

AFFORDABLE HOUSING TOWN HALL MEETING

MONDAY APRIL 29, 2024

Thank you all for coming this evening. The last time we held a town hall on the topic of Affordable Housing was February 2019. Much has happened and much has changed in the past 5 years. Tonight we will give background, update you on the state legislation that passed last month, and give you an opportunity to ask questions. We know it's important to many of you to be heard. We just ask that you listen to the presentation and recognize that we don't have all of the answers yet. We have our borough attorney, Mr. Bob Regan with us and our Borough Planner, Ms. Caroline Reiter with us to help explain the ramifications of the new rules set forth by the state.

As many of you may know, every municipality in the state of New Jersey has an obligation to provide a certain amount of affordable housing units for low and moderate income households. Based on a 1975 New Jersey Supreme Court ruling, the Mount Laurel Doctrine created a constitutional mandate for New Jersey municipalities to provide a "fair share" of their region's need for affordable housing. The Council on Affordable Housing (COAH) was created in 1985 by the New Jersey Legislature in response to the Fair Housing Act of 1985 to ensure that every municipality provided their fair share of low and moderate income housing.

The obligation of a municipality was determined through a series of Rounds, or set of rules. Each Round established how many units a municipality could reasonably construct to satisfy constitutional obligations while considering vacant land adjustments, open space restrictions and environmental sustainability.

Initially, Haworth created a Housing Plan according to the rules in Round 1 and Round 2, which was approved by COAH. By 2019, the Affordable Housing oversight was governed by the Superior Court, with municipalities required to petition the court for approval of housing plans. The Supreme Court had mandated that a housing

advocacy group, Fair Share Housing Center have a say in each town's plan. Municipalities were required to petition the court for approval of housing plans. Haworth was able to successfully petition the Superior Court of NJ to lessen the original number of units that the state was mandating to satisfy its Third Round obligation with its prospective plans for development. The original obligation given to us at that time was 307 units. An independent firm lowered that number to 223 units.

For those of you who have lived here for at least the past 5 years, you know the Lakeshore development was part of our 2019 settlement. Lakeshore has 41 units, 9 designated as Affordable housing. As far as the state was concerned, that was not the end of our obligation, just a portion of it.

These are some projected numbers associated with the new legislation:

- 84,690 affordable units expected to be built in the next decade
Previous number was 73,607
- 140,000 new res units were built including (COO issued) between 2010 & 2020 both market & affordable

The real numbers under the newly determined obligation must be multiplied by 5 to understand the full potential impact. Developers are in business to make money and will only build if market value units are part of the deal. This is how we got 32 additional market value units at Lakeshore for 9 affordable units.

Statewide over 500k new units can be expected under this new law.

Immunity is lost if any deadline is missed (and they are onerous deadlines) which you can see in the handout.

If infrastructure supports were claimed as an issue, developers have threatened litigation to upgrade infrastructure to

accommodate development. The cost for the legal fees and infrastructural upgrades have been and would be borne by the taxpayers.

As examples, Park Ridge case study spent \$320,000 for professional fees related to affordable housing litigation, accounting for half of a 4.8 percent increase in property taxes. The ensuing trial resulted in 448 affordable units being built at the former Sony campus—40% of electrical load for municipality & \$17.5 million in upgrades.

Montvale had had over 1000 units built in past 3 years

Englewood Cliffs lost their court fight so not only has major development underway, but millions in attorney fees.

Before handing it over to our professionals, I want to make one thing clear. The affordable housing mandates dating back to the 1970's came out of a worthy ideal. The goal was to help families create generational wealth in the form of real estate. We value our culture as an inclusive, welcoming community and agree that should apply to all types of families and individuals. Our frustration is borne out of the insistence on treating every municipality the same regardless of size or resources. We simply do not have the space within our 2.3 square miles to take on hundreds of new homes, nor the ability to support them with our existing infrastructure. We will continue to work with the state in good conscience to preserve the character of our home and the resources we have.