



A Professional Perspective

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Upcoming Issue of Newsletter

Feature Article for our Next Newsletter: **TIPS ON RUNNING AN EFFECTIVE AFFORDABLE HOUSING PROGRAM**
By: Frederick C. Raffetto, Esquire
Ansell Zaro Grimm & Aaron, P.C.

COAH Proposes New 3rd Round Rules

On December 17, 2007, the New Jersey Council on Affordable Housing (COAH) proposed its revised third round affordable housing regulations. The regulations continue a growth share approach, wherein municipalities provide for affordable housing in proportion to market-rate residential and non-residential growth in their communities.

The rules are scheduled to be published in the January 22, 2008 New Jersey Register. COAH will be holding five public hearings throughout the State in January and February of 2008. COAH encourages municipal representatives to attend the public hearings or submit written comments to COAH-mail@dca.state.nj.us until March 22, 2008. The proposed rules are also available on COAH's website (www.nj.gov/dca/coah).

It is anticipated that final regulations would become effective in June, 2008. Under the rule proposal, municipalities would have until the end of 2008 to submit revised af-

fordable housing plans to COAH, based on a staggered petition schedule, by county.

Summary of Major Changes:

- The third round fair share obligation period has been extended from 1999-2014 to 1999-2018.
- New affordable housing need for the state is 115,000 affordable units (an increase from 52,000 units in previous adoption).
- The growth share ratios have been increased from one affordable unit among nine units and one affordable unit for every 25 jobs generated by non-residential construction to one affordable unit among five units and one affordable unit for every 16 jobs generated by non-residential construction.

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First Annual Meeting a Huge Success by Sharon Clark

Over 80 people attended the first annual meeting of Affordable Housing Professionals of NJ (AHPNJ) on October 31, 2007. AHPNJ was very thankful that PNC Bank hosted our meeting at Two Tower Center, New Brunswick, NJ. Each AHPNJ Committee Chair presented.

A highlight of the meeting was the presentation by our guest speaker, Lucy Voorhoeve, Executive Director of NJ Council on Affordable Housing (COAH). The event's unique focus on the topics of Vacant Land Analysis,
... Continued on page 2



COAH Executive Director Lucy Voorhoeve, addresses AHPNJ Annual Meeting



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A President's Perspective by frank piazza

For those of us who spend a good deal of our time wrestling with the complex maze of affordable housing issues, the last few months have been filled with a myriad of ideas, reactions, controversy, discussion, speculation, decision and indecision, alike. Everything, from the Governor's plan to create 100,000 affordable homes to Senate Speaker Joe Roberts's Affordable Housing Plan to the revised 3rd Round Rules proposed by COAH to the plans to revise the Uniform Housing Affordability Controls that are also being contemplated by the Council, everything seems to be in flux. Nothing is certain. And just when we think we will find stability, a rule changes;

a court decision is announced; a new program is initiated, modified or revamped beyond recognition.

For those of us whose task it is to decipher the regulatory maze that is affordable housing in New Jersey, the challenge has never been so daunting—so demanding. And, yet, for me, that is what makes this all so exciting. It is a time to contribute, to voice our perspective and to help mold and shape policy. Ultimately, I think it is an opportunity to remind ourselves that thousands of our fellow citizens depend upon us to help provide a place to live.



Web Remake Complements of Lewis Chester Associates

AHPNJ.org will soon have a new face and expanded, up-to-date features, thanks to the folks at Lewis Chester Associates, Inc. They have offered to provide the IT help that we need to make our web site an important tool for our members.

We hope to soon provide current news and a calendar of events for anyone interested in the affordable housing field, as well as a job bank and access to our quarterly newsletters.

If you are interested in posting news or information on our website, please send us an email at infor@AHPNJ.org.

Lewis Chester Associates is an insurance agency that specializes in coverage for affordable housing. In addition to providing assistance with our web site, the Lewis Chester agency has signed on to be a charter sponsor for our organization.



First Annual Meeting a Huge Success (continued)

Filtering, Job Counting and the Compensatory Benefits Reports generated significant interest and comments. AHPNJ was very appreciative of the question and answer portion of the program that Ms. Voorhoeve allowed.



Right: Christy Peacock (left) and Diane Clap, co-chairs of the Education Committee.

Left: Colleen O'Hara, NJ Div. of Housing, is the Chair of the AHPNJ Ethics Committee and was elected to the Board of Trustees at the Annual Meeting.



Announcements regarding 2008 initiatives were made throughout the meeting and those in attendance who were not AHPNJ members at the time have since joined the organization and several volunteered to be on committees.



COAH Proposes New 3rd Round Rules (continued)

- Household and employment projections for each municipality have been generated by the consultants and serve as planning targets for municipalities. A municipality may seek an adjustment to the household and employment projections provided by the Council, based on an analysis of existing land capacity.
- The age-restricted maximum has been reduced from fifty percent (50%) to twenty-five percent (25%) of the growth share obligation addressed within a municipality.
- The Fair Share Plan can be implemented according to a phasing schedule approved at certification, to ensure economic feasibility of the plan.
- New crediting opportunities for municipalities are offered, including supportive and special needs housing, redevelopment areas, and bonus credits for group homes.
- The section on inclusionary zoning provides a required compensatory benefit to the developers of affordable housing in inclusionary developments, specifically by providing one additional market unit for every affordable unit constructed. If payments “in lieu” are made, the benefit is ½ of a market unit for every affordable unit to promote on-site development.
- Payments “in lieu” of producing affordable housing have been refined to reflect regional construction costs, resulting in a statewide average of \$161,000 per unit. Payments “in lieu” from residential or mixed use zones must be used within the municipality.
- The minimum cost of transferring an RCA unit is now regional and has been increased from \$35,000 to \$67,000 - \$80,000, depending on region. The new amounts are based on a weighted average of the cost of rehabilitating a unit and the net cost of constructing a new housing unit in each region.
- The maximum permitted percentages for development fees have been increased from 1% of equalized assessed

value (EAV) for residential to 1 ½% (or a sliding scale to 2%) and from 2% of EAV to 3% for non-residential.

- To foster the use of over \$100 million in municipal trust funds remaining from the second round, the new rule requires that a municipality with an existing affordable housing trust fund include a plan to spend any remaining balance within four years of the Council’s approval of the municipality’s spending plan.
- A municipality may spend affordable housing trust funds prior to substantive certification, provided the Council has approved the spending plan. A spending plan amendment review process for emergent housing opportunities has been added.
- The rules have been clarified to specify the requirements for each affordable housing mechanism, related to administration and compliance with UHAC.
- Education requirements and qualifications for Municipal Housing Liaisons, Administrative Agents, and RCA Administrators have been proposed as part of the procedural rules.

Upon adoption of the revised regulations, COAH is planning a series of seminars that would assist municipal officials, planners, and members of the public in understanding and using the revised third round rules. COAH is committed to providing increased flexibility and a streamlined process for municipalities, and COAH staff is available to meet with municipalities to assist in answering questions and preparing affordable housing plans.

In the meantime, COAH strongly encourages municipalities and all sectors of the housing community to continue to provide affordable housing as we move forward. COAH is committed to working with you to take the necessary steps to fulfill your municipality’s affordable housing obligation. Accordingly, COAH has granted several waivers enabling municipalities without approved spending

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Our grateful appreciation to:

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For membership information, visit us on the web, at www.AHPNJ.org.

COAH New Rules (Continued)

plans or substantive certification to expend funds on emergent affordable housing opportunities. For more information about how to request such a waiver, contact your assigned COAH planner at (609) 292-3000.

Also, DCA will be working with Legislature on legislation imposing statewide, uniform development fees on non-residential development (whether participating in COAH process or not). This would replace payments in lieu of construction for non-residential development and provide a new \$60 to \$80 million pool for municipalities for affordable housing purposes.

If you have additional questions, please send them to COAHmail@dca.state.nj.us.

This article was provided to AHPNJ by NJ-COAH staff with our gratitude.



AHPNJ Association News

Feb. 1st: COAH Forum Revised 3rd Round Rules

The New Jersey Chapter of the American Planning Association (APA/NJ) and The Center for Government Services at the Bloustein School will jointly sponsor an informational seminar with the Council on Affordable Housing (COAH) to provide information to the professional planning community on the proposed Third Round Revisions – Friday, February 1st in New Brunswick. For more info go to www.njapa.org.

Feb. 8th: Mt. Laurel II at 25

The Woodrow Wilson School of Public and International Affairs at Princeton University - Policy Research Institute for the Region will host *Mount Laurel II at 25: The Unfinished Agenda of Fair Share Housing*, a look at the New Jersey Supreme Court decision on exclusionary zoning, affordable housing and sound planning. Experts and key participants in the implementation of *Mount Laurel II* will convene to examine the origins of the decision, comment on the current state of the doctrine and its influence in the region and the nation and focus on the unfinished agenda, including issues of race, class, redevelopment and smart growth. For more info go to www.princeton.edu/prior/events/conferences/february_8_2008/index.xml.

Feb. 13th & 27th: COAH Rules - NJ ICLE Update

The New Jersey Institute for Continuing Legal Education is sponsoring a seminar on February 13th (West Orange location) and February 27th (Mt. Laurel location) on the new COAH Rules. Both seminars are scheduled from 12:00 noon to 4:00 pm and open to the public. For more information, go to www.njicle.com.

March 18th: SCCOAH Sponsors Post Purchase Education

The Somerset County Coalition on Affordable Housing (SCCOAH) presents a Post Purchase Educational Course: "Now That You Are A Homeowner - - Things You Should Consider." This is an in-depth educational program for homeowners. This FREE course will ensure that your home ownership experience continues to be a successful and positive one. Guest speakers will be present and will cover the following topics:

- Budget and Money Management
- Refinancing Your Mortgage
- Home Equity Loans
- Home Maintenance
- Appealing Your Real Estate Taxes
- Being a Good Neighbor
- Homeowners' Insurance
- Important Documents to Keep on File

To register, please call (908) 704-9649, mailbox 5.

More to Come:

Keep a watch for dates of other upcoming events hosted by the Somerset County Planning Board (COAH seminar), as well as a seminar on foreclosure issues hosted by AHPNJ with leading attorneys.