



TOWN OF NEWTON Affordable Housing Status Report

May 31, 2018

A Declaratory Judgment was granted by the Superior Court of New Jersey, Law Division, SSX-L-418-15, by Order on May 27, 2016, finding that the Town of Newton is in compliance with its constitutional obligations for affordable housing and provides a realistic opportunity for low-and moderate-income housing. The Court approved the Town of Newton's Housing Element and Fair Share Plan dated December 2015. The Town is immune from builder's remedy litigation and exclusionary zoning challenges for a period of ten (10) years from the date of the Order, and received the judicial equivalent of substantive certification; and its Spending Plan, 2015-2025 was approved by the Court.

The Town of Newton worked in earnest to address the conditions set forth to further achieve the goal of the Town's Mt. Laurel affordable housing obligations. This report identifies the actions that have taken place since the granting of the Judgment.

The Town has completed the following actions:

Affordable Housing Trust

- The December 31, 2015 balance for the Affordable Housing Trust was \$115,269.61. The 2016 Audit shows that the budget increased by \$626.58 and decreased by \$62,179.38, making the December 31, 2016 total \$53,716.81.

January 11, 2016 Town Council Meeting

Resolution # 5-2016: Recommending Submission of The Town Of Newton's Housing Element And Fair Share Plan Dated December 2015, Prepared By J. Caldwell & Associates, LLC, to the Superior Court of New Jersey

- Town of Newton, County of Sussex, State of New Jersey, filed a declaratory judgment action in the Superior Court of New Jersey, Docket No. SSX-L-418-15, seeking, inter alia, judicial approval of its affordable housing plan and immunity from builder's remedies suits. The Town Council found it prudent to submit to the Court the Town's December 2015 draft Housing Element and Fair Share Plan for approval. The Planning Board of the Town of Newton reviewed the December 2015 Housing Element and Fair Share Plan, prepared by Jessica Caldwell & Associates, LLC and believed the Plan is consistent with the goals and objectives of the Town of Newton 2008 Master Plan and adoption and implementation of the Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare. To adopt such Plan, the Town held a noticed public hearing upon Court approval of the Town's Housing Element and Fair Share Plan. Therefore, the Town Council approved the submission of the December 2015 Housing Element and Fair Share Plan for approval by the Superior Court of New Jersey.

May 23, 2016 Town Council Meeting

Ursula Leo, Esq. provided an update on the COAH court case which recently concluded. Mrs. Leo congratulated Council on the Plan approval and outlined the details. The Council thanked Mrs. Leo, Mrs. Millikin and Jessica Caldwell, Town Planner, for the successful COAH court outcome.

July 1, 2016 Town Council Meeting

- In a prepared speech read by Mayor Diglio, she addressed affordable housing by stating the following: “The Town Square Center should be breaking ground within the next several months. This complex will offer low income housing to seniors and will have a senior community center.”

August 22, 2016 Town Council Meeting

Resolution # 146-2016: Approving an Agreement for Payment In Lieu Of Taxes Between the Town of Newton and Sussex County Habitat for Humanity

- Sussex County Habitat for Humanity received approval to construct a building located at 82 Mount View Street, Block 19.05, Lot 33 (formerly Block 1306, Lot 17.01) to be used as an office and for the storage of building materials and supplies for its mission of providing affordable housing. As a condition of the approval, Sussex County Habitat for Humanity has agreed to enter into Agreement for Payment In Lieu of Taxes (“Agreement”) in which the Town agrees to accept payment in lieu of taxes in return for the tax exemption reflected in the Agreement (attached to the Resolution as Exhibit A).

Resolution # 143-2016: Resolution Approving Developer’s Agreement With Newton Town Centre Urban Renewal Associates, L.P.

- Newton Town Centre Urban Renewal Associates, L.P. obtained approval for use and bulk variances and preliminary and final site plan approval for property located at Block 8.05, Lots 4, 7, 8, and 9 as shown on the Tax Map of the Town of Newton, located at the corner of Spring Street, Union Place and Trinity Street, Newton, New Jersey. The preliminary site plan approval was memorialized by Resolution of the Town of Newton Planning Board dated July 17, 2013 and final site plan approval was memorialized by Resolution of the Town of Newton Planning Board dated January 21, 2015.
- The approvals are generally for a mixed-use residential building, specifically, 64 age-restricted affordable residential apartments plus one Superintendent apartment, with parking, commercial/retail space and a community center. As part of the approvals Newton Town Centre Urban Renewal Associates, L.P. is required to enter into a Developer’s Agreement with the Town of Newton. The Town of Newton and Newton Town Centre Urban Renewal Associates, L.P. have negotiated a Developer’s Agreement.

Resolution # 149-2016: Resolution of The Town of Newton, In the County of Sussex, New Jersey Authorizing the Execution of Loan Documents in The Principal Amount Of \$50,000 With Newton Town Centre Urban Renewal Associates, L.P. And Authorizing Certain Other Actions in Connection Therewith

- Newton Town Centre Urban Renewal Associates, L.P. represented to the Town that it would not be feasible to undertake the mixed-use residential building project located at Block 8.05, Lots 4, 7, 8, and 9, located at the corner of Spring Street, Union Place and Trinity Street without financial assistance from the Town. It was requested that the Town fund a loan to the principal amount of \$50,000 from the Town's Affordable Housing Trust Fund. Resolution No. 73-2015, previously authorized funding to the project from the Town's Affordable Housing Trust Fund in the amount of \$50,000. The Town authorized the execution of documents and certain other actions in connection with the implementation of the Project and the closing of the loan.

Resolution # 150-2016: Omnibus Resolution of The Town of Newton, in the County Of Sussex, New Jersey Authorizing the Execution of Loan Documents in the Principal Amount of \$45,000 with Newton Town Centre Urban Renewal Associates, L.P. and Authorizing Certain Other Actions in Connection Therewith

- Newton Town Centre Urban Renewal Associates, L.P. represented to the Town that it would not be feasible to undertake the mixed-use residential building project located at Block 8.05, Lots 4, 7, 8, and 9, located at the corner of Spring Street, Union Place and Trinity Street without financial assistance from the Town. The requested that the Town fund a loan to the principal amount of \$45,000 from the Town's Affordable Housing Trust Fund. Resolution No. 102-2013, previously authorized funding to the project from the Town's Affordable Housing Trust Fund in the amount of \$45,000. The Town authorized the execution of documents and certain other actions in connection with the implementation of the Project and the closing of the loan.

September 21, 2016 Town of Newton Planning Board Meeting

Reexamination of the Town of Newton Master Plan Pursuant to N.J.S.A. 40:55D-89 specifically with respect to adoption of a revised Housing Element and Fair Share Plan.

- Jessica Caldwell, Town Planner, addressed the Reexamination of the Town of Newton Master Plan concerning the adoption of a revised Housing Element and Fair Share Plan. Ms. Caldwell stated that the Town is very good shape, and that the Court commended the Towns on this plan. The Court approved the plan subject to the Planning Board approving it.
- When the Supreme Court struck down the Round Three Rules for Affordable Housing, the Town submitted to the Court for approval of Substantive Certification. This was to continue with protection under COAH from builder's remedy lawsuits. It was approved by the Court and we received Substantive Certification for 10 years until 2025. One piece of approval is to adopt a new Housing Element and Fair Share Plan, which the Town is doing via Master Plan Reexamination because of the one new zone proposed within the Housing Plan.

- There are five parts to a reexamination under Municipal Land Use Law (MLUL). One is what were the major land development problems and objectives that were in play when we did the last Master Plan Reexamination? The last one was in December 2014. Because of the court case, the new issue that was raised was the need to submit to the court for affordable housing. The Housing Element was revised in 2005, 2008 and 2010. The new Housing Element has updated data from 2010 and 2014, which consists of demographic data, information on the number of units required to be in compliance with COAH, and new and existing developments such as the RPM Development project which will create 65 units of affordable senior housing. It also discusses how the Town incorporated an affordable housing overlay zone as a proposed part of the Housing Element and Fair Share Plan. The property is located at Block 3.04, Lot 1 with frontage on Mill Street, Water Street and Emmons Avenue has a total area of 26.24 acres. The owner, Water St and North Park Drive, LLC, expressed interest in building interest in new construction with an affordable housing component. The property is zoned SD-3 Special District 3, which does not allow stand-alone residential development. The Town has developed an Affordable Housing Overlay Zone (AHO Zone) for application to this property as well as other properties that may become available for affordable housing development in the future. The McGuire Redevelopment Plan, Merriam Gateway Redevelopment Plan, and Amendment to the Master Plan was incorporated as an update to the development work done in the Town.
- The Town adopted Dr. Kinsey's obligation for the municipality for the Fair Share Plan. He showed a present need of 72 units and a prospective need of 83 units for a total affordable housing obligation of 155 affordable units. The Fair Share Plan provides a realistic opportunity to address the 155 units of affordable housing required for the remaining Third Round ending in 2025. Furthermore, the plan identifies opportunities to create in excess of 217 units of credits, which provides for a potential excess of 75 unit credits above the Town's Third Round obligation. While all planned projects may not be constructed during the Third Round period, the Town's Fair Share Plan accommodates that potential by planning for a net excess of 75 units. Units of credit not applied from excess credits and age-restricted housing that was capped will be carried over into future rounds.
- A chart with a summary of the Fair Share Plan can be found at the end of this report.

Martorana Enterprises

December 21, 2016 Planning Board Meeting

- Grande Villagio/Martorana Enterprises located at 104 Sparta Avenue (Block: 22.03, Lot: 13.01 & 13.02, Zone: SD-4), received final site plan approval previously for the construction of 54 townhouses in 9 buildings and the conversion of an existing office building into a community center for the condominium association. The applicant requested and was approved to for a change in final site plan approval to change the 14 end units from a two-car garage to a one car garage to expand living quarters.
- Six of the townhomes will be low to moderate income housing units. The first phase would have three buildings; the second phase would be buildings 4, 5 and the COAH units. In phase three would be buildings 6, 7, 8 and 9.

January 18, 2017 Planning Board Meeting

- Resolution granting amended final site plan approval.

April 18, 2018 Planning Board Meeting

- Martorana Enterprises is working on Phase Two (includes the 6 COAH units). The applicant is requesting to switch the requirement of brick facade for a stone facade. This is due to customer preference. Board is requesting an informal meeting to look at architectural plans rather than an amendment.

January 8, 2018 Town Council Meeting

- Ms. Caldwell, Town Planner, appeared before the Council to address a request from Community Options. Community Options located a group home in Newton and has requested funds from Affordable Housing Trust Fund. After a brief discussion, Ms. Caldwell outlined the Memorandum of Understanding and Council agreed with Ms. Caldwell's recommendation for use of funds to Community Options. It was further recommended not eliminating the municipal tax portion of the property taxes. Council agreed to have a Resolution on the agenda for the next Council Meeting. Ms. Caldwell also provided a brief update on the current status of the COAH obligations for the Town of Newton.

January 22, 2018 Town Council Meeting

Resolution #23-2018: Directing Use of Affordable Housing Trust Fund Monies for Community Options, Inc.

- Community Options, Inc. requested that the Newton Town Council consider contributing affordable housing trust fund monies towards its three-bedroom group home project in order to assist it in providing affordable housing in the Town. The Newton Town Council determined there are sufficient funds in its affordable housing trust fund to earmark a \$75,000.00 contribution (\$25,000.00 per bedroom) to Community Options, Inc. The Community Options project will satisfy a portion of the Town of Newton's affordable housing requirements. Community Options will enter into a Memorandum of Understanding and Agreement for Payment in Lieu of Taxes with the Town of Newton, pursuant to which Community Options shall pay the Town the municipal portion of the 2018 total tax obligation, with an annual 2% increase thereafter.

April 25, 2018 - Town Centre Senior Housing Grand Opening

- The project reached completion in April 2018. There was a housing lottery in March 2018. More than half of the units are occupied. All but 10 units have applications in progress. Applications are currently being accepted.

Town of Newton Fair Share Plan Summary				
Project Name	Type	Units	Bonuses	Total Credits
PRIOR ROUND				
Sussex County ARC Group Homes	Supportive/Special Needs rental	7	0	7
Birth Haven Group Home	Supportive/Special Needs rental	6	0	6
Bristol Glen Assisted Living Facility	Senior Rental	1	0	1
Merriam Gateway Inclusionary Project	Rental	6	4	10
Prior Round Total				24
THIRD ROUND				
Completed Units				
Bristol Glen Assisted Living	Senior Rental	5	1	6
Progressive Health Residential Health Care	Supportive/Special Needs rental	4	1	5
Samaritan Inn (<i>very low income</i>)	Alternative Living Arrangements	11	3	14
Katie's House Supportive Housing	Two, two-bedroom group homes	4		4
Inclusionary Zoning				
SD-9	Family For-Sale	54	17	71
SD-9	Family Rental	17	4	22
Redevelopment Plan				
Paterson Avenue	Rental or for sale	14	5	19
Hicks Avenue	Rental or for sale	7	2	9
Merriam Gateway	Rental	9	3	12
Municipally-Sponsored 100% Affordable				
Newton Town Centre	Senior Rental	65	21	15 (reduced from 86 based on cap)
Special Needs/Supportive Housing				
SCARC, Inc. Group Home	Supportive/Special Needs rental	6	2	8
Rental Housing				
Grande Villaggio	Family Rental	6	2	8
Water Street and N. Park Drive	Family Rental	18	6	24
Third Round Fair Share Plan Total				217
Third Round Obligation				83
Potential Excess Credits to Apply to Present Need and Future Obligations				134

Rehabilitation					
Municipal Rehabilitation Program	Completed Rehabilitations	21		21	
Municipal Rehabilitation Program or New Construction	Proposed Rehabilitation or New Construction (excess credits)	51		51	
Third Round Rehabilitation/Present Need Total					72