

Town of Hackettstown

Affordable Housing

Midpoint Realistic Opportunity Review

September 29, 2020

Background

On March 10, 2015, the Supreme Court ruled that the Council on Affordable Housing (“COAH”) failed to act and, as a result, the Courts would be assuming jurisdiction over the Fair Housing Act. On or about July 6, 2015 the Town of Hackettstown filed a Declaratory Judgment with the Court. On January 12, 2017, the Town entered into a Settlement Agreement with the Fair Share Housing Center (“FSHC”) to memorialize the terms of settlement of the Town’s affordable housing obligations.

The Settlement Agreement outlines Hackettstown’s affordable housing obligations as follows:

- Rehabilitation Share: 60 units
- Prior Round Obligation: 62 units
- Third Round Prospective Need: 163 units

The Town adopted a Housing Element & Fair Share Plan on June 29, 2017 to address the affordable housing obligations. An Amended Housing Element & Fair Share Plan was adopted on December 17, 2019 to account for an amended site plan approval reducing the affordable housing units to be developed by Paftinos III (Bilby Road) from 80 units to 55 units.

Paragraph 17 of the Settlement Agreement requires that the Town comply with the statutory midpoint review requirements of the Fair Housing Act and specifically N.J.S.A. 52:27D-313, which states “...the Council [on Affordable Housing] shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public...” This Midpoint Review Report has been modeled after the template prepared by FSHC and modified to more closely reflect the conditions in the municipality, the Settlement Agreement with FSHC, and the Housing Element and Fair Share Plan.

The Settlement Agreement requires that the midpoint review be posted on the Town website, a copy provided to DCA, COAH or LGS, and a copy provided to FSHC. This review acts as a status report regarding the Town’s compliance mechanisms and whether or not any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity.

At a Fairness Hearing on March 9, 2017, the Superior Court found the Settlement Agreement to be fair and deemed it to be preliminarily in compliance with the Town’s affordable housing fair share obligation. Thereafter, Hackettstown prepared and adopted the requisite compliance documents. The Final Compliance Hearing was held on June 30, 2020.

Conditions of Compliance

The Court conducted the Compliance Hearing on June 30, 2020. The Town is granted a Conditional Judgment of Compliance and Repose (“JOR”) and is granted immunity and protection from any Mount Laurel builder’s remedy actions through July 1, 2025, subject to the following conditions:

1. The Town should provide information on Heritage House current and past household incomes and provide said information to the Special Master and FSHC
2. The Town should provide an updated letter from the Center for Humanistic Change indicating that the home has provided affordable housing since its 1995 opening and their intention in the future, at least through the end of the Third Round in 2025.
3. The Town should provide the approving resolution for the Lion Gate at Musconetcong Project.
4. The Town should identify, and implement, how it will address the three (3) unit deficiency in the Third Round compliance plan.
5. The Town should submit the adopted development fee ordinance.
6. The Town should submit the adopted affirmative market resolution.
7. A revised Spending Plan that properly allocates all anticipated funds in the affordable housing trust fund should be submitted.
8. The Town should submit operating manuals for the affordability assistance program.
9. Execution and approval of a written agreement between Moudro Corporation and the Hackettstown Municipal Utilities Authority

The Town is currently in the process of addressing the conditions of the JOR.

Present Need (Rehabilitation Share) Review

As indicated above, Hackettstown has a 60-unit Rehabilitation Obligation. As noted in Paragraph 4 of the Settlement Agreement, Hackettstown utilized 15 new construction credits from Van Pafinos II and 1 rehabilitated home through the Warren County Housing Rehabilitation Program to address 16 of the 60-unit rehabilitation obligation.

Hackettstown intends to continue to encourage residents to utilize the existing WCHRP to rehabilitate homes. Hackettstown transferred \$210,000 from its affordable housing trust fund to WCHRP in 2012 to be designated for rehabilitation of homes in Hackettstown. At an average cost of \$10,000 per home, this is assumed to be sufficient funds for 21 homes to be rehabilitated. It is also assumed that additional funds will be available from the WCHRP to rehabilitate an additional 23 units in Hackettstown, for a total of 45 anticipated units through WCHRP.

Present Need (Rehabilitation Share)			
Project Name /Development	Existing Credits	Proposed Credits	Total Credits
WCHRP Rehabilitation Credits	1	23	24
Funds Reserved through WCHRP		21	21
Van Pafinos II (Age-Restricted Rental)	15		15
Total	16	44	60

Prior Round Mechanism Review

Hackettstown Town addressed its Prior Round obligation of 62 units with 31 existing credits, 15 proposed credits and 16 bonus credits, as shown in the table below.

Prior Round Credits						
Project Name /Development	Credit Type	Tenure	Year	Units	Bonus Credits	Total Credits
Heritage House	Age-Restricted	Rental	1985	15		15
B&W and Gordon MAB (103 & 105 Valentine St)	Family	Rental	2009	6	6	12
Arc of Warren County Group Home (109 Carter Terrace)	Alternative Living Arrangement	Rental	1991	4		4
Arc of Warren County Group Home (431 Hurley Drive)	Alternative Living Arrangement	Rental	2014	4		4
Center for Humanistic Change	Alternative Living Arrangement	Rental	1995	2		2
Van Paftinos III (Bilby Road)	Family	Rental	--	15	10	25
Totals				46	16	62

Third Round Realistic Opportunity Review

Hackettstown Town addressed its Third Round obligation of 17 units with 64 existing credits, 58 proposed credits and 41 bonus credits, as shown in the table below.

Third Round Credits						
Project Name /Development	Credit Type	Tenure	Year	Units	Bonus Credits	Total Credits
Heritage House	Age-Restricted	Rental	1985	40		40
Center for Humanistic Change	Alternative Living Arrangement	Rental	1995	3		3
Brook Hollow Estates	Family	Owner Occupied	1998	21		21
Van Paftinos III (Bilby Road)	Family	Rental	--	40	40	80
Lion Gate at Musconetcong, LLC	Family	Rental	--	18	1	19
Totals				122	41	163

Very-Low Income Analysis

Paragraph 8 of the Settlement Agreement indicates that 13% of all units referenced in the Agreement constructed after July 1, 2008 shall be very-low income units. Half of those units must be available for families. Of the Prior Round and Third Round mechanisms, all existing developments were built before July 1, 2008, so the very low-income obligation for the Prior Round and Third Round mechanisms only applies to the Van Paftinos III and Lion Gate at Musconetcong developments. The Town will continue to comply with the 13% very low-income requirement for those developments that occur after 2008.

Conclusion

In conclusion, Hackettstown's plan implementation continues to create a realistic opportunity for affordable housing. Most of the affordable units in the plan are constructed and occupied and the Warren County Housing Rehabilitation Program is in operation. The Town will continue to implement the affordable housing programs

as detailed in the Settlement Agreement and Housing Element & Fair Share Plan, and will comply with the Conditional JOR.

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