



**2018
BOROUGH OF DUMONT
ORDINANCE**

| MEMBERS | AYE | NAY | ABSTAIN | ABSENT |
|-------------|-----|-----|---------|--------|
| CORREA | | | | ✓ |
| DI PAOLO | ✓ | | | |
| LaBRUNO | | ✓ | | |
| MANNA | ✓ | | | |
| RIQUELME | ✓ | | | |
| STEWART | ✓ | | | |
| MAYOR KELLY | | | | |
| TOTALS | 4 | 1 | | 1 |

Ordinance No. 1534

Date: February 6, 2018

Page: 1 of 4

Subject: Affordable Housing Set-aside

Purpose: Amend Chapter 455, Article III

Prepared By: John Szabo and Gregg Paster, Esq.

Offered by: Manna
 Seconded by: Stewart

Certified as a true copy of an Ordinance Introduced and Passed by the Governing Body of the Borough of Dumont on the above date at a Public Meeting by:

Susan Connelly

**Susan Connelly, RMC, Municipal Clerk
 Borough of Dumont, Bergen County, New Jersey**

**AFFORDABLE HOUSING SET-ASIDE ORDINANCE
 BOROUGH OF DUMONT, BERGEN COUNTY**

AN ORDINANCE TO AMEND CHAPTER 455, ARTICLE III, "GENERAL REGULATIONS AND RESTRICTIONS" OF THE BOROUGH OF DUMONT ZONING CODE TO INCLUDE A NEW SECTION 455-21.1, "AFFORDABLE HOUSING MULTI-FAMILY SET-ASIDES"

WHEREAS, the Governing Body of the Borough of Dumont seeks to ensure that new multi-family residential development in Dumont will provide its fair share of affordable units and assist with the Borough's continuous efforts to address its affordable housing obligation; and

WHEREAS, for the above reasons, and in order to provide a realistic opportunity for the development of affordable housing through means other than inclusionary zoning, it is in the best interest of the Borough to adopt mandatory affordable housing set-asides within all multi-family residential developments at densities of six units per acre or higher.

NOW THEREFORE BE IT ORDAINED, by the Mayor and Borough Council of the Borough of Dumont, in the County of Bergen, and State of New Jersey, that:

SECTION 1. Chapter 455, Article III, "General Regulations and Restrictions" shall be amended to include a new Section 455-21.1 "Affordable Housing Multi-Family Set-Asides," which shall read as follows:

§455-21.1 Affordable housing multi-family set-asides

A. Residential development set-aside requirements.

- (1) Except as otherwise regulated in this chapter, any multi-family residential development that is approved to provide densities at or above six (6) units per acre as a result of any action of the Dumont Joint Land Use Board shall be required to set aside a minimum percentage of units for affordable housing. Where units will be for purchase, the minimum set aside shall be twenty percent (20%). Where units will be for rent, the minimum set aside shall be fifteen percent (15%).
- (2) Where the set-aside requirement in Subsection A. above results in a fractional unit, the total set-aside requirement shall be rounded upwards to the next whole number.
- (3) Irrespective of the requirements in Subsections A. and B. above, the Borough shall not be under any obligation to grant variances or extraordinary approvals for any such construction and development applications will be required to otherwise conform to the Borough's zoning requirements.

B. Affordable housing compliance mechanisms.

- (1) Any developer with an affordable housing set-aside requirement pursuant to Subsection A(1) above shall be permitted to satisfy said requirement through any of the following mechanisms, or a combination thereof, provided that advanced written permission is obtained from the Borough of Dumont:

- (a) On-site housing production;
 - (b) Off-site housing production in the Borough;
 - (c) The purchase of an existing market-rate dwelling at another location in the Borough and conversion thereof to an affordable deed-restricted dwelling in accordance with the applicable New Jersey Council on Affordable Housing (COAH) regulations, as may be amended from time to time;
 - (d) Participation in gut rehabilitation and/or buy-down/write-down and/or buy-down/rent-down programs;
 - (e) Payment in lieu of providing affordable housing; and
 - (f) Any other compliance mechanism permitted under the applicable COAH regulations, as may be amended from time to time.
- (2) Satisfaction of the affordable housing compliance mechanism(s) so permitted shall be an automatic condition of all approvals. Said condition shall be satisfied in accordance with COAH's phasing requirements pursuant to N.J.A.C. 5:93-5.6(d).

C. Applicable rules; tenure; administration.

- (1) All affordable units to be produced pursuant to Subsections A. and B. above shall strictly comply with the "Affordable Housing" chapter of the Borough Code and the applicable COAH regulations, as may be amended from time to time.
- (2) The affordable units to be produced shall either be purchase or rental units, which shall be at the discretion of the developer.
- (3) It shall be the developer's responsibility, at its cost and expense, to arrange for an administering agency that may either be the Borough of Dumont Municipal Housing Liaison, or some other entity approved by COAH and the Borough, to ensure full compliance with these rules and such certifications, reports and/or monitoring forms as may be required to verify compliance of each affordable unit.

D. Payments in lieu of construction.

- (1) The amount of payments in lieu of constructing affordable units on site shall be based on the cost of constructing each new residential unit, less proceeds

anticipated from the sale of the unit or the capitalization of rental income from the unit. The cost of constructing new residential units includes the sum of development hard costs, related soft costs and developer's fees pursuant to the cost containment provisions of N.J.A.C. 5:43-2.4(a)1 through 6, and land costs equal to twenty-five percent (25%) of the first quartile of new construction costs as reported to the Homeowner Warranty Program.

(2) Example:

| <u>1st</u> <u>Quartile</u> | <u>Land</u> <u>Costs</u> | <u>Construction</u> <u>Costs</u> | <u>Total</u> <u>Cost</u> | <u>Affordable</u> <u>Price</u> | <u>Required</u> <u>Payment in</u> <u>Lieu Amount</u> |
|-------------------------------|-----------------------------|-------------------------------------|-----------------------------|-----------------------------------|--|
| \$255,000 | \$63,750 | \$163,206 | \$244,491 | \$95,808 | \$148,683 |

SECTION 2. All Ordinances of the Borough of Dumont, which are inconsistent with the provisions of this Ordinance, are hereby repealed to the extent of such inconsistency.

SECTION 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

SECTION 4. This Ordinance shall take effect immediately upon final passage, approval, and publication as required by law.

ATTEST:

Susan Connelly, RMC
Municipal Clerk

James J. Kelly, Mayor

Introduced: February 6, 2018
Public Hearing:
Adopted: