

**AFFORDABLE HOUSING
THIRD ROUND MIDPOINT REALISTIC OPPORTUNITY REVIEW
TOWNSHIP OF FLORENCE
BURLINGTON COUNTY, NEW JERSEY**

July 1, 2020

PURPOSE

The requirement for a midpoint realistic opportunity review derives from the Fair Housing Act (“FHA”) at N.J.S.A. 52:27D-313, which provides: “[t]he Council (Council on Affordable Housing or COAH) shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public.” Although COAH failed to adopt regulations or procedures for a midpoint realistic opportunity review, the purpose and process is set forth in Florence Township’s Court-approved Settlement Agreement with Fair Share Housing Center (“FSHC”).

The purpose of the midpoint realistic opportunity review is for Florence Township to provide a status report as to the Township’s implementation of its Court-approved Housing Element and Fair Share Plan (“Plan”) and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity. Pursuant to the Florence Township/FSHC Agreement, there’s a requirement for the Township to post this report on its municipal website and to submit a copy of this report to FSHC. In the event the Court determines that a previously approved site or mechanism no longer presents a realistic opportunity and should be replaced, then Florence Township shall have the opportunity to supplement or revise its plan to correct any deficiency.

To facilitate the review process, in addition to posting this Mid-Point Review Report on the Township website and submitting a copy to FSHC, Florence Township will place on file a copy of this report for public inspection at the office of the Township Clerk or, if the municipal building is closed due to the pandemic, interested parties may request a copy be mailed. Lastly, the Township will provide newspaper notice of the availability of this report. The Township’s

notice to the public of this Mid-Point Review Report will include a 30-day deadline for any interested party comments/requests for a court hearing to be submitted.

BACKGROUND

The Florence Township/FSHC Settlement Agreement was initially executed on November 22, 2016, with an Amendment to the Agreement executed by the parties on November 8, 2017. Following a December 21, 2017 Fairness Hearing in Superior Court, the Settlement Agreement was approved by Court Order, dated December 21, 2017, which found the Township/FSHC Agreement and the Township's Preliminary Third Round Compliance Measures fair to the interests of low- and moderate-income citizens of the region. Florence Township initially prepared a Third Round Housing Element and Fair Share Plan which was adopted/endorsed in April 2018 and this Plan was ultimately amended by the Township with the amended Third Round Plan adopted by the Township's Planning Board on August 28, 2018 and endorsed by the Township Council on September 5, 2018. The Township's Plan was reviewed at a Court Compliance Hearing on October 1, 2018 at which time the Court approved Florence Township's Plan with conditions as reflected in the Order, dated October 29, 2018, granting a Conditional Judgment of Repose. This Conditional Order of Repose approved the Township's 2018 Plan including the Township's compliance measures described below and provided Florence Township with continued immunity from builder remedy lawsuits. Once the conditions are satisfied (see full discussion below), the Township shall be granted a Final Judgment of Repose with immunity from builder remedy lawsuits through July 1, 2025.

As reflected in the Township's Court-approved Settlement Agreement and Court-approved Plan, Florence Township's Third Round Fair Share obligation is as follows:

- Third Round Rehabilitation Share: 96
- Prior Round 1987-1999 Obligation: 114
- Third Round 1999 – 2025 Gap and Prospective Obligation: 378

Florence Township Rehabilitation Share – To address its 96-unit Rehabilitation Share, the Township helped to fund or oversaw two (2) affordable housing rehabilitation efforts at the

14-unit Roebing Inn (BCCAP) and at the 50-unit Florence Housing Authority site and the Township continues to participate in two (2) other housing rehabilitation programs - the County owner-occupied rehabilitation program and the Township's local renter-occupied rehabilitation program.

As detailed on the Township's monitoring forms posted on the Florence Township website, the Florence Housing Authority repaired or replaced a number of major systems in all of its 50 family affordable rental housing units between 2010 and 2018 with renovation expenditures costing an average of \$23,596 per unit. The rehabilitation work included new hot water heaters, storm doors, crawl space doors, exhaust fans, security cameras and also encompassed rehabilitation of roofs, common spaces, etc.

In addition, the Township provided approximately \$500,000 to BCCAP for the rehabilitation of 14 rental units (or roughly \$35,000 per unit) at the Roebing Inn, a senior rental community in the Township, that required significant renovations including major load bearing structural upgrades, new windows, doors, storm doors and hot water tanks, also including plumbing, electrical, and weatherization repair throughout.

The Township continues to participate in the Burlington County Home Improvement Loan Program. According to the Township's Plan, the County Program previously completed one (1) rehabilitation. At the time of this report, no additional rehabilitations were completed in the Township under the auspices of the County program. The Township will continue to advertise the County's Owner-Occupied Rehabilitation Program with postings on its municipal website and also through direct mailings of tax bills, etc., when necessary.

Lastly, Florence Township participates in a consortium with other Burlington County municipalities for its local rental rehabilitation program administered by Community Grants Planning & Housing ("CGP&H"), an experienced housing rehabilitation program administrative agent. The Burlington County Bridge Commission funded CGP&H's

preparation of the consortium’s Rental Rehabilitation Program Manual.¹ Outreach for the Township’s rental rehabilitation program shall begin in July 2020. CGP&H calculated rent ranges, prepared landlord outreach, and prepared advertisements for placement in the Burlington County Times.

Florence Township Prior Round Obligation – As noted in the Township’s Court-approved Settlement Agreement with FSHC, Florence Township previously fully satisfied its 114-unit Prior Round Obligation. These Prior Round compliance efforts include:

- Completed RCA – Pemberton Township (42 of 103 total towards Prior Round)
- Completed 100% Affordable Housing:
 - ✓ Roebing Arms - Multiple Sclerosis Assoc. - 24 Family Affordable Rentals
 - ✓ Roebing Inn – BCCAP – 14 Senior Affordable Rentals
- Completed Alternative Living Arrangements
 - ✓ Transitional Housing, Inc. - Affordable Transitional Housing - 5 units

REALISTIC OPPORTUNITY REVIEW – THIRD ROUND COMPLIANCE MECHANISMS

As shown below, the Township has completed the vast majority of its Third Round compliance mechanisms or has approved such compliance mechanisms including granting Weiss preliminary/final site plan approval. The Township continues to provide a realistic opportunity for the remaining Court-approved Third Round compliance mechanisms and recently received Court approval for an extension of time to enter into a developer’s agreement on the Hornberger site and to prepare development parameters for the approved SERV group home and the remaining market-to-affordable program as shown in the chart and discussed below:

<u>Compliance Mechanisms</u>	<u>Description</u>	<u>Status</u>	<u>Notes/Additional Information</u>
RCA with Pemberton Twp	RCA	Funds Transferred	61 Surplus Prior Round RCA Credits
Salt & Light – 300, 320 Alden	100% Affordable Housing	Completed	2 Family Affordable Rental Units

¹ Per the Township’s Conditional JOR, one (1) of the (2) conditions is for the Township to adopt a Rental Rehabilitation Program Manual. As noted above, this Rental Rehabilitation Manual was previously prepared by CGP&H and, if not already adopted by the Township, the manual will be adopted shortly.

<u>Compliance Mechanisms</u>	<u>Description</u>	<u>Status</u>	<u>Notes/Additional Information</u>
Duffy School - MEND	Municipally Sponsored, 100% Affordable Hsg	Completed	53 Senior Affordable Rental Units includ. 5 Special Needs
Albax/McHugh Ct.	Inclusionary Development	Completed	1 Family Affordable For Sale Unit
Sassman – off-site at 725 W. 2 nd St.	Inclusionary Development	Completed	2 Family Affordable Rental Units
Atlantic/Legacy	Inclusionary Development	Completed	17 Age-Restricted Affordable For Sale
220 Foundry	Market to Affordable	Completed	6 Family Affordable Rental Units
Salt & Light 301 Norman	Market to Affordable	Approved	1 Family For Sale
Salt & Light Scattered Program	Market to Affordable	1 of 10 units completed; Court approved an extension to prepare development parameters	10 Family Affordable Rentals
Transitional Hsg., Inc. - 140 and 340 Alden, West Second	Alternative Living Arrangement	Completed	4 of 9 Family Transitional Housing Units
Oaks Integrated/Family Service	Alternative Living Arrangement	Completed	9 Group Home Bedrooms
Salt & Light 300 and 320 Alden	Alternative Living Arrangement	Completed	5 Family Transitional Housing Units
Community Options	Alternative Living Arrangement	Completed	3 Group Home Bedrooms
Weiss - Florence Associates, LLC, Redeveloper	Inclusionary Development	Dev. Agreement executed Dec. 6, 2017; 2018 Redevelopment Plan Adopted; 2019 Preliminary/Final Site Plan Approval Granted	36 Family Affordable Rental Units
Hornberger Site	Municipally Sponsored, 100% Affordable Housing	Court approved extension to enter into a developer's agreement; site development timing including tax credit application in 2021	78 Family Affordable Rental Units including Special Needs

<u>Compliance Mechanisms</u>	<u>Description</u>	<u>Status</u>	<u>Notes/Additional Information</u>
SERV	Alternative Living Arrangement	Court approved extension to prepare development parameters	4 Group Home bedrooms

Weiss Properties/Florence Associates, LLC: The Township designated the Weiss Properties/ Florence Associates, LLC, (“Weiss”) site ‘An Area in Need of Redevelopment’ in 2013, executed a Developer’s Agreement on December 6, 2017 followed by the adoption of a Redevelopment Plan in 2018. In 2019, the Township Planning Board granted Preliminary and Final Major Site Plan approval on June 25, 2019 for this inclusionary development. Currently, the Township is in negotiations with the Redeveloper, Florence Associates, LLC, regarding the drafting of a Redeveloper’s Agreement and a payment in-lieu of taxes (“PILOT”). The Redeveloper is also going through a lengthy process of obtaining NJDOT approval for the site as it fronts NJ State Highway Route 130 and Cedar Lane.

Hornberger Site: With FSHC and the Master's consent, Florence Township received Court approval for an extension of time for the Township to enter into a developer's agreement with an experienced affordable housing developer which will, among a number of necessary site development steps, require a Low Income Housing Tax Credit (“LIHTC”) application be filed with the NJ Housing Mortgage Finance Agency (“HMFA”) in 2021. Currently, the Township is funding and overseeing due diligence on the site including undertaking studies and filing permit approval applications with DEP regarding wetland buffer, riparian corridor and flood hazard area requirements.

SERV Group Home and Salt & Light Market-to-Affordable Program: With FSHC and the Master's consent, the Township recently also received the Court’s approval of an extension of time to continue to provide a realistic opportunity for the balance of Township’s Plan including to prepare development parameters on the Township-owned site at 440 W. Fourth Street that was to be the SERV group home and to prepare development parameters for the balance of the Township’s Market-to-Affordable Program.

VERY LOW-INCOME ANALYSIS

As shown below and as shown with more detail on the Township’s very-low income monitoring report posted to Florence Township’s website, the Township has addressed its very-low income statutory requirements at N.J.S.A. 52:27D-329.1 and as part of its Settlement Agreement with FSHC. The Township has addressed its current 26-unit statutory very-low income requirement with 40 built or proposed very-low income units. Also, Florence Township has addressed its family very-low income requirement (half of the very-low income requirement or 13 very-low income units) with 22 of the proposed/built 40 very-low income units required to be family units.

<u>Affordable Units Proposed/Approved/Built Since 2008</u>	<u>Very Low Income Requirement</u>	<u>Number of Very-Low Income Units Proposed/Provided</u>	<u>Status</u>
Duffy School - MEND	53 total affordable units x 0.13 = 6.89	7 senior/special needs	Completed
Hornberger Site	78 total affordable units x 0.13 = 10.14	10 family	Proposed
Weiss - Florence Associates, LLC	36 total affordable units x 0.13 = 4.68	5 family	Developer’s Agreement
Market-to-Affordable – 220 Foundry	6 total affordable units x 0.13 = 0.78	1 family	Completed
Market to Affordable – 301 Norman	1 total affordable units x 0.13 = 0.13	0	
Market-to-Affordable – Salt and Light – Scattered	10 total affordable units x 0.13 = 1.30	1 family	1 Completed, 9 Proposed
Oaks Integrated/Family Service/Twin Oaks	9 total affordable units x 0.13 = 1.17	4 special needs	Completed
Community Options	3 total affordable units x 0.13 = 0.39	3 special needs	Completed
SERV Group Home	4 total affordable units x 0.13 = 0.52	4 special needs	Proposed
Salt & Light - 300/320 Alden - transitional	Pre-2008	5 family	Completed
Total	26	40 w/22 family	

CONCLUSION

The Township's Court-approved Third Round compliance mechanisms create a realistic opportunity as the compliance mechanisms are either completed or approved or they continue to create a realistic opportunity in light of the Court's approval of an extension of time to enter into a developer's agreement on the Hornberger site and to prepare development parameters for the approved SERV group home and the remaining market-to-affordable program. In the event the Court determines that a compliance site or mechanism no longer presents a realistic opportunity and should be replaced, then Florence Township shall have the opportunity to supplement or revise its plan to correct any compliance deficiency.

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