



**EFFORTS TO ASSIST NON-PROFIT AFFORDABLE
HOUSING ORGANIZATIONS IN THE DEVELOPMENT
OF AFFORDABLE HOUSING IN 2021**

***TOWN OF WESTFIELD
UNION COUNTY, NJ***

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Efforts to Assist Non-Profit Affordable Housing Organizations in the Development of Affordable Housing In 2021

Purpose

This report is completed pursuant to the provisions found within the Town of Westfield Land Use Ordinance at Section 23.01H.3, and the Settlement Agreement by and between the Town and Fair Share Housing Center, dated April 4, 2017. Pursuant to those documents:

The Town shall enact a program to assist non-profit affordable housing organizations in the development of affordable housing in Westfield, as follows:

1. The Town will encourage the involvement of non-profits in meeting its unmet need, with a goal of providing twenty (20) additional homes, half for families, by December 31, 2025.
2. The Town agrees to hold an annual meeting in which local and regional non-profits are invited to participate in sharing ideas and making proposals.
3. The Town agrees to discuss the efforts to provide twenty (20) additional homes, half for families, at a council meeting for which thirty (30) days public notice shall be provided, which meeting shall occur in the month of February annually. The Town shall provide a written report regarding such efforts during the past year at least two (2) weeks prior to the February meeting.

Background

Westfield filed a declaratory judgment action with the Superior Court on July 2, 2015, titled In re Town of Westfield Compliance with Third Round Mount Laurel Affordable Housing Obligations, Docket No. UNN-L-2391-15 (the “DJ Action”). The DJ Action sought a judicial determination of compliance with the Town’s Third Round affordable housing obligation. The DJ Action was settled and the settlement was reviewed and approved by the Superior Court of New Jersey (the Honorable Karen Cassidy, A.J.S.C., presiding) after a Fairness Hearing, which approval is memorialized in an amended order entered by the court on October 30, 2017 and filed by the court on November 1, 2017. The Superior Court subsequently granted a Conditional Judgment of Compliance and Repose on May 31, 2018. Finally, on August 23, 2018, the Superior Court entered a Final Judgment of Compliance and Repose in favor of the Town of Westfield. The Final Judgment of Compliance and Repose is in effect for 10 years, beginning on July 2, 2015 and ending on July 2, 2025. During this 10-year period the Town and all of its boards have repose and immunity from any and all exclusionary zoning lawsuits, including “builders’ remedy” lawsuits.

As explained in the purpose section of this report, presented here are the efforts that the Town of Westfield has taken towards working with non-profits in providing 20 additional homes, half for families, by December 31, 2025.

Efforts to Assist Non-Profit Affordable Housing Organizations in the Development of Affordable Housing In 2021

Affordable Housing Spending Plan

Pursuant to the requirements of the Conditional Judgment of Compliance and Repose, the Town Planning Board amended its Affordable Housing Spending Plan on July 2, 2018. It was subsequently endorsed by the Mayor and Council on July 10, 2018. The Spending Plan is part of the Town's Housing Element and Fair Share Plan.

An Affordable Housing Spending Plan is prepared for the purpose of setting forth planned expenditures from the affordable housing trust fund. The Town of Westfield's fund is financed through the collection of development fees (through the Town's development fee ordinance), an anticipated payment in lieu of construction of affordable units pursuant to a settlement agreement with a developer, an anticipated payment in lieu due to a fractional affordable housing obligation, and the interest generated by the fund. The affordable housing trust fund is deposited in a separate interest-bearing account and is dedicated for the purposes of affordable housing as described in the Affordable Housing Spending Plan.

Pursuant to the Court's judgment and the requirements of N.J.A.C. 5:97-8.8, the Affordable Housing Spending Plan has dedicated funding towards affordability assistance in order to make residential units more affordable, especially for very-low-income tenants. This includes working with non-profit affordable housing organizations in the development of affordable housing in Westfield to help reach the Town's goal to provide 20 additional affordable housing units, half for families, by December 31, 2025. In addition, pursuant to the Court's judgment and as reflected in the Affordable Housing Spending Plan, Westfield has dedicated any excess funds or remaining balance toward working with non-profit affordable housing organizations to meet the additional 20 unit goal.

Affordability Assistance Program

The Town has established a category within its Affordability Assistance Program in an effort to encourage through subsidy the construction of affordable projects typically constructed by non-profit developers. An Emergency Generator Program is now available to developers of 100% affordable projects. The Program is designed to eliminate threats to the health and/or safety of current or prospective tenants. The Program provides grants to cover the purchase of the emergency generator, the costs of installation, and the costs of any applicable permits and inspections. Funds for the Program come directly from the Town's Affordable Housing Trust Fund.

Request for Proposals and Qualifications: Non-Profit Affordable Housing Organizations

In October of 2021, the Town of Westfield released a request for proposals and qualifications so that non-profit affordable housing organizations may make a request to utilize dedicated funds to assist the Town in meeting its goal of providing 20 additional housing units, half for families. The Town currently has approximately \$964,549

Efforts to Assist Non-Profit Affordable Housing Organizations in the Development of Affordable Housing In 2021

available through its Spending Plan for this purpose. The program is described in the following paragraphs of this section.

The Town is seeking to provide assistance at approximately \$48,227 per affordable unit (amount per affordable unit selected as \$964,549 total funds available/20 unit goal = \$48,227). Funds may be used for the purpose of property acquisition and/or to fund construction costs for the creation of affordable housing. The non-profit affordable housing organization shall have a period of 24 months from the date of contract award to complete the affordable unit which shall be evidenced by the issuance of a certificate of occupancy.

Funds shall be disbursed after execution of an agreement between the Town and non-profit affordable housing organization and the recording of the proper 30-year deed imposing restrictive covenants, conditions, and restrictions on affordable housing on the premises. The deed shall be in a form acceptable to the Town and shall be executed by the non-profit affordable housing organization and Town and recorded with the Union County Clerk's Office. The deed will set forth the 30-year affordability restrictions that will encumber the premises, binding the parties and their respective heirs, successors and assigns.

All affordable units created must comply with all applicable regulations of the affordable housing regulations of Article 23 of the Land Use Ordinance and the New Jersey Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq. and COAH regulations N.J.A.C. 5:93-1 et seq., with the exception that in lieu of ten (10) percent of affordable units required to be at least thirty-five (35) percent of median income, thirteen (13) percent of affordable units in such projects shall be required to be at thirty (30) percent of median income.

The non-profit affordable housing organization shall be responsible for all aspects of the proposed development, including utilities, water, sewerage and other necessary infrastructure.

The non-profit affordable housing organization shall be responsible for structuring the financing plan for the development, providing the equity and securing the financing needed to complete the project including construction loans, subsidies and permanent mortgages.

Included within the submission requirements are that the respondent shall identify property for which it intends to utilize funding under this program to create affordable units. The non-profit is to identify property within Westfield which it has already acquired and for which the creation of affordable units are planned; and property within Westfield which has been identified for acquisition by the respondent for the creation of affordable housing. The number of affordable housing units that are planned for those properties which it has already acquired or which have been identified for acquisition must also be submitted.

Efforts to Assist Non-Profit Affordable Housing Organizations in the Development of Affordable Housing In 2021

The Town has received two responses from non-profit affordable housing organizations to date. Those responses have been reviewed by the Westfield Housing Commission who are recommending awards under the program. The Commission is also reviewing possible modifications to the program requirements based upon feedback received during the annual meeting with non-profits.

Annual Meeting with Non-Profits

The Westfield Housing Commission through the Westfield Municipal Housing Liaison organized and hosted the third annual meeting between the Town and non-profit housing developers. Hosted on December 15, 2021, invitations to attend were distributed through direct contact with known developers, through the Town's Administrative Agent, and through the Housing and Community Development Network.

At the meeting an overview of the Town's Affordable Housing Plan was provided including identified zone districts for inclusionary housing, the Town's Development Fee Ordinance which requires a contribution be made to the Town's Affordable Housing Trust Fund for certain projects, and a description of inclusionary housing projects completed or underway in Town. The Municipal Housing Liaison also described the Town's

dedication of funds towards the construction of 20 additional affordable housing units, as mandated by agreement with the Fair Share Housing Center and as described in the Town's Affordable Housing Spending Plan. Provisions within the Town's Affordability Assistance Program were also reviewed. Finally, the Town described the Request for Proposals and Qualifications released and asked for feedback from the non-profits in attendance.

The open discussion surrounded the recent Request for Proposals and Qualifications released by Westfield. The current program requires that a non-profit have a property identified or acquired in order to be issued funds. Non-profits expressed concern in the ability to identify property and then obtain a municipal commitment for funding quickly enough to make an offer on the property. Non-profit attendees recommended that the Town program rather dedicate funding to non-profits contingent upon them acquiring property within a certain time frame of that dedication. In other words, they



Town of Westfield Housing Commission
*Seeking the Input and Assistance of
Non-Profit Affordable Housing Developers*

Agenda - December 15, 2021 10:00am

1. Welcome and Introductions
2. Town Housing Goals
 - a. Housing Plan Overview
 - b. Work with Non-Profits to create additional homes, half for families
3. Affordable Housing Trust Funds
4. Town Affordability Assistance Program
5. Town RFP/RFQ: Non-Profit Affordable Housing Organizations
6. Your Ideas and Proposals

Efforts to Assist Non-Profit Affordable Housing Organizations in the Development of Affordable Housing In 2021

recommended that the property need not be identified up front. They compared this proposal to obtaining a pre-approval for a mortgage. The Westfield Housing Commission is currently reviewing this recommendation.

Developer attendees included:

- Community Options, Inc.
- Triple C Housing
- Habitat for Humanity

Projects Underway with Non-Profits

The Town of Westfield saw completion of the second of two homes on property specifically identified in its Housing Element and Fair Share Plan for new homes for the special needs community. Both were constructed by a local non-profit housing developer, ARC of Union County. The first site, located at 244 Myrtle Avenue, contains a 4-bedroom community residence. A Certificate of Occupancy was issued on December 9, 2020.



The second home, located at 753 Grandview Avenue also contains a 4-bedroom community residence and a Certificate of Occupancy was issued on June 24, 2021. In order to effectuate the development of these two sites, the Mayor and Council adopted General Ordinance Number 2114 on November 6, 2018. This ordinance amended the land use regulations for properties within the RA-5B Multi-Family Residence District, allowing for an as-of-right development of the two sites with community residences as proposed by ARC of Union County.

The Town is in discussions with a local non-profit who could assist with the construction of veterans' housing at the American Legion property on North Avenue West. Although in its early stages, the project has generated support from members of the governing body, Planning Board, and administration. Project details and best practices for implementation are being discussed between the parties. Within the past year, the site was also specifically identified in the 2021 Town Master Plan Land Use and Circulation Element as appropriate for supportive housing for veterans.

Efforts to Assist Non-Profit Affordable Housing Organizations in the Development of Affordable Housing In 2021

Explore opportunities to utilize the Local Redevelopment and Housing Law to encourage the development of certain properties that would further the Town's community vision and goals and objectives. These properties include:

- *Supportive housing for veterans at appropriate locations such as the American Legion site on North Avenue (Block 2603-3.01)*

-Town of Westfield Unified Land Use and Circulation Element, page 73

Conclusion

The Town has dedicated affordable housing trust funds towards the goal of working with non-profit housing developers to construct 20 additional homes. Working relationships with non-profit housing developers have been formed and a contact list of non-profit housing developers has been created. The mission of the Westfield Housing Commission has been expanded so that they may help with implementation of the Town's housing plan, and they have hosted the third annual meeting with non-profit housing developers.

The Town has established an Emergency Generator Program available to developers of 100% affordable projects, typically constructed by non-profit affordable housing developers. In addition, through the Request for Proposals and Qualifications from Non-Profit Affordable Housing Organizations, the town has solicited proposals from the non-profit community for utilization of available Affordable Housing Trust Fund dollars. The Town is evaluating potential program improvements based upon recommendations received from the non-profit community in regard to this program.

The Municipal Housing Liaison will present the efforts described within this report at a meeting of the Mayor and Council to be held on February 22, 2022. The Town Clerk's Office has provided the required 30-days notice for this meeting, as specified in the Town Land Use Ordinance and Settlement Agreement with the Fair Share Housing Center.

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PUBLIC NOTICE

TOWN OF WESTFIELD WESTFIELD, NEW JERSEY

Please take notice that at a public meeting to be held by the Westfield Town Council in Council beginning at 8:00 PM on February 22, 2022, or at any time and place to which such meeting may be adjourned, the Town will discuss efforts it has taken to encourage the involvement of non-profits in meeting its unmet affordable housing need, with a goal of providing 20 additional homes, half for families, by December 31, 2025. This discussion is required pursuant to Land Use Ordinance Section 23.01H.3 and the Settlement Agreement by and between the Town and Fair Share Housing Center.

The meeting will be held in person in the Westfield Municipal Building, Council Chambers, 425 East Broad Street, Westfield, New Jersey 07090. In the event the Town Council meeting scheduled for February 22, 2022 cannot be held in person due to the pandemic, the meeting will be held virtually on February 22, 2022 beginning at 8:00 PM. The public may connect to the meeting and participate via Zoom webinar using the following link: <https://bit.ly/WestfieldTownCouncilMeeting2022> or via telephone by calling 646 518 9805, Webinar ID 841 7264 1341#, Passcode 290675

Tara Rowley, RMC

Town Clerk

1 T - 01/20/22, The Leader Fee: \$31.11