

**TOWNSHIP OF BYRAM
RESOLUTION NO. 178 – 2016**

**RESOLUTION AUTHORIZING SUBMITTAL OF 2016 BYRAM TOWNSHIP
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

WHEREAS, a settlement agreement has been reached between the Township of Byram, the Planning Board of the Township of Byram, the declaratory judgment petitioners, and Fair Share Housing Center; and

WHEREAS, an updated 2016 Spending plan, which incorporates all of the requirements of the settlement agreement, shall be filed with the Court and Fair Share Housing Center as outlined in the settlement terms; and

WHEREAS, the 2016 Spending Plan has been prepared by Byram Township Planner Paul Gleitz, P.P., AICP; and

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the Township of Byram, Township Manager and Township Attorney have reviewed the 2016 Byram Township Affordable Housing Trust Fund Spending Plan; and

BE IT FURTHER RESOLVED, that the governing body of the Township of Byram authorizes the Municipal Clerk and Township Attorney to submit 2016 Byram Township Affordable Housing Trust Fund Spending Plan to the Court and Fair Share Housing Center.

BYRAM TOWNSHIP COUNCIL

	Councilwoman Raffay	Councilman Gray	Councilman Olson	Councilwoman Kash	Mayor Oscovitch
Motion			✓		
2nd		✓			
Yes	✓	✓	✓		✓
No					
Abstain					
Absent				✓	

ATTEST:

I certify that the foregoing resolution was adopted by the Byram Township Council at a meeting held on October 18, 2016.



Doris J. Flynn
Township Clerk

2016
Byram Township
Affordable Housing Trust Fund
Spending Plan

October 2016

Byram Township
Sussex County, New Jersey

Prepared By:

Paul Gleitz, P.P., AICP
Township Planner

Byram Township

Affordable Housing Trust Fund Spending Plan

INTRODUCTION

Byram Township has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:96-1 et seq. and N.J.A.C. 5:97-1 et seq. and/or N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:94-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by the municipality on January 20, 2004, by Ordinance #2-2004. The ordinance establishes the Byram Township affordable housing trust fund for which this spending plan is prepared.

As of August 31, 2016, Byram Township collected \$163,102.35 in revenue, expended \$73,842.60, resulting in a balance of \$89,259.69. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of market to affordable units, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in PNC Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

On November 17, 2008, Byram Township submitted its petition for substantive certification under Third Round rules to COAH and was deemed complete December 16, 2008. Subsequently, Byram Township submitted a revised petition for substantive certification under Third Round rules to COAH and was deemed complete June 7, 2010. Accordingly, the Township received "participating" status with COAH. Byram Township received an Affordable Housing Judgment of Compliance dated September 26th, 2016 from the Superior Court in Morristown. This spending plan is an element of compliance.

COAH last approved a Byram Township Spending plan prepared as part of the 3rd round petition on January 8, 2014. As of the date of approval of the 2014 Spending Plan the Township's Trust Fund had a balance of \$63,716.71. From December 31, 2011 through September 31, 2016, Byram Township collected an additional \$99,385.64 in development fees, other funds, and/or interest. In addition From December 31, 2011 through September 31, 2016 Byram Township expended \$73,842.66 in affordable housing funds on affordable housing activities as detailed in section 4 of this spending plan. The remaining balance in the account is \$89,259.69.

The following spending plan is organized into six sections; which are as follows:

1. Revenues for Certification Period
2. Administrative Mechanisms to Collect and Distribute Funds
3. Description of Anticipated Use of Affordable Housing Funds
4. Expenditure Schedule
5. Excess or Shortfall of Funds
6. Barrier Free Escrow

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the 10 year period of substantive certification (2016-2026), Byram Township considered the following:

(a) Development fees:

- 1) Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
- 2) All projects currently before the Land Use Board for development approvals that may apply for building permits and certificates of occupancy; and
- 3) Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL)

Byram Township has not included payments in lieu in the projection of revenue for the period of third round substantive certification.

(c) Other funding sources:

Byram Township has not included any other funding sources in the projection of revenue for the period of third round substantive certification.

(d) Projected interest:

The projected interest earned will be calculated based on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Byram Township projects a total of \$626,986.00 in revenue to be collected between August 31, 2016 and December 31, 2026. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

Projected Revenues-Housing Trust Fund - 2016 - 2026													
SOURCE OF FUNDS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
(a) Development fees:													
1. Approved Development													
Collected in 2015	\$9,130												\$9,130
Collected in 2016		\$72,078											\$72,078
2. Development Pending Approval													
Byram Quick Chek			\$80,000										\$80,000
3. Projected Development													
One Main Street - Resi.			\$8,000	\$9,000	\$8,000	\$9,000	\$8,000	\$9,000	\$8,000	\$9,000			\$68,000
Carpenter Road - Resi.						\$4,000	\$6,000		\$4,000			\$4,000	\$6,000
Forest Lake - Resi.					\$4,000								\$4,000
West Brookwood - Resi.			\$6,000	\$6,000			\$4,000						\$16,000
Scattered Sites - Resi.						\$40,000	\$40,000						\$80,000
Byram Hotel Site												\$30,000	\$30,000
Village Center Offices													\$200,000
Village Center Retail								\$80,000	\$80,000	\$40,000			\$30,000
Village Center Restaurants											\$30,000		\$30,000
(b) Payments in Lieu of Construction													\$0
(c) Other Funds (Specify source(s))													\$0
Subtotal	\$9,130	\$72,078	\$94,000	\$15,000	\$12,000	\$53,000	\$58,000	\$89,000	\$92,000	\$49,000	\$30,000	\$34,000	\$607,208
(d) Interest	\$10	\$31	\$64	\$49	\$33	\$31	\$31	\$42	\$54	\$51	\$42	\$33	\$472
Total	\$9,140	\$72,109	\$94,064	\$15,049	\$12,033	\$53,031	\$58,031	\$89,042	\$92,054	\$49,051	\$30,042	\$34,033	\$607,680

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Byram Township:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Byram Township's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

The Land Use Board Secretary will notify the Director of Planning and Development whenever a preliminary, final, or other applicable approval is granted for a development which is subject to a development or payment in lieu fee. When a request for a building permit is made, the Director of Planning and Development determines if the project is subject to the imposition of a fee.

The Director of Planning and Development will notify the Township Tax Assessor in order to calculate the approximate value of the project and set the fee based on the equalized assessed value for both residential and non-residential developments. In the event a new inclusionary zoning ordinance is adopted and a new payment in lieu is established the new fee shall take precedent.

The balance of the development fee will be paid by the developer to the Township's municipal clerk at the issuance of the certificate of occupancy. The funds are then forwarded to the Township's Financial Officer for deposit in the affordable housing trust fund.

(b) Distribution of development fee revenues:

Director of Planning and Development will forward a request to the Township's governing body recommending the expenditure of development fees as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body's resolution in accordance with the COAH approved spending plan. Once a request is approved by resolution, the Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) New construction programs and projects (N.J.A.C. 5:97-8.7)

Byram Township will dedicate \$300,000 to new construction programs (see detailed descriptions in Fair Share Plan) as follows:

New construction project(s): Pre-Development Assistance for the Village Center Mixed Use Development - \$300,000

	Credit	Bonus
Village Center Inclusionary 2-Bed Age Restricted (FOR SALE)	6	0
Village Center Inclusionary 1-Bed (FAMILY RENTAL)	5	5
Village Center Inclusionary 2-Bed (FAMILY RENTAL)	9	4
Village Center Inclusionary 3-Bed (FAMILY RENTAL)	6	0
Rental Bonus Credits (capped at 25% or 9)	26	9
TOTAL	35 Units/Credits	

(b) Municipally Sponsored Rehab Program (N.J.A.C. 5:97 – 8.7)

Byram Township will dedicate \$153,400 to a rehab program at approximately \$11,800 per unit. (see detailed descriptions in Fair Share Plan) as follows:

Byram has a Rehabilitation obligation of thirteen (13) units. In the 1990's, the Township was awarded a Small Cities grant from the Department of Community Affairs and intends to use this funding to support a rehabilitation program. As of Monday, August 22, 2016, the separate Rehabilitation Affordable Housing Trust Fund contained \$220,634.65. This is sufficient to satisfy Byram's present need/rehabilitation obligation of thirteen (13) units.

(c) Affordability Assistance (N.J.A.C. 5:97-8.8)

Actual development fees through 9/30/16		\$89,231
Actual interest earned through 9/30/16		\$31
Development fees projected 2016-2026	+	\$526,000
Interest projected 2016-2026	+	\$431
Less housing activity expenditures through 9/30/2016	-	\$11,320
Total	=	\$604,373
30 percent requirement	x 0.30 =	\$181,312
Less Affordability assistance expenditures through 9/30/2016	-	\$0
PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2005 through 12/31/2020	=	\$181,312
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2005 through 12/31/2020	÷ 3 =	\$60,437

Projected minimum affordability assistance requirement:

Byram Township will dedicate \$182,000 from the affordable housing trust fund to render units more affordable, including \$60,500 to render units more affordable to households earning 30 percent or less of the median income by region, as follows:

Byram Township will expend affordability assistance funds on down-payment assistance, rental assistance, security deposit assistance, low interest loans, assistance with HOA or condominium fees and special assessments and/or on the conversion of low income units to very low income units.

(d) **Administrative Expenses (N.J.A.C. 5:97-8.9)**

Actual development fees through 9/30/16		\$89,231
Actual interest earned through 9/30/16	+	\$31
Development fees projected 2016-2026	+	\$526,000
Interest projected 2016-2026	+	\$406
Actual Payments In Lieu		\$0
Total	=	\$604,348
20 % maximum expenditure	x 0.20 =	\$120,870
Less Admin expenditures through 9/30/2016	-	\$11,320
PROJECTED MAXIMUM Admin expenditures permitted 1/1/2016 through 12/31/2026	=	\$109,550

Byram Township projects that \$109,550 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:~

Byram Township will dedicate \$109,550 from the affordable housing trust fund to be used for administrative costs. The majority of the annual administrative expenditures will be for the administration of new construction programs and affordability assistance performed by the staff. Including, the completion of all monitoring requirements, the affirmative marketing of completed affordable units, application intake and placement of households and the research and acquisition of market to affordable units.

Additionally, the Township will utilize funds from the affordable housing trust fund to pay consulting fees and staff salaries related to the preparation and implementation of the Housing Element and Fair Share Plan.

4. EXPENDITURE SCHEDULE

Byram Township intends to use affordable housing trust fund revenues for the creation of housing units. Where applicable, the creation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

Program	# of Units	Projected Expenditure Schedule 2016- 2026											Total			
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		2026		
Village Center Pre-Development	26	\$0	\$0	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$300,000
Administration Costs		\$11,320	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$9,235	\$10,000	\$10,000	\$109,555
Affordability Assistance		\$0	\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$20,000	\$182,000
Total		\$11,320	\$0	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	\$58,000	\$57,235	\$57,000	\$60,000	\$591,555

5. EXCESS OR SHORTFALL OF FUNDS

The Township of Byram has adopted a resolution of intent to bond to cover any shortfall that may result, if the anticipated revenues are not sufficient to implement the plan.

In the event that more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or the Township of Byram is reserving funds for affordable housing projects to meet future affordable housing obligations, these excess funds will be used to subsidize additional affordability assistance to very low, low and moderate income households and the Village Center Mixed Use Inclusionary District.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with Byram Township's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

SUMMARY

Byram Township intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated October 2016.

Byram Township has a balance of \$89,259.69 as of September 30, 2016 and anticipates an additional \$526,431 in revenues before the expiration of substantive certification for a total of \$615,662. The municipality will dedicate \$153,400 towards a municipally sponsored rehab program that will provide 13 rehab units (With all funds coming from a Small Cities Grant from NJDCA kept in a separate Rehabilitation Affordable Housing Trust Fund) and \$300,000 towards Village Center Pre-Development activities. Byram will dedicate \$182,000 to render units more affordable, and \$109,555 for administrative costs. The municipality will dedicate any excess funds toward providing additional affordability assistance to subsidize additional affordability assistance to very low, low and moderate income households and the Village Center Mixed Use Inclusionary District.

SPENDING PLAN SUMMARY		
Balance as of 9/30/2016		\$89,231
Projected REVENUE 2016-2026		
Development fees	+	\$526,000
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$431
	=	\$615,662
EXPENDITURES		
Village Center Pre-Development	-	\$300,000
Affordability Assistance	-	\$182,000
Administrative Costs	-	\$109,555
	=	\$591,555
	=	\$24,107

