

AFFORDABLE HOUSING TOWN HALL #2

CITY OF LAMBERTVILLE

MARCH 3, 2022



EMILY R. GOLDMAN, PP AICP



- **Senior Associate, Clarke Caton Hintz**
- **Licensed Professional Planner since 2009**
- **Moved to Lambertville in 2005; bought a house in 2012**
- **Served on City Commissions**
 - **Shade Tree Commission 2006 - 2018**
 - **Environmental Commission 2008 - 2012**
 - **Environmental Commission Rep on Planning Board 2009 - 2012**
- **Appointed Lambertville City Planner in 2013**
- **Worked/working with 12 municipalities on affordable housing**
- **Assisted the Court-Appointed Special Masters in my office on affordable housing matters in 18 municipalities over eight counties**

AGENDA

- 1. KEY FACTS**
- 2. THE CITY'S THIRD ROUND OBLIGATION**
- 3. 2020 AMENDED SETTLEMENT AGREEMENT COMPLIANCE MECHANISMS**
- 4. FORMULAS REQUIRED FOR COMPLIANCE**
- 5. COMPLIANCE MECHANISMS AVAILABLE TO THE CITY**
- 6. BREAKOUT SESSIONS**
- 7. PUBLIC DISCUSSION**
- 8. NEXT STEPS**

KEY FACTS

- **Since 2015, the City has created *only two* affordable units.**
- **The 2015 Settlement Agreement had to be amended to replace the overlay zoning on the Closson site with another way to allow for the creation of affordable units.**
- **The removal of the condemnation aspect from the Academy Hill site transferred the Court-required timeframe for adopting a redevelopment agreement to the Police Station site.**
- **The City is currently out of compliance with its 2020 Amended Settlement Agreement.**
- **The City now has to amend its Settlement Agreement for the second time.**

LAMBERTVILLE'S 3RD ROUND OBLIGATION

- **Provide 137 new units, reduced as follows:**
 - **88 units in Realistic Development Potential (these units are intended to be built by July 1, 2025)**
 - **Of these, the City has already provided 38 units and needs to provide 50 more, including 22 potential rental bonuses (so, 28 more actual units)**
 - **49 units in Unmet Need (the City must *try* to provide these units; 21 of the 49 units created)**
- **Obligation negotiated with Fair Share Housing Center, spelled out in a Settlement Agreement signed by the City, and approved by the Court**
- **Settlement Agreement specified tools the City agreed to use to meet its obligation**

LAMBERTVILLE'S 3RD ROUND OBLIGATION

- **RDP = 88**
 - **The units are supposed to be constructed by July 1, 2025**
 - **The City has created 38 units towards the 88 unit obligation**
 - **The City is entitled to receive 22 rental bonus credits to meet its obligation**
 - **28 family rental units need to be constructed to satisfy the RDP obligation**
- **Unmet Need = 49**
 - **The City has to provide a realistic opportunity for units to be constructed (i.e. inclusionary overlay zones, mandatory set-aside ordinance, accessory apartment ordinance, etc.)**
 - **The City has 21 units completed towards the 49 unit unmet need obligation**

2020 AMENDED SETTLEMENT AGREEMENT

RDP COMPLIANCE MECHANISMS

Compliance Mechanisms	Affordable Units	Bonuses	RDP = 88
Special-Needs Housing (completed)			
Little Haven Group Home (rentals, 11 of 18 bedrooms)	11	-	11
100% Affordable Housing (completed, not RCA-funded)			
Habitat for Humanity (family for-sale)	4	-	4
Heritage Village (age-restricted rentals, 22 of 37 units)	22	-	22
Munice Accessory Apartment (family rental)	1	-	1
Inclusionary Zoning (proposed)			
Lambertville High School site (family rentals, 139 total units with 20% set-aside resulting in 28 affordable units)	28	22	50
TOTAL	66	22	88

2020 AMENDED SETTLEMENT AGREEMENT UNMET NEED COMPLIANCE MECHANISMS

City of Lambertville's Third Round Unmet Need Compliance Mechanisms	Unmet Need = 49
Affordable Housing Development Fee Ordinance and Spending Plan	√
Little Haven Group Home Special-Needs Rentals (7 of 18)	7
Heritage Village Affordable Age-Restricted Rentals (12 of 37; 3 to go to a future round)	12
Lilly Street Unit Family Rental	1
IO-1 Inclusionary Multifamily Overlay Zone (Burd Farmstead/Corboy Lot) Requires an affordable housing set-aside as part of any development, subject to public sewer being made available to each parcel	√
IO-2 Inclusionary Adaptive Reuse Overlay Zone (Trenton Cracker Factory) Provides option to rehabilitate a vacant nonresidential building into apartments with a required affordable housing set-aside	√
Police Site Redevelopment Requires at least 23 multifamily rental apartments with a 20% affordable housing set-aside	√
Five Proposed Accessory Apartment Program (1 out of 5 created)	1
Mandatory Set-Aside Ordinance	√



COMPLIANCE FORMULAS FOR VACANT LAND ADJUSTMENTS

- **Minimum Number of Rental Units = 25% x Realistic Development Potential (round up)**
 - **Minimum Family Rental Units = 50% of rental units (i.e. not age-restricted or supportive/special needs)**
- **Maximum Number of Age-Restricted Units = 25% x RDP (round down)**
- **Maximum Number of Bonus Credits = 25% x RDP (round up)**

City of Lambertville = 88 unit RDP

- **Min. Rental Units = $.25(88) = 22$ units**
 - **Min. Family Rentals = $.50(22) = 11$ units**
- **Max. Age-Restricted Units = $.25(88) = 22$ units**
- **Max. Bonus Credits = $.25(88) = 22$ units**

LAMBERTVILLE'S COMPLIANCE WITH RDP FORMULA OBLIGATIONS

- **Minimum Number of Rental Units = 22**
 - **Lambertville has already provided 34 rental units; obligation satisfied**
- **Minimum Number of Family Rental Units = 11**
 - **Lambertville has provided 1 family rental unit to date**
- **Maximum Number of Age-Restricted Units = 22**
 - **Lambertville is claiming 22 age-restricted units at Heritage Village**
- **Maximum Number of Rental Bonus Credits = 22**
 - **Lambertville has not claimed any bonus credits to date**

COMPLIANCE MECHANISMS

- **New Construction**
 - **Inclusionary Development**
 - **100% Affordable Housing Development**
- **Supportive/Special Needs Housing**
- **Accessory Apartments**
- **Market-to-Affordable Program**
- **Assisted Living Facilities**
- **Extensions of Expiring Controls**

NEW CONSTRUCTION INCOME AND BEDROOM DISTRIBUTION REQUIREMENTS

- **Income Distribution = 13% very low-income; 37% low-income; 50% moderate-income**
- **Bedroom Distribution (family units)**
 - **Studios/ 1-bedroom: No more than 20% of the affordable units**
 - **2-bedroom: At least 30% of the affordable units**
 - **3-bedroom: At least 20% of the affordable units**
 - **Remaining affordable units can be 2-bedroom or 3-bedroom or a combination thereof**
- **Bedroom distribution (age-restricted units)**
 - **All 1-bedroom units; or**
 - **A 2-bedroom unit for each efficiency unit**

INCLUSIONARY ZONING

- **A development containing low- and moderate-income units among market rate units. Affordable housing set-asides are typically 15% (rental units) or 20% (for-sale units). The Lambertville High School site will be an inclusionary development, as the Police Station site would have been.**
- **Inclusionary development may also be part of a mixed-use development (i.e., redevelopment of a shopping center) with affordable units built in.**
- **Development of the residential portion must comply with income, bedroom and phasing requirements.**
- **Requires a deed restriction of at least 30 years.**

100% AFFORDABLE HOUSING

- **A development in which all units are affordable to low- and moderate-income households.**
- **Financing often includes funds from a municipality's affordable housing trust fund or municipal bonding.**
- **Must comply with income and bedroom distribution requirements.**
- **Requires a deed restriction of at least 30 years.**
- **Examples in Lambertville:**
 - **Habitat for Humanity units**
 - **Heritage Village**
 - **Hibernia Apartments**
 - **South Hunterdon Apartments**

SUPPORTIVE/SPECIAL NEEDS HOUSING

- **A structure in which households live in distinct bedrooms, but share kitchen and plumbing facilities, central heat and common areas.**
- **May be restricted to special needs groups, such as those with developmental disabilities or mental illness, veterans and their families, homeless households, or victims of domestic violence.**
- **Residents are referred by a state agency or licensed private service provider; units are not marketed to the general public.**
- **Affordable housing credit is by the bedroom as long as occupants of the facility are not related.**
- **Requires at least a 30-year deed restriction.**

ACCESSORY APARTMENTS

- **A self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building.**
- **In Lambertville, accessory apartments are permitted as a conditional use within the R-2 Downtown Residential zoning district.**
- **Accessory apartments are deed-restricted for at least 10 years.**
- **The City must provide a subsidy of \$20,000 to create each moderate-income accessory apartment and \$25,000 to create each low-income accessory apartment.**
- **The units are affirmatively marketed by the municipality's Administrative Agent and potential tenants are first qualified by the municipality's Administrative Agent, and then referred to the owner. The owner has final approval of a tenant and collects the regulated rent.**

MARKET-TO-AFFORDABLE

- **Converts existing market-rate units to deed-restricted low- or moderate-income units through a subsidy to the owner.**
- **A municipality is required to provide a minimum subsidy of \$25,000 to convert a market-rate unit to a moderate-income unit and \$30,000 to convert to a low-income unit. Additional subsidies may be necessary, depending on market prices and rents in the area.**
- **The unit may then be sold to an income-qualified buyer at a regulated price, or rented by the existing owner to an income-qualified tenant at a regulated rent.**
- **Requires a deed restriction of at least 30 years.**

ASSISTED LIVING FACILITIES

- **A facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining, and to assure that assisted living services are available when needed. These units are considered age-restricted housing.**
- **Consistent with assisted living licensing requirements, 10% of the units must always be available to Medicaid-eligible residents.**
- **The municipality receives affordable housing credit for the 10% of the units available to Medicaid-eligible residents.**

EXTENSIONS OF EXPIRING CONTROLS

- **Low- and moderate-income units whose deed restrictions will expire during the current round are eligible for another credit in a subsequent round if the controls are extended for a minimum of 30 years.**
- **May require a monetary subsidy.**
- **Lambertville's existing affordable units' deed restrictions are set to expire as follows:**
 - **2031 (Munice accessory apartment)**
 - **2032 (Habitat for Humanity unit)**
 - **2035 (Heritage Village)**
 - **2042 (Habitat for Humanity units)**
 - **2045 (Habitat for Humanity unit)**

BREAK-OUT SESSIONS TO DISCUSS COMPLIANCE MECHANISMS

**What compliance mechanisms
should the City consider
implementing, in both the short
term and the long term?**

- **New Construction**
 - **Inclusionary Development**
 - **100% Affordable Housing**
- **Supportive/Special Needs Housing**
- **Accessory Apartments**
- **Market-to-Affordable Program**
- **Assisted Living Facilities**
- **Extensions of Expiring Controls**

PUBLIC DISCUSSION

Report from break-out groups on what they think are the short-term and long-term compliance mechanisms the City should try to implement.

NEXT STEPS

- **Update the City's Affordable Housing webpage so it is more user-friendly**
- **Identify new affordable housing compliance mechanisms to meet the City's obligation**
- **Negotiate an Amended Settlement Agreement with Fair Share Housing Center, which must be approved by the Court as fair and reasonable to the interests of low- and moderate-income households**
- **Adopt an Amended Housing Element Fair Share Plan**
- **Adopt ordinances as necessary to implement the new compliance mechanisms**
- **Present the City's Housing Element and Fair Share Plan and implementing documents to the Court for approval. This might be able to take place at the same hearing as the one for approval of the Amended Settlement Agreement.**

THANK YOU!

Copies of the presentation from both Town Hall meetings are available on the City's Affordable Housing webpage (located under the Resident tab). If you have any additional questions or comments, please contact Mayor Nowick at mayornowick@lambertvillenj.org.



ADDITIONAL INFORMATION



INCOME-BEDROOM DISTRIBUTION EXAMPLE – FAMILY UNITS

**Total affordable
units = 100**

	Very Low-Income ($\geq 13\%$)	Low-Income ($\geq 37\%$)	Moderate-Income ($\leq 50\%$)	Total
1-bedroom ($\leq 20\%$)	2.6; round up to 3	7	10	20 (at most)
2-bedroom ($\geq 30\%$)	7.8; round up to 8	22	30	60 (must be at least 30)
3-bedroom ($\geq 20\%$)	2.6; round up to 3	7	10	20 (at least)
TOTAL	14	36	50	100

INCLUSIONARY ZONING PHASING REQUIREMENT

Maximum Percentage of Market-Rate Units Completed	Minimum Percentage of Affordable Housing Units Completed
25	0
25 + 1	10
50	50
75	75
90	100