

# MEETING MINUTES

## TOWNSHIP OF OCEAN COUNTY OF OCEAN BUSINESS MEETING October 26, 2016

**Call to Order – 10:30 am**

**ROLL CALL: COLLAMER**   X   **WETTER**   X   **TREDY**   Absent  

### **Flag Salute**

**STATEMENT:** Pursuant to the provisions of the New Jersey Open Public Meeting Act, adequate notice of this meeting was properly provided by sending a copy of the Notice of Meeting to two newspapers, The Asbury Park Press and the Press of Atlantic City. The Notice was posted at the office of the Township Clerk

### **PUBLIC PORTION:**

**Motion to open Public Comment** was moved by Committeeman Collamer, seconded by Deputy Mayor Wetter.

Roll Call: Collamer: Yes, Wetter: Yes

No public present.

**Motion to close Public Comment** was moved by Committeeman Collamer, seconded by Deputy Mayor Wetter.

Roll Call: Collamer: Yes, Wetter: Yes

Township Affordable Housing Attorney Andrew Bayer discussed the resolution on the meeting agenda authorizes the execution of the settlement agreement from the Township of Ocean and the Fair Share Housing Center. After the New Jersey Supreme Court issued its decision in 2015, requiring towns that were before the Council on Affordable Housing to go to court to get their plans approved, the Township of Ocean did that and filed a Declaratory Judgement on behalf of the Township. It has been before the courts since July of last year. Judge Troncone, through the Court Master John Maczuga, has been urging municipalities in Ocean County to try to resolve the matters with the Fair Share Housing Center.

The Township engaged in a number of court-ordered mediations with the Fair Share Housing Center, Township Affordable Housing Attorney Bayer and Stan Slachetka of T&M Engineering, as there is a lot of planning involved. The summary of the settlement is that the Township is settling that the third round fair share obligation is 322 units. However, the settlement agreement recognizes the Township's realistic development potential is only 53 units. That primarily is comprised of housing out of the zoning and development that is being constructed in the Town Center along with some properties outside the Town

Center that are sewered. Mr. Slachetka has prepared a buildout analysis that is attached as an exhibit to the agreement, which provides the basis upon which the Township agrees that the realistic development potential is 53 units.

Court had started a fair share trial last week or two weeks ago with Jackson Township. That matter is resolving. Now all the municipalities in Ocean County, including this municipality, are either settled or are at a point where the Township is considering settling.

Stan Slachetka, T&M Engineering, discussed the real estate development potential for the prospective need is set at 53 units, based on the buildout analysis and on what the Township has projected to be taking place, both in the Town Center and a couple of sites outside the Town Center that are sewered. The Township plan that is currently being implemented is not changing at all. The Township is not adding any new sites and is not being required to put overlays on any other sites, even though there is a difference between the realistic development potential number and the total number that is being settled on at 322 units, as would maybe be in other vacant land adjustment communities. The Township is not doing anything different than what is currently in the plan. Primarily, the Township's affordable housing obligation is being satisfied through the redevelopment plans that are already in place.

There are just a couple of differences from the current plan versus what the settlement would require. First is on the area that is identified as the Ocean Commons tract, which is a subdistrict of the Town Center Redevelopment area and has its own redevelopment plan. That site calls for 55 units, 12 of which would be affordable units, which is about 20% satisfied. As part of the settlement agreement, the Township would be required to amend that redevelopment plan to provide for, as an option, a 100% affordable project. If that option is exercised by the redeveloper, the Township would be able to take advantage of some additional affordable housing credits and also some rental bonus credits. It is an advantage to the Township. Typically that kind of project would have to have some kind of funding associated with it, whether it is a low income tax credit type of funding or whatever. That is the reason why it is being proposed as an option and not as a mandated change.

Mr. Slachetka discussed the other key change would be if the Township, Zoning Board or Planning Board had approved a multifamily residential development through rezoning or any new redevelopment area, redeveloper agreement or if such a project was approved by variance by the Zoning Board of Adjustment. There would be a commensurate requirement set aside for affordable housing. It is not mandated, but if the Township decided to do some additional multifamily someplace else other than where it is already provided by, or if the board ran into variance, there would be a requirement for that set aside. That set aside would be governed by the provisions of what is called a point system ordinance, which is what Berkeley had done and created a mapping, which is attached to the agreement. Mr. Slachetka also has some large scale maps. It establishes a point valuation. Depending on where a multifamily project might be located, either all or some portion of those affordable units would be constructed on site and the remainder provided through a payment in lieu of construction to the Township. If the Township has a low point value, then there would be a larger amount that would be funded through payment in lieu of construction, in anticipation that those monies would be used by the Township to help subsidize and support affordable housing in the center. That is where the Township wants the affordable housing to

take place. That is called a mechanism to address that on net need, which is that gap between 53 units and 322 units. It only has an effect if there is some new multifamily residential development that is provided for in the Township.

Committeeman Collamer inquired if a redeveloper wanted to build on the Ocean Commons site and chose to do 100% affordable, that could rub out the 53 unit requirement.

Mr. Slachetka discussed, technically, no. It addresses that gap between the 53 units and the 322 units.

Township Affordable Housing Attorney Bayer discussed that site is zoned for inclusionary, which is market units with a 21% satisfied. The Township gets credits towards that development potential, which is 12 right now.

Deputy Mayor Wetter inquired if the Township can receive extra credits.

Township Affordable Housing Attorney Bayer discussed if it becomes a 100% site and depending on the number of units that get approved, it can go up to 55 units from 12 units. That would reduce the Township's unmet need.

Mr. Slachetka discussed, based on the existing zoning and redevelopment plans that are in place right now, is when the Township addresses the 53. The Township addresses the prior round obligation completely. The obligation from the prior COAH rounds is fully addressed. So the 53 is on top of the prior rounds.

Township Affordable Housing Attorney Bayer discussed that is really good for the Township. There was an issue of a Regional Contribution Agreement (RCA). The Township had approved an RCA, when it was legal, back in 2004 or 2003, but it was never perfected. The Township was taking credit for that, but it was never finalized. Through Mr. Slachetka's planning, the Township's Town Center was able to satisfy the prior round of 236 with this settlement, without any additional housing and without the RCA.

Mr. Slachetka discussed that saved the Township a huge amount of money. That was about \$3 million worth of commitment the Township would have had to make.

Township Affordable Housing Attorney Bayer discussed the money was supposed to go to Neptune back then.

Mr. Slachetka discussed the prior round is fully satisfied. The present need, which is called a rehabilitation obligation, is being addressed through the ongoing rehab program. The Township does not have to worry about fully addressing that, as long as the Township continues to have the program in place and the prospective need is the one that is defined by the real estate development potential. There are mechanisms in place if the Township gets affordable housing through the point system ordinance and the mapping Mr. Slachetka has provided and through additional affordable housing the Township might create through other projects. The Township is also getting bonus credits for rental units that are part of

the plan. The Township is getting a two-for-one for family rental units that are included. That is how the Township is satisfying these obligations. The Township has some eligibility for the bonus credits.

Jim Oris, T&M Engineering discussed if Ocean Commons is developed as 100% affordable, depending on the percentage of the total obligation, there should be a certain amount of rental bonus credits. How many would be determined based on the calculations. It could be as much as another 20-25 bonus credits, which basically is a credit without a unit on the ground. That is the benefit of doing the 100% affordables.

Mr. Slachetka discussed factoring in different elements of proximity: located in the center, located within sewer service area, away from an environmentally sensitive areas or near approximate community facilities like schools. Every one of these factors has points assigned to them. Floodplain areas receive negative points. Mr. Slachetka compiled all the points and mapped-in a color gradient map. The darker areas on the map are within the Town Center. It identifies the fact that this is where the appropriate location for affordable housing would be. This does not come into play at all unless the Township decides it will be adding additional affordable housing through any additional multifamily residential development.

Mr. Oris discussed Mackres has a project that is in concept with a component of multifamily and inquired how that will work with the point system.

Mr. Slachetka discussed any place, where there is existing redevelopment plans like the Town Center District or Mackres, it is already 20% satisfied on site. The point system is very clear in the settlement agreement. They already have a requirement for 20%.

Mr. Oris discussed the Township will have to adopt an ordinance which requires that.

Mr. Slachetka discussed right now, the redevelopment ordinance actually does require that. If Mackres came in with a plan today, he has to do 20%.

Township Administrator/Clerk Ambrosio inquired how that will affect the workforce housing that is in the Redevelopment Plan.

Mr. Slachetka discussed that is part of the plan. When the buildout analysis was written, the Township took the Redevelopment Plan and calculated it based on all the different housing types, townhomes, single family detached and multifamily. Based on that projection and what the Township anticipated, that is what the numbers are based on. Some things may vary. This basically affirms and locks in the current plan as satisfying the Township's obligation.

Township Affordable Housing Attorney Bayer discussed there are two ways to do this. In the resolution the Township could approve and read into the record as "in the form substantially similar thereto" or it could be read into the record as a footnote.

There are minor changes in the footnote of Exhibit A. Mr. Bayer read into the record for the document to be modified with a footnote stating, “The Ocean Commons Redevelopment Plan contemplates 12 affordable family for-sale units, 55 units at 21.8% set aside. The Township is currently allowing a 100% affordable family rental project on the Ocean Commons site as a mechanism to meet unmet need and currently contemplating usage of a portion of that 100% project and associated bonuses to meet a portion of the third round of Real Estate Development Potential (RDP). If this site instead develops as a for-sale project, the Township reserves the right to reallocate credits between the prior round and third round to meet the rental and family rental requirement in the third round at any of the annual reviews with the Mid-Point Realistic Opportunity Review, called for by Paragraph 16 and 17 in the Settlement Agreement.”

There are some minor words that have been added to what is already there. The Township will modify Exhibit A to reflect that. If it is approved, it will be substituted in.

Mr. Slachetka discussed there is a mid-term review of this. This would be for ten years, through 2025. At various points there is a requirement to submit a monitoring report as to where the Township is with the implementation of the plan. That is what is referenced in that footnote.

Township Affordable Housing Attorney Bayer discussed the footnote is really about that if that one site developed is a 100% site, Mr. Slachetka will be able to reallocate credit in a more favorable way of the Township. This verbiage is allowing the Township to do that. Right now the Township is taking it as a for-sale project but if it becomes 100%, than the Township can reallocate the credits and make it more favorable.

### **Resolution 2016-393**

Resolution authorizing the Execution of a Settlement Agreement between the Township of Ocean and the Fair Share Housing Center

**Motion to approve Resolution 2016-393** was moved by Committeeman Collamer, seconded by Deputy Mayor Wetter.

Roll Call: Collamer: Yes, Wetter: Yes

### **Next Scheduled Meeting – November 10, 2016 at 6:30 pm**

### **Adjournment**

Motion to adjourn meeting was moved by Committeeman Collamer, seconded by Deputy Mayor Wetter.

Roll Call: Collamer: Yes, Wetter: Yes

Signed and Submitted:

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Diane B. Ambrosio, RMC  
Municipal Clerk

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Date