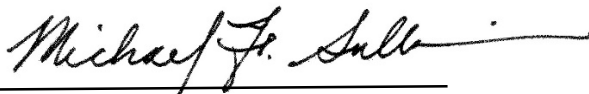


THIRD ROUND AFFORDABLE HOUSING
MIDPOINT REALISTIC OPPORTUNITY REVIEW
TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY

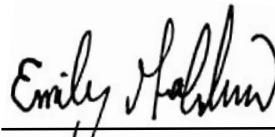
*IMO Application of the Township of Readington
Docket No. HNT-L-301-15*

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1.0 PURPOSE

Readington's Settlement Agreement with Fair Share Housing Center ("FSHC") requires that the Township comply with the statutory midpoint review requirements of the Fair Housing Act ("FHA") and specifically N.J.S.A. 52:27D-313, which provides in relevant part: "[t]he Council shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public." Pursuant to the FSHC Settlement Agreement, that review requires the Township to post on its website, with a copy to FSHC and an opportunity for comment, a status report regarding its compliance mechanisms and whether or not unbuilt sites/unfulfilled mechanisms continue to present a realistic opportunity. The Settlement also contemplates review of items relating to the Township's lack of available sewer.

2.0 BACKGROUND

The Township is one of few municipalities to have received substantive certification from COAH in Rounds 1, 2 and 3 -- and, indeed, a municipality that had produced affordable even prior to Round 1 in response to Mount Laurel I in 1975. Consistent with this history of voluntary compliance, the Township proactively filed a Declaratory Judgment Action pursuant to Mount Laurel IV under docket HNT-L-301-15. Subsequently, the Township entered into various court-approved settlements, including, most significantly, its Settlement Agreement with FSHC, dated July 17, 2019 and approved by Court Order on October 15, 2019. Since that time, the Township has adopted its Housing Element and Fair Share Plan (HEFSP) and implementing ordinances, but has not yet proceeded to a final Compliance Hearing or received its final Judgment of Compliance and Repose (JOR). Since the HEFSP and ordinances have only recently been adopted and the HEFSP has not been approved by the Court, many of the compliance mechanisms described in this review are in their infancy.

The Settlement Agreement established the Township's Third Round Fair Share obligations as follows:

- Rehabilitation Share/Present Need: 95 units
- Prior Round Obligation: 394 units
- Third Round Gap and Prospective Need Obligation: 1,045 units

3.0 REHABILITATION OBLIGATION REVIEW

As stated, Readington's rehabilitation obligation is 95 units. Pursuant to the Settlement Agreement,

“no later than 30 days prior to the date of the final compliance hearing in this matter, Readington Township may conduct a housing survey of existing dwelling units to determine whether the municipal housing stock includes the 95 Present Need units identified for the Third Round. The housing survey will be conducted in accordance with the field inspection and documentation procedures set forth in N.J.A.C. 5:93-2.2(b). The survey will be reviewed by the Special Master and Court and if the Court deems appropriate the rehabilitation obligation may be adjusted based on the survey at the final compliance hearing.” (Item 7)

The Township completed an Exterior Structure Survey, pursuant to N.J.A.C. 5:93-2.2(b) that identified 21 units in need of rehabilitation. As such, the Township has adjusted its rehabilitation obligation to 21 units.

In order to address the obligation, the Township will utilize Hunterdon County’s Home Improvement Loan Program and Community Development Block Grant Program and will utilize the County as the administrative agent of the program. Additionally, the Township will operate a supplementary rehabilitation program in order to expand the reach of the program and to also ensure it is available to renter-occupied households. The Township’s in-house affordable housing coordinator will administer the Township Rehabilitation Program in conformance with N.J.A.C. 5:93-5.2.

4.0 PRIOR ROUND REVIEW

The Township’s Prior Round obligation of 394 units was fully satisfied with 305 affordable housing units and 91 associated rental bonus credits. These units are comprised of regional contribution agreement units (164 out of 188 credits), credits without controls (32 credits), family for-sale (14 credits) and rental projects (58 credits), senior rental units (4 credits) and group home facilities (33 credits). The Township has a two-unit surplus that has been carried to the Third Round obligation (Prospective Need + Gap Present Need).

5.0 THIRD ROUND REVIEW

The Township has an obligation to create a realistic opportunity for the construction of its non-deferred Round 3 obligation during the current compliance period, which ends in July of 2025. Those mechanisms and the status of those mechanisms are as follows:

Mechanism	Description	Ordinance Adopted (Yes/No)	Status	Notes/Additional Information
Prior Round Surplus	2 credits	N/A	Complete	Credit without controls surplus of 2 credits
RCAs	24 of 188 perfected RCAs	N/A	Completed	
Lake Cushetunk Residual Credits	84 family rental units	N/A	Completed	
Mirota	60 age-restricted units	N/A	Completed	
Extensions of Controls	13 extensions of controls	N/A	Completed	
Proposed Group Homes				
Allies Inc.	17 bedrooms	N/A	Proposed	Executed Agreement
ARC	6 bedrooms	N/A	Proposed	Executed Agreement
Community Options	4 bedrooms	N/A	Proposed	Executed Agreement
Other	1 bedroom	N/A	Proposed	
MTA General	25 market-to-affordable units	N/A	Proposed	Bond Ordinance adopted
MTA Harriet's	22 market-to-affordable units	N/A	Proposed	Executed MOU; Bond ordinance adopted
Nelson Street	72 family rental units	Yes (March 20, 2017)	Under Construction	All of the buildings are approved except for one
BCUW	23 supportive special needs + 20 senior units	Yes (May 4, 2020)	Proposed	Executed MOU and Developers Agreement; Executed Contract of Sale
Habitat for Humanity	2 new units + 1 rehab unit	N/A	Proposed	
Three Bridges 100%	80 family rental units	Yes (May 4, 2020)	Proposed	
SAR	48 family rental units	Yes (April 1, 2019) Amended (July 1, 2019)	Proposed	Approved Settlement Agreement
Readington Commons	64 family rental units	Yes (March 4, 2019)	Approved (February 10, 2020)	Approved Settlement Agreement
Fox Hollow	48 age-restricted rental units	Yes (June 15, 2020)	Proposed	Executed MOU

Paragraph 14 of the FSHC Settlement Agreement requires the Township to describe changes in circumstances relative to sewer. The Township has no such circumstances to report.

In addition to being required to create a realistic opportunity for the construction of its non-deferred obligation during the Round 3 compliance period, the Township was also required to take certain measures towards addressing the non-deferred portion of its obligation, which it has done as follows:

Mechanism	Ordinance Adopted (Yes/No)	Additional Information
Mirota (100%)	Yes (June 15, 2020)	80 age-restricted rental units
Van Doren Inclusionary Overlay	Yes (June 15, 2020)	41 family rental units
Hionis Inclusionary Overlay	Yes (May 4, 2020)	33 family rental units
Three Bridges Inclusionary Overlay	Yes (May 4, 2020)	42 family rental units

6.0 VERY LOW INCOME ANALYSIS

The amended Fair Housing Act requires the Township to ensure that 13% of all affordable units built, approved, or proposed since July 2008 are affordable to very low income households with incomes of 30% or less of regional median income. The Township has 608 affordable units proposed, approved, and constructed on or after July 17, 2008, of which at least 80 must be affordable to very low income households. Of those 80, at least 40 must be available to families.

Affordable Units Built Since 2008	Total Affordable Units	Project Containing VLI Units/Number of VLI Units	Status
Hartman	15	2	Under Construction
Winfield-Cushtunk Manor	12	2	Completed
Nelson Street	72	10	Under Construction
Habitat for Humanity	2	0	Proposed
BCUW/Madeline Partnership	43	6	Proposed
ARC Proposed Group Homes	6	6	Proposed
Community Options	4	4	Proposed
Allies Proposed Group Homes	17	17	Proposed
Proposed Group Homes	1	1	Proposed
Three Bridges – Diaz	80	11	Proposed
SAR	48	7	Proposed
Readington Commons	64	9	Proposed
Fox Hollow	48	7	Proposed
Mirota Expansion	80	11	Proposed
Van Doren	41	6	Proposed
Hionis	33	5	Proposed

Three Bridges Inclusionary Overlay	42	6	Proposed
TOTALS	608	110	-

7.0 SUMMARY

The Township's plan implementation continues to create a realistic opportunity where that standard is applicable and the Township maintains sufficient mechanisms for addressing its deferred obligation.