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Lashway, Lisa

From: NJLM - Municipal Clerks [njlm-clerks@cityconnections.com]
Sent: Friday, May 30, 2008 4:06 PM
To: Lashway, Lisa
Subject: Municipal Clerks from NJLM



LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

May 30, 2008

Re: A-500, Affordable Housing

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Dear Mayor:

The Assembly Appropriations Committee is scheduled to meet next Thursday, June 5 and it is likely that A-500 will be on the agenda. If approved then, it is poised for a vote by the full Assembly.

As indicated in our May 23 letter , the Assembly Housing and Local Government committee adopted several amendments to the bill. For instance, the original bill proposed to replace RCA funding with a \$20 million appropriation from revenues garnered from the realty transfer fee. But now, that has been removed and the bill now appropriates \$20 million from the revenues of the 2.5% nonresidential development fee (i.e. the commercial development fee,) which is also created by A-500.

Thus, the result of this amendment is that \$20 million less is provided than in the bill as originally introduced; diluting a source of funding that was already inadequate. Our concern remains that our taxpayers will again be asked to make up for this undeniable shortfall. Based on our on-going concerns and this new concern, the League maintains its opposition to the bill.

The amendments also removed language that would have required COAH to determine an additional housing obligation for "middle income" households;

removed the retroactive provision that would have voided any current RCA agreements (in other words, RCA agreements will be eliminated moving forward;) changed the language regarding the forfeiture of municipal trust fund dollars so that a municipality would have to commit the dollars to be spent within four years, but not necessarily expend those dollars, to avoid the State seizing the funds; added language regarding replacement housing for deed restricted units lost as a result of redevelopment.

The bill, as amended, is online at either:

http://www.njleg.state.nj.us/2008/Bills/A0500/500_R1.HTM or

http://www.njleg.state.nj.us/2008/Bills/A0500/500_R1.PDF

The committee statement on the bill, which summarizes the amendments, is

online at: http://www.njleg.state.nj.us/2008/Bills/A0500/500_S1.HTM or

http://www.njleg.state.nj.us/2008/Bills/A0500/500_S1.PDF

We have received requests to send out a model resolution on A-500. We will certainly update our model resolution and provide it to you shortly. However, considering the time constraints and the possibility that the full Assembly will vote on this bill shortly, **our suggestion is to contact the Appropriations committee , as well as your Assembly representatives and State Senator with your concerns as soon as possible.**

Questions on this letter can be directed to Mike Cerra at mcerra@njslom.com or at 609-695-3481 x120.

Very truly yours,

William G. Dressel, Jr.
Executive Director

NJLM

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