

Daily Record

\$22 million must be spent, or it gets returned to state

Published: March 13, 2012

By Abbott Koloff

Housing advocates and legislators said this week that they are exploring ways to keep local funds designated to build affordable housing from being sent to the state as a deadline approaches for towns to use the money or lose it.

Twenty-two Morris County towns have a total of \$22 million at risk in affordable housing trust funds that would revert to the state on July 17 under the present law, which requires funds to be spent within four years. Developers pay into those trust funds to make up for the lack of affordable housing in their projects.

State Sen. Anthony Bucco, R-Morris, said this week that he is considering proposing legislation to have the money go to a county agency instead of to the state so that it would be used locally.

“We are trying to keep that money in our county,” Bucco said.

The push to keep that money local comes as municipalities across the state are scrambling to spend more than \$200 million that’s supposed to be spent by this summer. East Hanover has the most money at risk in Morris County, with \$4.6 million to be spent, with Parsippany next at \$3.7 million. Officials from those two towns said they are planning to commit that money to affordable housing projects by the deadline but didn’t give specific examples.

“We’re well aware of it, and we’re reviewing our options,” said East Hanover Administrator Joe Tempesta.

“We are in discussions with several groups,” said Parsippany Business Administrator Jasmine Lim.

Morristown has \$815,000 in its trust fund, but officials there said they don’t have to spend any of that money for another two years because all of it was collected within the past two years.

“We are cognizant of what we need to do with the money and would like to get it out there as soon as we can,” said Morristown Administrator Michael Rogers.

Bucco said he has had discussions about prospective legislation with the United Way of Northern New Jersey’s Housing Alliance, which announced on Tuesday that it is proposing a law to keep the money in counties of origins.

Jodi Miciak, co-chairwoman of the Housing Alliance, said housing advocates are worried about what will happen to the money if it’s sent to the state.

“We are afraid it will go into the general budget,” she said. “If all of that money went to the state to fund other programs, we’d never see it.”

State officials have said it would go toward various affordable housing initiatives, but housing advocates say those programs already are funded and it’s not clear whether they would get additional funding. They also said they want the money to stay where it was collected.

Dan McGuire, director of housing at Homeless Solutions in Morristown, said he suddenly became busy talking to towns about proposed affordable housing projects over the past three months.

“We’ve been active with some that have good projects,” McGuire said. “Others, I’ve scratched my head and wondered how they are going to protect that money.

“I think that people were in denial and thought the state can’t be serious about taking that money. Most towns have sat on those pots of money and not advanced any projects.”

He said that changed as Gov. Chris Christie’s office began talking about using some of that money to fund state affordable housing programs, making it clear that it would be part of the state budget. State Department of Community Affairs officials said on Tuesday that they had no breakdown of how that money might be used.

Joseph Giorgio, Hanover’s business administrator, said his township is working on several projects to spend the \$1.7 million it has at risk, along with an additional amount of money collected for the affordable housing trust fund within the past four years.

He said \$1.8 million will help build 78 units of affordable housing and another \$540,000 will help The Arc of New Jersey build a 12-unit group home for adults with disabilities.

“We would much prefer to expend the funds under our own time frame rather than having the state give us a declaration that the money is going to be confiscated,” Giorgio said.

Randolph’s plans to spend \$1.4 million include an agreement with Habitat for Humanity for 28 units and a proposal for a group home for adults with special needs, said Township Manager John Lovell.

Mount Olive Business Administrator Sean Canning said his township is “well along in the process” of spending the \$1.3 million it has at risk. “It’s been known for a while, and we’re optimistic we’ll have those funds committed,” he said.

Meanwhile, there have been at least two other legislative efforts to protect money in the trust funds.

State Assemblyman Anthony M. Bucco, R-Morris, introduced a bill on Monday that would extend the deadline, giving towns eight years to spend money collected from developers instead of four.

State Sen. Ray Lesniak, D-Union, is sponsoring a bill that would use money from the trust funds to purchase homes in foreclosure and use them for affordable housing.

McGuire, from Homeless Solutions, said Lesniak's proposal wouldn't work in Morris County because there aren't enough homes in foreclosure and many of them are large McMansions, which are unsuitable for affordable housing.

"That may not be a proper place to put a low-income family and have them pay for utilities," he said.