

**CITY OF SEA ISLE CITY
NEW JERSEY**

RESOLUTION NO. 210 (2018)

**A RESOLUTION OF THE CITY OF SEA ISLE CITY, COUNTY OF CAPE MAY,
STATE OF NEW JERSEY CREATING AN AFFORDABLE HOUSING
REHABILITATION PROGRAM AND ADOPTING THE CITY OF SEA ISLE CITY
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

WHEREAS, the City of Sea Isle City has recently concluded certain litigation related to its Affordable Housing Obligations pursuant to State law which resulted in a Settlement Agreement approved by the City of Sea Isle City Council and the City of Sea Isle City Planning Board "BOARD" and the Fair Share Housing Center ("FSHC") and approved by the Superior Court of New Jersey as a result of a Fairness Hearing conducted by the Court; and

WHEREAS, the City is required to implement the terms of the new Jersey Superior Court Order through the adoption of certain ordinances and resolutions which the City intends to do thereby implementing the Fair Share Plan; and

WHEREAS, this resolution adopts and implements an affordable housing rehabilitation program consistent with the above noted settlement agreement; and

WHEREAS, the development fee ordinance was adopted and this resolution is intended to implement parts of that ordinance; and

WHEREAS, the development fee ordinance establishes an affordable housing trust fund that includes development fees, payments from developers in lieu of constructing affordable units on-site, barrier free escrow funds, rental income, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units, etc.; and

WHEREAS, N.J.A.C. 5:97-8.1(d) requires a municipality with an affordable housing trust fund to receive approval of a spending plan from Council on Affordable Housing (COAH) prior to spending any of the funds in its housing trust fund; and

WHEREAS, N.J.A.C. 5:97-8.10 requires a spending plan to include the following:

1. A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity;
2. A projection of revenues anticipated from other sources, including payments in lieu of constructing affordable units on sites zoned for affordable housing, funds from the sale of units with extinguished controls, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, and interest earned;

3. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
4. A description of the anticipated use of all affordable housing trust funds pursuant to N.J.A.C. 5:97-8.7, 8.8, and 8.9;
5. A schedule for the expenditure of all affordable housing trust funds;
6. If applicable, a schedule for the creation or rehabilitation of housing units;
7. A pro-forma statement of the anticipated costs and revenues associated with the development if the municipality envisions supporting or sponsoring public sector or non-profit construction of housing;
8. A plan to spend the trust fund balance within four years of the Council's approval of the spending plan and accrual of funds, or in accordance with an implementation schedule approved by the Council;
9. The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan;
10. A description of the anticipated use of excess affordable housing trust funds, in the event more funds than anticipated are collected, or projected funds exceed the amount necessary for satisfying the municipal affordable housing obligation.

WHEREAS, the City of Sea Isle City has prepared a spending plan consistent with N.J.A.C. 5:97-8.10 and P.L. 2008, c.46 and intends to seek judicial approval of the plan since COAH no longer functions; and

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Sea Isle City, County of Cape May and State of New Jersey the attached spending plan shall be the City's spending plan, with the City to submit the plan to the New Jersey Superior Court for approval.

BE IT FURTHER RESOLVED City Council does hereby adopt the following Rehabilitation Program;

Rehabilitation Program

1. Sea Isle City's rehabilitation program shall be designed to renovate deficient housing units occupied by low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.
2. Both owner-occupied and renter-occupied units shall be eligible for rehabilitation funds.

3. All rehabilitated units shall remain affordable to low- and moderate-income households for a period of 10 years (the control period). For owner-occupied units the control period will be enforced with a lien and for renter occupied units the control period will be enforced with a deed restriction.
4. Sea Isle City shall dedicate a minimum of \$10,000 for each unit to be rehabilitated through this program, reflecting the minimum hard cost of rehabilitation for each unit.
5. Sea Isle City shall designate, subject to the approval of COAH, one or more Administrative Agents to administer the rehabilitation program in accordance with N.J.A.C. 5:96 and N.J.A.C. 5:97. The Administrative Agent(s) shall provide a rehabilitation manual for the owner occupancy rehabilitation program and a rehabilitation manual for the rental occupancy rehabilitation program to be adopted by resolution of the governing body and subject to approval of COAH. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
6. Units in a rehabilitation program shall be exempt from N.J.A.C. 5:97-9 and Uniform Housing Affordability Controls (UHAC), but shall be administered in accordance with the following:
 - (a) If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate-income household at an affordable rent and affirmatively marketed pursuant to N.J.A.C. 5:97-9 and UHAC.
 - (b) If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to N.J.A.C. 5:97-9 and UHAC.
 - (c) Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.
 - (d) Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:97-9 and UHAC, except that households in owner occupied units shall be exempt from the regional asset limit.


Jack C. Gibson, Council President

Recorded Vote:

Council	Yes	No	Abstain	Absent	Moved	Second
Tighe				X		
Feeley	X					
Gibson	X					
Kehner	X				X	
Edwardi	X					X

I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of Sea Isle City, New Jersey, at the regular meeting held on November 27, 2018.



Shannon D. Romano, Municipal Clerk