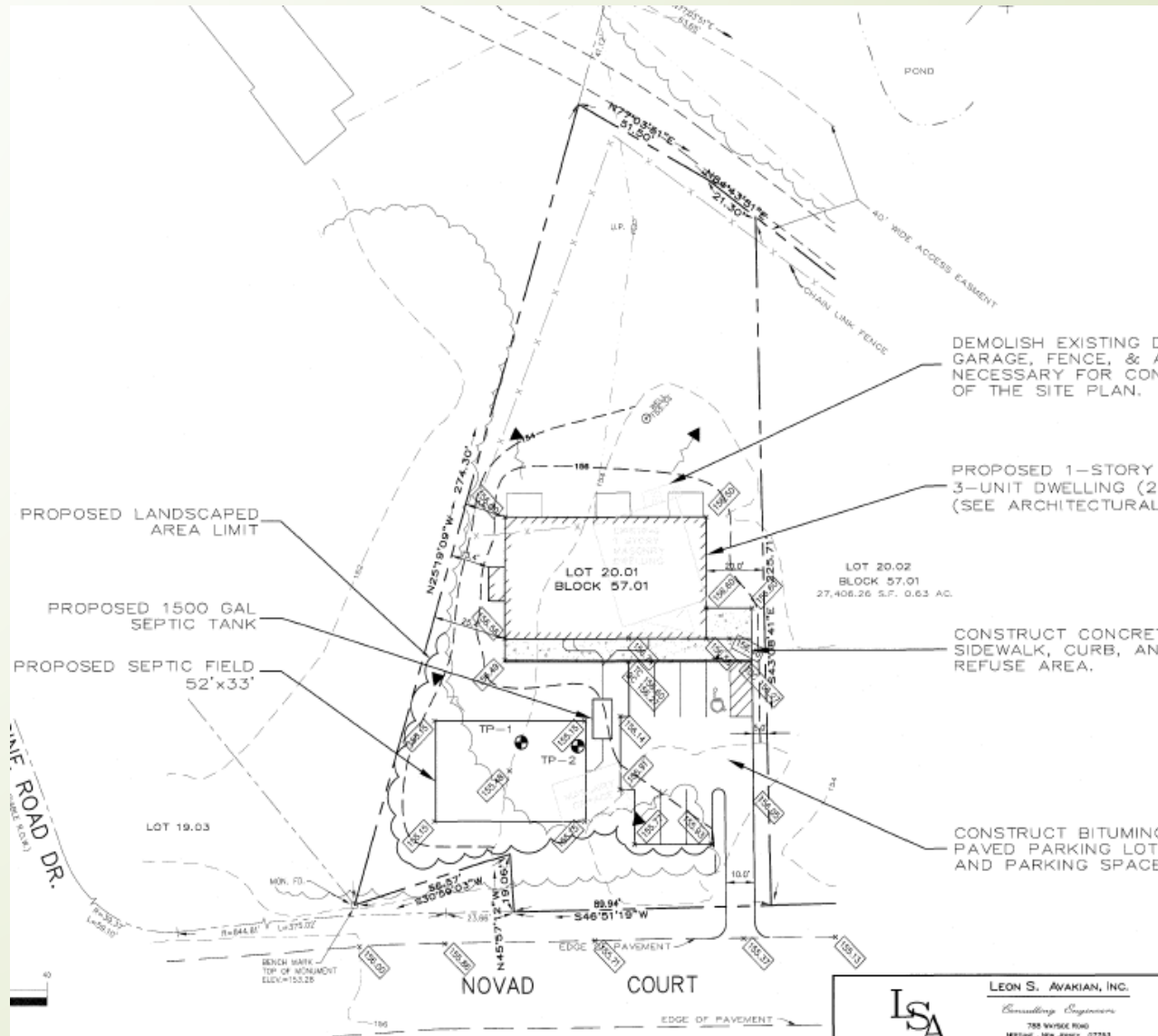
- Municipally Sponsored Project - Zoning
- Land Donation
- Tax Exemption

# 6 Novad Court





# 6 Novad Court







# Allen House II

- **Featuring 10 One Bedroom Apartments – Twin Site to Allen House**
- **Housing Very Low to Moderate Income Seniors**
- **Units feature spacious living rooms, kitchens, bathrooms, bedrooms, and will be built to Energy Star Standards**
- **Committed Funding Sources include:**
  - **NJDCA Affordable Housing Trust Fund - \$2,074,000**
  - **Monmouth County HOME - \$443,000**
  - **Federal Home Loan Bank of NY - \$400,000**
  - **Township of Millstone - \$300,000 plus Land**
- **Project Team Includes:**
  - **Feldman & Feldman Architects**
  - **Leon S. Avakian, Inc Engineering**
  - **Amboy Bank**



# Allen House II Municipal Assistance

- Municipally Sponsored Project - Zoning
- Land Donation
- Tax Exemption
- \$300,000 Trust Fund Commitment

# Allen House II





# 27 Burnt Tavern Road

- **Featuring 67 One, Two, and Three Bedroom Apartments**
- **Population**
  - **Very Low to Moderate Income Families**
  - **Includes a 5 unit set aside for homeless/formerly homeless individuals or families**
  - **1 Super's Unit**
- **Units feature spacious living rooms, kitchens, bathrooms, bedrooms, patios, and will be built to Energy Star Standards and Zero Energy Ready**
- **Funding Sources projected to include:**
  - **NJ Affordable Housing Production Fund – Applied for \$9,100,000 – Obtained DOI**
  - **NJHMFA Permanent Financing – Applied for over \$13,000,000 – Obtained DOI**
  - **4% Low Income Housing Tax Credits**
- **Project Team Includes:**
  - **Enterprise Community Investment**
  - **Clarke Caton Hintz Architects**
  - **Leon S. Avakian, Inc Engineering**
  - **MidAtlantic Engineering**
  - **TD Bank**
  - **Collaborative Support Programs (CSP)**





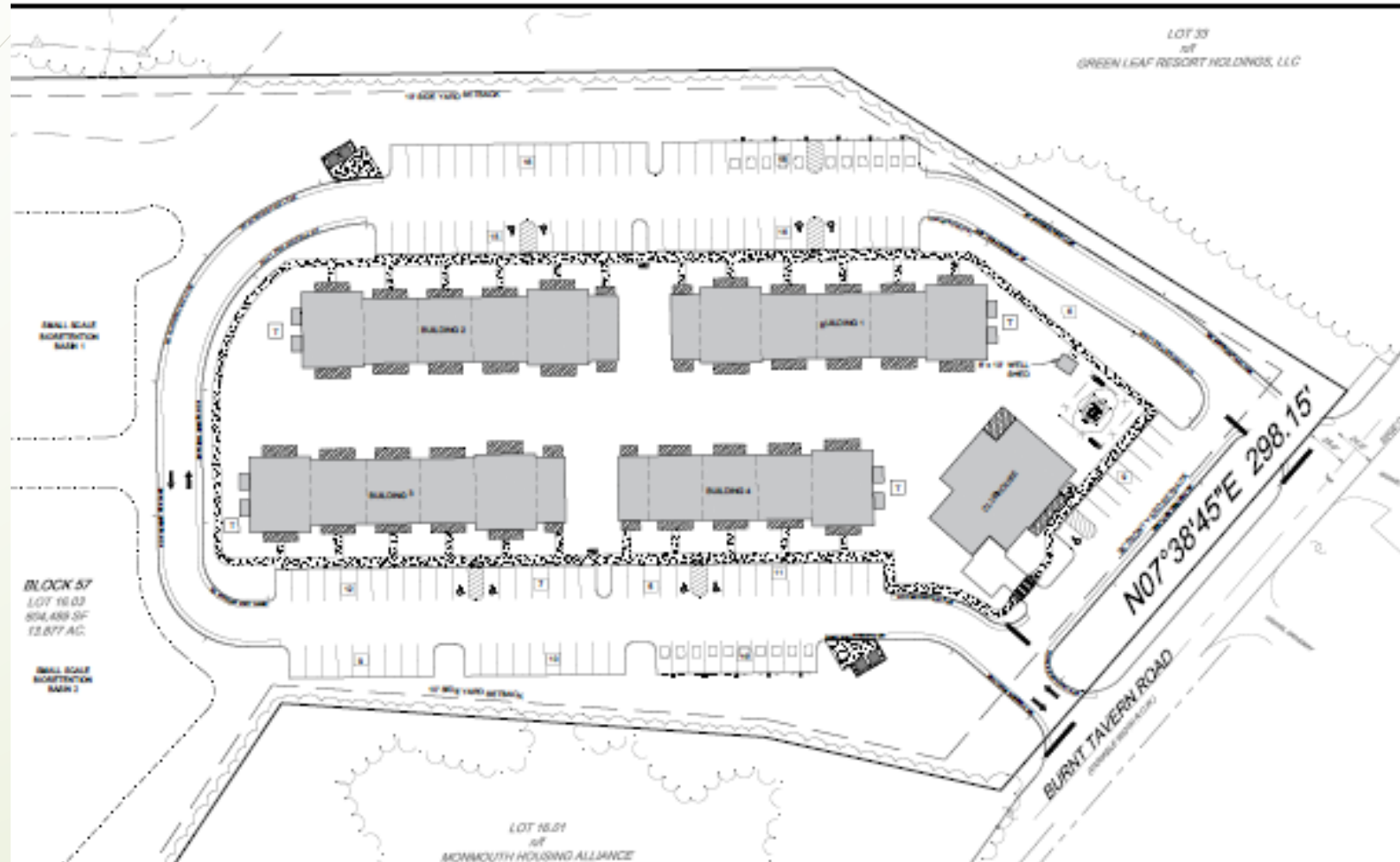
# 27 Burnt Tavern Road Municipal Assistance

- Land Donation
  - 6.28% PILOT
  - \$1,000,000 Trust Fund Commitment
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# 27 Burnt Tavern Road



# 27 Burnt Tavern Road





**Thank you!!!!**



**AHA**

affordable housing alliance

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*Hope. Strength. Community.*



# Policy Questions?

- ▶ If you have any questions, please reach out to Matthew Hersh, HCDNNJ Director of Policy and Advocacy, at [mherhsh@hcdnnj.org](mailto:mherhsh@hcdnnj.org)
- ▶ For a full listing of Network policy priorities, go to [www.hcdnnj.org/policy-priorities](http://www.hcdnnj.org/policy-priorities)