RESOLUTION 2023-88

Township of Florence, Burlington County, Resolution Requesting Review and Approval of an Affordable Housing Trust Fund Spending Plan Amendment for Emergent Affordable Housing Site

April 17, 2023

WHEREAS, the Municipal Council of the Township of Florence, Burlington County, filed a declaratory judgment action with the Superior Court in July 2015; and

WHEREAS, the Superior Court approved the Township of Florence's 2018 Third Round Housing Element and Fair Share Plan ("HEFSP") and the Township's 2021 Third Round Spending Plan with the Court's entry of a Final Judgment of Repose ("JOR") on August 23, 2021; and

WHEREAS, the Township of Florence received initial approval from the Council on Affordable Housing ("COAH") in 1993 of its development fee ordinance creating a dedicated revenue source for affordable housing. The ordinance established Florence Township's affordable housing trust fund. The Township's first Spending Plan was approved by COAH on August 4, 1993 and, as noted above, the Court approved the Township's most recent 2021 Spending Plan by Court Order entered August 23, 2021; and

WHEREAS, the development fee ordinance establishes an affordable housing trust fund that includes development fees, payments from developers in lieu of constructing affordable units on-site, barrier free escrow funds, rental income, repayments from affordable housing program loans, recapture funds and proceeds from the sale of affordable units; and

WHEREAS, the Township of Florence's Court-approved 2021 Spending Plan is consistent with N.J.A.C. 5:93 and P.L. 2008, c.46 and the Township has prepared a Limited Spending Plan Amendment to the Court-approved Spending Plan per N.J.A.C. 5:97-8.11(a) and (b).

WHEREAS, COAH's rules at N.J.A.C. 5:97-8.11 "Consideration for Mechanisms not in the Adopted Fair Share Plan" anticipate municipalities funding emergent affordable housing opportunities as follows:

- (a) A municipality may request authorization for expenditure of affordable housing trust funds on emergent affordable housing mechanisms not included in the municipal Fair Share Plan, in the form of an amendment to the spending plan.
- (b) In addition to the requirements for approval of a spending plan or amendment to an approved spending plan set forth at N.J.A.C. 5:96-5, the resolution submitted by the municipality shall include a certification that the affordable housing opportunity addresses COAH's criteria set forth in N.J.A.C. 5:97-6, and the municipality shall submit information regarding the proposed mechanism in a format to be provided by the Council [COAH].
- (c) The municipality shall submit an amendment to its Fair Share Plan to include the mechanism at the earlier of two years after COAH's [the Superior Court's] approval of the spending plan amendment or the next planned amendment to the Fair Share Plan resulting from plan evaluation pursuant to N.J.A.C. 5:96-10.

(d) The municipality shall submit monitoring pursuant to N.J.A.C. 5:96-11 relating to the affordable units created using affordable housing trust funds.

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the Township of Florence, Burlington County, requests that the Superior Court review and approve the Township of Florence's 2023 Limited Spending Plan Amendment to its Court-approved 2021 Spending Plan. See attached Township of Florence 2023 Limited Spending Plan Amendment; and

BE IT FURTHER RESOLVED that the Township of Florence shall enter into a consent order with Fair Share Housing Center ("FSHC") for FSHC's approval and recommendation to the Superior Court for the entry of an order approving the 2023 Limited Spending Plan Amendment; and

BE IT FURTHER RESOLVED that the proposed 100% affordable housing opportunity at the VFW site (Block 126.02/Lot 1.01) at 10th Avenue and Main Street in the Roebling neighborhood addresses COAH's criteria set forth in N.J.A.C. 5:97-6. See attached certification from Mary Beth Lonergan, PP, AICP; and

BE IT FURTHER RESOLVED that the Township of Florence shall submit an amendment to its Fair Share Plan to include the new affordable housing opportunity at the VFW site (Block 126.02/Lot 1.01) at the earlier of two years after the Superior Court's entry of a consent order approving the 2023 Limited Spending Plan Amendment or the next planned amendment to the Fair Share Plan resulting from plan evaluation pursuant to N.J.A.C. 5:96-10; and

BE IT FURTHER RESOLVED that the Township of Florence shall submit monitoring pursuant to N.J.A.C. 5:96-11 relating to the affordable units created using affordable housing trust funds.

I, NANCY L. ERLSTON, Clerk of the Township of Florence, County of Burlington State of New Jersey, do hereby certify that the foregoing Resolution is a true copy of the Resolution approved by Township Council at their April 19, 2023 meeting.

Nancy L. Erlston. RMC

Township Clerk

Clarke Caton Hintz

Architecture Planning Landscape Architecture

TOWNSHIP OF FLORENCE, BURLINGTON COUNTY SPENDING PLAN AMENDMENT EMERGENT AFFORDABLE HOUSING SITE per N.J.A.C. 5:97-8.11

CERTIFICATION OF MARY BETH LONERGAN, PP, AICP

100 Barrack Street Trenton NJ 08608 clarkecatonhintz.com Tel: 609 883 8383 Fax: 609 883 4044

Mary Beth Lonergan, PP, AICP, of full age, does hereby certify as follows:

- I. I am a licensed Professional Planner in the State of New Jersey and a Partner at Clarke Caton Hintz ("CCH"), a planning, architecture and urban design firm which serves as the affordable housing planning consultant to the Township of Florence in Burlington County.
- 2. I have extensive experience in the <u>Mount Laurel</u> arena. In addition to my eight (8) years of experience as a professional planner and Chief of Housing Services for the New Jersey Council on Affordable Housing ("COAH"), I have worked for 20 years at CCH as an affordable housing planner including almost 20 years with Florence Township as their affordable housing planner and I have been privileged to serve as a Court-appointed special affordable housing master in cases involving 50 municipalities, as well as an affordable housing expert on behalf of approximately 30 municipalities and various developers.
 - 3. I am fully familiar with the facts of this case.

John Hatch, FAIA George Hibbs, AIA Brian Slaugh, AICP Michael Sullivan, AICP Michael Hanrahan, AIA Mary Beth Lonergan, AICP

- 4. Florence Township's 2018 Third Round Housing Element and Fair Share Plan ("HEFSP") and the Township's 2021 Third Round Spending Plan previously received Superior Court approval. The Court entered a Final Judgment of Repose ("JOR") on August 23, 2021 that approved both the Township's 2018 HEFSP and the Township's 2021 Spending Plan.
- 5. An adopted development fee ordinance creating a dedicated revenue source for affordable housing was first approved by COAH on February 3, 1993 creating a dedicated revenue source for affordable housing. The ordinance established Florence Township's affordable housing trust fund. The Township's first Spending Plan was approved by COAH on August 4, 1993 and, as noted above, the Court approved the Township's most recent 2021 Spending Plan by Court Order entered August 23, 2021.
- 6. At this time, Florence Township desires to expend up to \$500,000 of its affordable housing trust fund monies to purchase/demolish/prepare a site known as the VFW site (Block 126.02/Lot 1.01) at 10th Avenue and Main Street in the Roebling neighborhood of the Township for 100% affordable housing including the provision of very low-income affordable housing although such new site has not yet been included in the Township's HEFSP or Spending Plan.

- 7. COAH's rules at N.J.A.C. 5:97-8.11 "Consideration for Mechanisms not in the Adopted Fair Share Plan" anticipate municipalities funding such emergent affordable housing opportunities as follows:
 - "(a) A municipality may request authorization for expenditure of affordable housing trust funds on emergent affordable housing mechanisms not included in the municipal Fair Share Plan, in the form of an amendment to the spending plan.
 - (b) In addition to the requirements for approval of a spending plan or amendment to an approved spending plan set forth at N.J.A.C. 5:96-5, the resolution submitted by the municipality shall include a certification that the affordable housing opportunity addresses the Council's [COAH's] criteria set forth in N.J.A.C. 5:97-6, and the municipality shall submit information regarding the proposed mechanism in a format to be provided by COAH.
 - (c) The municipality shall submit an amendment to its Fair Share Plan to include the mechanism at the earlier of two years after COAH's [Superior Court's] approval of the spending plan amendment [or its next HEFSP amendment]
 - (d) The municipality shall submit monitoring pursuant to N.J.A.C. 5:96-11 relating to the affordable units created using affordable housing trust funds."

- 8. This certification has been prepared to satisfy COAH's rules at N.J.A.C. 5:97-8.11 and to ensure that the affordable housing opportunity at the VFW site (Block 126.02/Lot 1.01) addresses COAH's criteria set forth in N.J.A.C. 5:97-6. Florence Township intends to address its Fourth Round fair share obligation by funding the current purchase (\$320,000)/demolition/site preparation at the 1.2-acre VFW site (up to \$500,000) for the creation of 100% affordable units including very low-income units. In April 2023, the site was offered for sale to the Township. In August 2022, Florence Township previously adopted new zoning for the site - the RD High Density Residential/Municipal Affordable Housing District - which permits a residential density of 20+ units/acre. In the future, the Township also desires to acquire two (2) adjacent properties (Block 126.01/Lot 5 - 3 acres vacant property - and Block 126.01/Lots 6 and 7 - 2.2 acres with small church, parking lot and vacant land). All three of the sites (VFW and Block 126.01/Lots 5 and 6/7) are currently zoned the same RD High Density Affordable Housing District. These other properties (Block 126.01/Lots 5 and 6/7) will be considered as part of a future spending plan/housing plan amendment, they will not be part of this emergent trust fund expenditure request at this time.
- 9. The affordable housing opportunity at the VFW site (Block 126.02/Lot 1.01) addresses COAH's criteria set forth in N.J.A.C. 5:97-6 and

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more specifically at N.J.A.C. 5:97-6.7 Municipally Sponsored and 100 Percent Affordable Developments.

- IO. COAH's rule at N.J.A.C. 5:97-6.7(b).I "Redevelopment –Site Suitability" is addressed as follows:
 - a. Site suitability set forth in COAH's rules at N.J.A.C. 5:98-3.13 is addressed as the site is available with no known encumbrances that would preclude the development of affordable housing. In 2023, as part of the site purchase due diligence, the Township will do a title search to ensure clear title with no encumbrances precluding the development of 100% affordable housing. In addition, in 2023 after acquiring the site, the Township will have the existing VFW building demolished and the site will be prepared for 100% affordable housing development.
 - b. The VFW site is located in the Roebling neighborhood of the Township and is served by a variety of public and commercial uses.
 The VFW site is across from a municipal ballfield, very close to a public elementary school and the Township Library across Hornberger Avenue and nearby to grocery shopping opportunities all within walking distance on sidewalks (see attached site aerial map at Exhibit A). The site is located at the intersection of 10th Avenue and Main Street and may have vehicular access to both April 17, 2023/ Page 5 of 9

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streets. The site is consistent with the Township's 2022 Master Plan as it is in the RD High Density Residential/Municipal Affordable Housing District which is an area designated for high density 100% affordable housing development and, as noted above, it is zoned RD High Density Residential/Municipal Affordable Housing District which permits density of 20+ units per acre.

- c. As the site is developed as a VFW building, the site has public water and public sewer service. The site will remain within the sewer service area and will continue to have access to public water.
- d. Residential Site Improvement Standards ("RSIS") standards will be addressed as part of the preliminary and final major site plan application that will be prepared by the affordable housing developer to be selected by the Township and approved by the Township's Planning Board.
- e. The site is located in Planning Area 2 pursuant to the 2001 Policy Map of the State Development and Redevelopment Plan ("SDRP") and the 2004 Preliminary State Plan Map designates the property as the Suburban Planning Area (PA 2). The intention of the Suburban Planning Area is to provide for much of the State's future development in a compact form and is the preferred location for affordable housing development.

- To address COAH's rule at N.J.A.C. 5:97-6.7(b).2, the proposed affordable housing site will be approved by the Township governing body for site acquisition in April 2023 providing the Township with site control.
- Per N.J.A.C. 5:97-6.7(b).3, the Township will select an affordable housing developer in accordance with the Township's Fourth Round implementation schedule as agreed to in a future settlement agreement between the Township and Fair Share Housing Center ("FSHC") that is anticipated to be entered into within two (2) years or no later than July 1, 2025.
- 13. Per N.J.A.C. 5:97-6.7(b).4, the Township will require that the selected affordable housing developer shall adhere to accessibility/adaptability requirements at N.J.A.C. 5:97-3.14.
- 14. Per N.J.A.C. 5:97-6.7(c), all affordable units shall comply with the Uniform Affordability Controls ("UHAC") at N.J.A.C. 5:80-26.1 et seq. with the exception that 13% of the affordable units shall be reserved for very low-income households at 30% of the regional median income instead of the UHAC standard requiring 10% at 35%. There will be 45-year affordability controls.
- 15. Per N.J.A.C. 5:97-6.7(d), the required COAH documentation on firm site control, selected affordable housing developer, more detailed site suitability (if needed), financial pro forma, development/construction schedule, evidence of adequate and stable funding including a municipal *April* 17, 2023/ Page 7 of 9

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resolution of its intent to fund any shortfall will be provided with the Township's required HEFSP by July 1, 2025. Preliminarily, the Township anticipates its selected affordable housing developer will apply for Burlington County HOME funds, 9% Low-Income Housing Tax Credits, 4% Low-Income Housing Tax-Exempt Bond Financing, Affordable Housing Production Funds, Federal Home Loan Bank funding, DCA funding, and any and all other possible affordable housing funding.

- 16. Per N.J.A.C. 5:97-6.7(e), the required COAH documentation (operating manual in accordance with UHAC, affirmative marketing plan, and the designation of an experienced administrative agent per N.J.A.C. 5:96-18) shall be provided prior to the affirmative marketing of the completed affordable units.
- I7. In conclusion, this certification has been prepared to satisfy COAH's rules at N.J.A.C. 5:97-8.II and I have found that the emergent affordable housing opportunity at the VFW site (Block 126.02/Lot 1.01) at 10th Avenue and Main Street in Florence Township preliminarily addresses COAH's criteria set forth in N.J.A.C. 5:97-6.7 as an eligible 100% affordable housing compliance mechanism.

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I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Mary Beth Lonergan, PP, AICP

Dated: April 17, 2023



Aerial with Constraints VFW and surrounding Florence Township RD zone

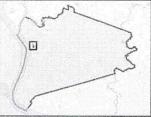
RD High Density Residential/Municipal Affordable Housing District

LOCATION:

Florence Township, Burlington County, NJ

April 2023 DATE

Sewer Service Area (10/2019) 15 Percent and above Twp. Pump Station (100 Year Flood) Additional Sites VFW Site Streams Legend



KEY MAP





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Landscape Architecture

2023 Limited Spending Plan Amendment Florence Township, Burlington County

Prepared by Clarke Caton Hintz

April 17, 2023; Adopted April ___, 2023

Florence Township seeks to purchase a site for the production of affordable housing for the upcoming Fourth Round which starts in about two (2) years on July 1, 2025. The Township has been presented with an emergent opportunity to purchase a suitable site for 100% affordable housing development. In accordance with the regulations of the Council on Affordable Housing ("COAH") for 'Emerging Affordable Housing Opportunities' per N.J.A.C. 5:97-8.11, the Township will seek Superior Court approval of this 2023 Limited Spending Plan Amendment.

The Township's 2018 Third Round Housing Element and Fair Share Plan ("HEFSP") and the Township's 2021 Spending Plan previously received Superior Court approval. The Court entered a Final Judgment of Repose ("JOR") on August 23, 2021 that approved both the Township's 2018 HEFSP and the Township's 2021 Spending Plan.

This 2023 Limited Spending Plan Amendment is being prepared to permit Florence Township to request court-approval of the expenditure of affordable housing trust funds for the purchase of a 1.2-acre site in the Township at Block 126.02/Lot 1.01 at 10th Avenue and Main Street in the Roebling neighborhood of the Township. The site is currently occupied by a VFW building which was recently offered for sale to the Township in April 2023. As this site is not presently in the Township's court-approved HEFSP or in its Spending Plan, COAH's regulations have a process whereby a municipality may seek court approval of such an emerging affordable housing opportunity through the preparation and municipal approval of a spending plan amendment and through the municipal commitment by resolution to amend its HEFSP within two (2) years to include the new affordable housing site.

The Township seeks to expend up to \$500,000 in trust funds for the purchase (\$320,000), closing costs and for the demolition of the current small, one-story structure to enable the site to be ready for future affordable housing development. In accordance with the Fair Housing Act ("FHA") at NJSA 52:27D-329.2 and 329.3, the Township continues to seek opportunities to provide commitments of the expenditure of collected and projected affordable housing funds in its trust account. This 2023 Limited Spending Plan Amendment relies on the extensive details and prior trust fund projections and commitments set forth in the full 2021 Spending Plan. Also, in accordance with the Township's agreement with FSHC, the Township will continue to provide annual reporting of trust fund activity to FSHC and posted on the municipal website.

Limited Spending Plan Amendment Florence Township, Burlington County

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As of March 31, 2023, Florence Township has a trust fund balance of slightly more than \$3,367,000. Based on the June 2021 Spending Plan, the remaining trust fund income projections for years 2023, 2024 and to July 1, 2025 anticipate that the Township will collect approximately an additional \$858,000, for total current and projected trust funds of \$4,225,000. This \$4.2 million figure is more than enough to continue to cover the Township's prior court-approved financial commitments for affordable housing and to cover this current request to expend up to \$500,000 to acquire/demolish/prepare the VFW site for upcoming Fourth Round affordable housing purposes.

Specifically, the Township's June 2021 spending plan includes the Township's total existing/projected income and resulting expenditure commitments of about \$3.7 million. Subsequent to this 2021 \$3.7 million expenditure figure which includes the \$1 million balance for Project Freedom's 100% tax credit-funded affordable housing development at Route 130 and Hornberger Avenue, as of March 2023 the Township has paid Project Freedom more than \$450,000 (not including Township generated expenses for the Project Freedom site). Thus, the Township's actual current trust fund commitments have been reduced to no more than \$3.25 million (from \$3.7 million) and adding the \$500,000 request for the acquisition/demolition of the VFW site, the total current/proposed commitments will now be \$3.75 million, well below the anticipated \$4.2 million in current and anticipated funds.

In summary, the Township of Florence seeks court approval to expend trust funds on an emergent affordable housing opportunity. Florence Township has a trust fund balance of \$3,367,028.36 as of March 31, 2023, and anticipates collecting approximately an additional \$858,000 in trust fund revenues over the balance of the Third Round for a total of slightly more than \$4,225,000. The Township will expend up to \$500,00 to acquire the VFW site and demolish the structures on the VFW site to assist in the production of very low-income housing. Also, the Township will continue to expend trust funds towards affordability assistance and housing activities including on a rental rehabilitation program, on the Project Freedom 100% affordable Hornberger municipally sponsored site, for development of a group home and on the scattered-site market-to-affordable program. The Township also anticipates expending trust funds on administrative costs during the period of repose.