

**MINUTES
WORK SESSION MEETING
TOWNSHIP OF MONROE
SEPTEMBER 10, 2018**

A.) OPENING CEREMONIES & ROLL CALL

The regular scheduled Work Session Meeting of the Monroe Township Council was called to order by **Council President, Rich DiLucia** at approximately 7:00 PM in the Conference Room on the first floor of the Municipal Complex, located at 125 Virginia Avenue, Williamstown, New Jersey.

This meeting was advertised pursuant to the New Jersey Open Public Meetings Act (*NJSA 10:4-6 thru 10:4-21*). Notices were placed in the official publications for Monroe Township (i.e.: South Jersey Times, Courier Post and the Sentinel of Gloucester County). A copy of that notice has been posted on the bulletin board at the Municipal Complex.

SALUTE TO OUR FLAG – Cncl. Dilks led the Assembly in the Salute to Our Flag.

ROLL CALL OF PUBLIC OFFICIALS

Cncl. Marvin Dilks	Present	
Cncl. Ronald Garbowski	Present	
Cncl. Bob Heffner	Present	
Cncl. Joe Marino	Present	
Cncl. Bart McIlvaine	Present	
Cncl. Cody Miller		Excused
Cncl. Pres., Rich DiLucia	Present	
Mayor, Daniel P. Teefy		Excused
Solicitor, Louis Cappelli, Jr.	Present	
Business Admin., Kevin Heydel		Excused
Engineer, Kathryn Cornforth, ARH	Present	
Dir. of Finance, Karyn Paccione		Excused
Dir. of Public Safety, Jim Smart	Present	
Dir. of Public Works, Mike Calvello	Present	
Dir. of Comm. Dev/Code Enf. Rosemary Flaherty		Excused
Dir. of Parks & Rec, Jim Bonder	Present	
Deputy Mayor, Andy Potopchuk	Present	
Chief of Police, John McKeown	Present	
Municipal Clerk, Susan McCormick	Present	

B.) PUBLIC PORTION

Cncl. Garbowski made a motion to open the Public Portion. The motion was seconded by **Cncl. Marino** and unanimously approved by all members of Council in attendance. With no one wishing to address council members, **Cncl. Garbowski** made a motion to close the Public Portion. The motion was seconded by **Cncl. Dilks** and unanimously approved by all members of Council in attendance.

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C.) MATTERS FOR DISCUSSION

Cncl. Pres., DiLucia noted there was a request for a walk-on resolution (*Resolution Of The Township Council Of The Township Of Monroe Authorizing Payment From Township Affordable Housing Trust Fund To Triad Associates, Inc. To Implement, Administer, And Work The Township Of Monroe's Market To Affordable Program*) dealing with the funding for the Affordable Housing program. **Solicitor Louis Cappelli** explained that the township has engaged with Triad Associates to implement the Affordable Housing Trust Spending Plan and what this does is to establish a housing trust fund which includes development fees, payment from developers and other fees adding Triad Associates has been hired to administer the program. In order to administer the program funds must be set aside, the amount of funds recommended in Monroe's plan is \$250,000. This gives Triad the ability to go and acquire properties and do other things on properties that you would not have the ability to do directly as a municipality without going through a long process. Mr. Cappelli then explained this does not transfer the funds directly to Triad, it transfers those funds to a trust account that will be used when this governing body approves an expenditure to purchase property and other things in accordance with your plan. **Cncl. Pres., DiLucia** noted it was his understanding that the committee (*Redevelopment Committee*) is in the process of looking into four or five houses within an area as they are going to try to concentrate on one area. The first project they are going to get involved with are rentals. They have a number of investors that are interested and have applied to be involved in this. They are targeting early next year for putting one on the market and having one already rented. The quarter million dollars referred to in the resolution comes out of our trust fund that has been set aside from the monies gotten from developers and that as they buy, purchase, fix whatever, they with the authority of the governing body, will communicate with the committee who will then make a recommendation to the full council and if we approve the expenditures for purchasing the properties they will move forward at that time. He noted he was pretty impressed with their presentation, he felt they (*Triad*) really have their stuff together. Mr. Cappelli noted that to our credit the township has assembled a sizeable amount of funds through developers and other areas to have these funds available and he felt it makes a significant impact. He felt it was a good plan, these aren't necessarily grants a lot of these will come back as properties sold or redeveloped. It is more like a revolving loan fund than anything else. **Cncl. Pres., DiLucia** remarked that theoretically it is supposed to replenish itself as we put the houses on the market. Hopefully, there will be enough money in the trust fund that we can put enough (*purchases, etc.*) through that we can satisfy our obligation under whatever that COAH number is eventually going to be, that is the goal. **Cncl. Dilks** questioned if you have to qualify for these. **Cncl. Marino** responded, yes it is based on income and he wanted to make it clear that the committee (*Marino, Garbowski, Miller*) has not talked about specific rentals. We were talking about purchases for families just starting out and again wanted to be very clear we have no recommendations on rentals. There was some discussion on the committee meeting that took place previously. Mr. Cappelli explained that COAH has certain standards and with Fair Share Housing they have all sorts of different standards that apply to these things. Triad is very adept, based on his experience, in implementing such programs. They know the rules and regulations inside out adding there will be all kinds of ways to get this money back. **Cncl. Dilks** questioned once they refurbish the house and move in does the mortgage get paid right to Triad?

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C.) MATTERS FOR DISCUSSION (cont'd)

It was noted the monies go back into the trust fund. **Cncl. Marino** noted the subsidy is up to \$27,000 that we stand to possibly not get back if they qualify for the max. Therefore, potentially we would not get everything back but a good portion of it. **Cncl. Heffner** noted if Triad is going to oversee the whole process, who oversees their contractors, who puts that out to bid? Who decides who gets to work on these houses? He didn't see anything in their specs where it goes out to bid, it could be their next door neighbor. **Solicitor Cappelli** explained they have a process in place and he felt Triad shared that. It is not the bidding process the township goes through but they do go out there and request bids. **Cncl. Marino** explained the contractors must be certified, licensed, insured and be able to pull permits.

Deputy Mayor, Andy Potopchuk voiced his concern with this process and the effect on people who live in developments with rentals being there. Say if there is low income housing and perhaps there could be a \$500,000 house wherever it might be, isn't that going to bring down values? **Solicitor Cappelli** stressed just so everyone was clear this is not low income housing per say, this is about rehabilitating properties that are in bad shape. Mr. Potopchuk then questioned if that is the case why don't we turn them over to flippers and not have the township involved. **Cncl. Pres., DiLucia** advised we have to satisfy the COAH requirement. Mr. Potopchuk questioned if COAH was low income homes. Mr. Cappelli advised, affordable homes and it is based on the size of your family. **Deputy Mayor, Potopchuk** then noted he was wondering what the people are going to say. You guys can do whatever but when they come and ask me questions I am going to come back and answer because if you are living right there, even though they might be fixing it up and there are lower income people, what are they going to say? **Solicitor Cappelli** noted for the home to be on the market the home is not being taken care of. He felt what this does is bring some aid for people to help rehab the home. **Cncl. Pres., DiLucia** noted as he understands this even if this was a developer who came in and built a development and let's say they were \$300,000 homes, 20% of those homes would have to be set aside for moderate and low income. The township is really the one that takes it on the nose because the taxes are reduced for thirty years. Mr. Cappelli explained the way these funds are actually created is because of a Fair Share Housing program that the state has and it mandates that we do it. Our Fair Share Housing plan is currently pending before a judge for approval. There was a brief discussion on the Justin Commons area and what transpired at the time. **Cncl. Pres., DiLucia** noted now we have money but we also have a big obligation, there is a big number out there that we must satisfy. **Cncl. Marino** stressed to be clear what we are doing here tonight is to approve the money in the trust account. When it comes back to locations and houses and rentals this governing body still has to go through a process.

Cncl. McIlvaine questioned the content of Resolution R:183-2018 and if it was scheduled for the regular meeting agenda. It was explained that it is being discussed in work session and a vote would be taken to move it forward for approval. **Cncl. McIlvaine** noted as long as the verbiage in the resolution includes "rentals" he would not support it. I am not going to make this easy regardless of the end result for someone to come in and purchase a house and become a landlord on the backs of Monroe Township residents.

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C.) MATTERS FOR DISCUSSION (cont'd)

The solicitor explained, by definition, that is what a market to affordable housing is. **Cncl. Marino** questioned if there was any other option. Mr. Cappelli replied, don't do anything. Discussion continued. **Cncl. McIlvaine** then noted I am sorry I can't support something like this. **Cncl. Pres., DiLucia** noted he did not feel anyone on council who has been involved with this for any length of time would willingly sit here and agree to this if it wasn't that the courts say do it or we will make you do it. We sat in closed session after closed session talking about whether we were going to comply with COAH or defy it. After we spent a lot of money and went to court it was obvious the most expensive way was to continue to defy it. We are at the point where we have given up any hope of fighting not for COAH to be for real. We don't know what the final number is going to be but we do know we have an obligation, what that obligation is we don't have a total number, it may be more or less than we anticipated. The reality is, that program requires us, by law, to provide housing for moderate to low income. **Cncl. Garbowski** noted this is not on the backs of the taxpayers this is money that comes from developers it is not tax dollars. **Cncl. McIlvaine** noted when you build a house it is assessed a COAH fee so ultimately it is on the backs of the taxpayers. Rentals properties are what brought this town to its knees right now. If there was a Trenton politician that lived in Monroe Township then by all means let him come here, let him live in it, he makes the rules and he doesn't have to live here, I do. Mr. Cappelli noted actually it was the NJ Supreme Court that made this rule not the legislature. **Cncl. McIlvaine** then noted I don't have a problem doing it for houses but he stressed he did not want a developer to come in here and buy properties and then rent them out. I am one person and I will not support this resolution. **Cncl. Pres., DiLucia** noted we are all free to vote whatever we want but he wished to clarify that whether it is a rental or a sale the taxpayer is still going to supplement because the taxes on said property are still going to be reduced. Whether it be a rental or sale it makes no difference as that does not affect the assessment of the property. **Mr. Cappelli** advised ultimately this governing body decides what properties are improved or not improved, ultimately you have the ultimate say on what the project is. **Cncl. Pres., DiLucia** said from his standpoint, if there was no threat of us losing a lawsuit and I am convinced we would lose on this issue as this is a federal issue, thus we would have to pay a lot of money. If I had a choice I would vote against this, the reason I am voting for it is because we have no choice and this is the best avenue to address the problem. This is a company (*Triad*) that is the business and we are using money put in by developers and we knew when we took the money that it would go towards affordable housing that would address the issue of COAH requirements. I sat in on many closed sessions on this and voted no against the settlement (*Justin Commons*) however the majority of council voted to approve the settlement and in retrospect they were right to settle. I will vote for this resolution, I am maybe not going to like the end result but I think it is the better of the two avenues.

Cncl. Dilks questioned with this program, will there be a specific percentage of rentals required? The solicitor indicated it is totally up to you on how you implement the program, totally up to you on how to spend this money. **Cncl. Pres., DiLucia** questioned Mr. Cappelli if he was saying you can make it 100% sales. He responded, you can explaining each project comes back here and you determine (*inaudible*). **Cncl. Marino** noted you can't change the language in the resolution but for example you could just do

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C.) MATTERS FOR DISCUSSION (cont'd)

single family homes. The idea here was to go through certain areas when we first looked at this, sometime last year to determine areas where houses were in very bad shape hoping to fix the blight. **Cncl. Dilks** again questioned once these houses are bought would they be deed restricted? The response was yes, for thirty years.

Tom Swartz - (*Economic Development Commission*) commented that he is involved in a lot of COAH matters, Fair Share Housing. He noted what transpired in Cherry Hill and Mt. Laurel (*his projects*) where the developer sued the town and the town gave them that money sitting in the trust fund to build their development. We just opened a project with 24 single family affordable housing units and they are rentals because you get double credits on rentals. So really what are you trying to accomplish here? A sale is a single credit, a rental is a double credit. Mt. Laurel had to pay for the improvements for the roadway and the infrastructure out of their trust fund, and the developer went and built the houses. Mr. Swartz noted by doing this program you are showing the courts you have a plan for our money we are using this money, the other towns just sat on it and they lost it. Mr. Cappelli added if you don't spend it someone else will tell you how to spend it. Mr. Swartz again spoke on acquiring credits and the township's objectives, he felt the best thing to do is to start using that money so a developer doesn't come it and take it from you.

Cncl. McIlvaine noted so that everyone understands where I am coming from I am not against helping somebody obtain a house. What I am dead set against is allowing a developer to come here to buy these houses, then rent them out to make money. I don't care if it is 15 points because rental properties are what destroyed Monroe Township and I would challenge anybody that would say otherwise. He clarified this by saying not all rentals are bad but if we are going to help people I want to help people obtain a house. I don't want to help a developer obtain a house and then start renting them. Now, we are going to give the money to a developer and he can buy a house in any development in Monroe Township and he is going to rent it out and make money. To me, that is dead set wrong and I will not support it.

Cncl. Pres., DiLucia questioned how do we prevent a developer from buying a house, flipping it and making money? Isn't this the same? **Cncl. McIlvaine** noted you are not utilizing this money to do it. There was then discussion back and forth regarding developers, rental units, percentages, etc. **Cncl. McIlvaine** again stressed he did not want rental properties in this town and I don't want a developer coming in here utilizing this money to make a buck. When I vote on something I look at the benefit to the existing residents and there is no benefit to this. **Cncl. Marino** noted there is a negative to it, if you say no to it there is definitely a negative that could impact the tax payer down the road.

He was not arguing regarding the rentals, he would like to see that language removed also. But if you cannot remove that language (*For Rent Units*) the question in front of you now is say no completely and roll the dice, years from now down the road you may end up in a big lawsuit over it or do we trust the governing body to do the best they can for the residents. He felt you have to look at this objectively as I am presented with two

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C.) MATTERS FOR DISCUSSION (cont'd)

choices here, neither of which are great. **Cncl. Garbowski** advised this option will let us pick and choose, if it comes to a lawsuit we will not have a choice in the matter.

Cncl. Pres., DiLucia noted there is a choice here and we have the right to dictate to Triad whether something gets rented or purchased, so we are in control. So, in the first round there could be three (3) rentals and never have another rental. **Cncl. Marino** noted in the committee meetings he attended there was never a discussion on rentals. He knew of the point system and how it works but if there is no money left in that account they can't go after you. The solicitor felt there should be discussion on how we are going to implement and progress with this program. **Solicitor Cappelli** advised, legally speaking, you move forward with the resolution and then figure out how you want to implement it with Triad. Mr. Cappelli stressed without the funds being sent to this trust account nothing can be done.

Cncl. Pres., DiLucia suggested we move this forward with the understanding that council is going to have discussions with Triad. That Triad should be contacted and advise them that the governing body, although they haven't voted officially, feels very strongly that they would rather go in the direction of sales than rentals. **Cncl. McIlvaine** noted with all due respect to everyone I am out of here at the end of December so I won't have any say after that, this is my only chance to get my input.

Cncl. Pres., DiLucia polled council on whether to move *Resolution Of The Township Council Of The Township Of Monroe Authorizing Payment From Township Affordable Housing Trust Fund To Triad Associates, Inc. To Implement, Administer, And Work The Township Of Monroe's Market To Affordable Program* forward for approval at the regular council meeting. It was the consensus of council members in attendance to move forward with the resolution for approval at the regular council meeting.

Main Street

Director of Parks & Rec, Jim Bonder approached council members to speak with respect to the conditions along Main Street. He noted he is along Main Street several times a day and he feels we have to do something here and that begins with passion. As an example, he noted that 3 sixteen wheelers came flying down there and over the last few weeks we got grass in some of our areas that are almost a foot and a half high, emphasizing he was not blaming anybody. What he suggested was that we start out with a plan adding in his fifteen years here he hasn't seen Main Street change at all. There is nothing getting done and I am at the point where I want to be held accountable and he felt all Directors should be held accountable. We should be brought into a meeting and asked what can you do, how can you affect change in this town. He felt we could get a lot accomplished just by cleaning up Main Street and stopping 16 wheelers from coming down Main Street. He went on to note some additional things that could be done to affect change. Changes don't begin with a committee, it starts with us, each director, sitting down and discussing what could or should be done. Mr. Bonder noted in his talks with people the one thing that comes across is that Main Street is dirty, filthy and nothing has happened to improve it.

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C.) MATTERS FOR DISCUSSION (cont'd)

He noted his embarrassment that in 15 years we haven't been able to do anything. He felt we need to get people involved. There a ton of good people in this township that do a lot of good things. He then went on to speak on some improvements but emphasized the biggest mistake was letting the library go and now where it is located is in no man's land and with the number of people that utilize the library could you imagine the library on Main Street today, there would be several businesses that would have come there (*pizza, pastry shops, etc*). We have to start making good decisions, we have to drive people into that location. Mr. Bonder stressed he would be happy to get involved and to see all the Directors get involved and be held accountable. He felt we could do some things that can get moved forward relatively quickly and he noted he would like to sit down with some people and put a plan together. We should not let this continue, this can be changed we can start tonight to make a change on Main Street. **Cncl. Marino** spoke on some efforts the Main Street Committee was working on, there was talk of a street scape as well as a building plan being put together. There have been businesses approached to come in here that would succeed no matter what. He felt we were all in support of a beautiful Main Street but it has its challenges. **Mr. Bonder** felt the conditions may be our fault, we should clean up Pfeiffer and clean up some rental properties. We have a former mayor that owns property where there are weeds growing up and I am not putting the blame on him because we let it go. We should do the things we can effect and how we do that he was not sure. But if we had seven (7) directors sitting in a room with each one bringing something to the table he felt we could accomplish something. He thanked council for their time and hoped to hear something soon.

D.) NEW BUSINESS - None

E.) OLD BUSINESS - None

F.) COMMITTEE REPORTS - None

G.) QUESTIONS REGARDING RESOLUTIONS SCHEDULED - None

H.) QUESTIONS REGARDING ORDINANCES SCHEDULED - None

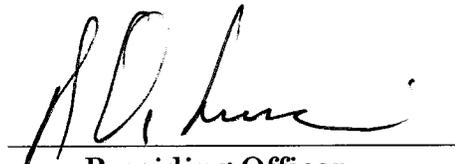
I.) ADJOURNMENT

With nothing further for discussion, **Cncl. Garbowski** made a motion to adjourn the Council Work Session of September 10, 2018. The motion was seconded by **Cncl. Dilks** and was unanimously approved by all members of Council in attendance.

Respectfully submitted,



Susan McCormick, RMC
Municipal Clerk



Presiding Officer

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These minutes were prepared from the tape-recorded proceedings and the hand written notes of the Council Work Session of September 10, 2018 and serves as only a synopsis of the proceedings. Portions of the official tape may be heard in the Office of the Township Clerk upon proper notification pursuant to the Open Public Records Law.

Approved as submitted Am
Approved as corrected _____

Date 9/24/18
Date _____