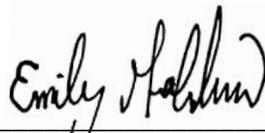


**THIRD ROUND AFFORDABLE HOUSING
MIDPOINT REALISTIC OPPORTUNITY REVIEW
TOWNSHIP OF HAMILTON
MERCER COUNTY, NEW JERSEY**

*IMO Application of the Township of Hamilton
Docket No. MER-L-1573-15*

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1.0 PURPOSE

The requirement for a midpoint realistic opportunity review derives from the Fair Housing Act (“FHA”) at N.J.S.A. 52:27D-313, which provides: “[t]he Council (Council on Affordable Housing or COAH) shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public.” Although COAH failed to adopt regulations or procedures for a midpoint realistic opportunity review, the purpose and process is set forth in Hamilton Township’s 2017 Court-approved Settlement Agreement with Fair Share Housing Center (“FSHC”).

The purpose of the midpoint realistic opportunity review is for Hamilton to provide a status report as to the Township’s implementation of its Court-approved 2020 Amended Housing Element and Fair Share Plan (“Plan”, “HEFSP”), an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity, and an update on the progress of any incomplete mechanisms. Pursuant to Hamilton’s Settlement Agreement with FSHC, the Township is required to post this status report on its website, with a copy to FSHC. The Agreement also contemplates review of unmet need mechanisms, however this is not applicable to Hamilton. In the event the Court determines that a mechanism no longer presents a realistic opportunity and should be replaced, or if the Court determines that any mechanisms should be revised or supplemented, then Hamilton Township shall have the opportunity to supplement or revise its Plan to correct any deficiency.

To facilitate the review process, in addition to posting this Midpoint Review Report on its website and submitting copies to FSHC, Hamilton Township will place on file a copy of this report for public inspection at the office of the Hamilton Township Clerk or, if the municipal building is still closed due to the COVID-19 pandemic, interested parties may request a copy be mailed. Lastly, the Township will provide newspaper notice of the availability of this report. The Township’s notice to the public of this Midpoint Review Report will include a 30-day deadline for any interested party comments to be submitted.

2.0 BACKGROUND

In response to the New Jersey Supreme Court’s 2015 Mount Laurel decision, the Township filed its Declaratory Judgment action with the Superior Court on July 8, 2015. Through the declaratory judgment process, the Township and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over the matter to review. The Township of Hamilton entered into a Settlement Agreement with FSHC, which was executed on December 19, 2016. Following a February 22, 2017 Fairness Hearing, the Settlement Agreement was approved by Superior Court Order, dated March 31, 2017, which

found the Agreement and the Township's Preliminary Compliance Measures fair to the interests of low- and moderate-income citizens of the region. Hamilton then prepared a Housing Element and Fair Share Plan, which was initially adopted by the Township's Planning Board on February 22, 2018 and subsequently amended on September 13, 2018. Following a November 17, 2018 Compliance Hearing, the Court issued a Conditional Judgment of Compliance and Repose on December 18, 2018. Since then, the Township adopted two amended Housing Element and Fair Share Plans to satisfy the conditions of the Conditional Judgment of Repose; with the current plan adopted on January 23, 2020. The Township's Plan was scheduled to be reviewed at a Court Compliance Hearing on March 16, 2020; however, the Hearing was canceled due to the COVID-19 Pandemic. The hearing will be rescheduled for a later date.

As reflected in the Township's Court-approved Settlement Agreement and Amended HEFSP, the Township's Third Round Fair Share obligation is as follows:

- Rehabilitation Share/Present Need: 310 units
- Prior Round Obligation: 705 units
- Third Round Gap and Prospective Need Obligation: 521 units

3.0 REHABILITATION OBLIGATION REVIEW

The Township has a Rehabilitation Obligation/Present Need of 310 units. To address this obligation, Hamilton is utilizing both a Township Rehabilitation Program and the Mercer County Housing Rehabilitation Program. The Township Rehabilitation program is funded through a Community Development Block Grant as well as \$2,000,000 of Affordable Housing Trust Fund monies.

4.0 PRIOR ROUND REVIEW

As indicated in the Settlement Agreement, the Township's Prior Round obligation of 705 units is fully satisfied. These units comprise Regional Contribution Agreement credits, Prior Cycle credits, special needs facilities, 100% affordable development, inclusionary housing, and rental bonus credits. All of these developments are completed and occupied, and comply with rental and age-restricted unit requirements.

5.0 THIRD ROUND REVIEW

The Township has addressed its 521-unit Third Round obligation with 390 affordable housing units and 131 associated rental bonus credits. These credits comprise Prior Round surplus, special needs facilities, 100% affordable developments, inclusionary housing projects, market-to-affordable units, and extensions of expiring controls. With the exception of the mechanisms discussed below, some of which were introduced after the Plan's adoption, all of Hamilton's Third Round affordable housing projects are completed and occupied or remain unchanged in status. Otherwise, the Township continues to provide a realistic opportunity for each Court-approved Third Round compliance mechanism.

Project Freedom – Samuel Alito Drive

This 100% affordable development for families and special needs households received Preliminary and Final Site Plan Approval from the Hamilton Planning Board in August 2019. According to the 2019 Spending Plan, the Township will convey the site to the developer at fair market value of \$1,092,000 as part of its affordability assistance expenditures as well as \$573,250 to subsidize predevelopment costs and tree replacement. Hamilton's Municipal Housing Liaison, Robert Poppert, has indicated that the developer received a HMFA Low Income Tax Credit award in 2019 and applied for Federal Home Loan Bank funds. The developer anticipates a February/March 2021 closing and to commence construction shortly thereafter.

Mercer Arc – 1470 Klockner Road

Construction is currently pending on this six bedroom special needs group home. As of March 11, 2020, Mr. Poppert indicated that an engineering firm completed onsite soil testing, which allowed the architect to finalize building plans. The "construction ready" drawings have been submitted to the general contractor for a construction estimate. Mr. Poppert also noted that the Township is finalizing funding with lenders, which needs to be secured before filing construction permit requests. The Township is not currently seeking credits for these units.

HomeFront XVI – Connecticut Avenue (GP&TL)

Recently acquired by HomeFront from GP&TL, this site was approved by the Zoning Board in 2013 for the development of 16 housing units. HomeFront intends for this to be a 100% affordable project for homeless and/or at risk families. As authorized by resolution No. 19-386, adopted on December 3, 2019, the Township has committed \$1,120,000 in affordability assistance to this project. Mr. Poppert has provided that HomeFront recently closed on the property but is requesting additional funding from the Township due to unforeseen projected costs.

East State Street

Following a 2015 fire that severely damaged eight (8) rowhomes along East State Street, in 2018 the Township resolved to acquire these properties, either through purchase or condemnation, and replace them with five (5) affordable for-sale family units. The Township sought appraisals in September 2019 and has committed \$1,500,000 to support construction. Even though the Hamilton is not seeking credit for this project at this time, the Township is moving forward with the development of these units and is working with an engineer to develop a demolition plan and prepare cost estimates for the new homes. Mr. Poppert indicates that the Township's legal team is actively working to acquire the properties, at which point the Township will put the project out to bid.

Twin Ponds

Twin Ponds, an inclusionary age-restricted development that will include 18 affordable units, remains under construction. Mr. Poppert has indicated that three (3) of the affordable units have been completed as part of Building #3. On April 24, 2020, the Township and Piazza and Associates, Inc. held a virtual lottery to select prospective residents.

Brandywine Woods

At the time the Amended Plan was adopted, the inclusionary Brandywine Woods development was awaiting a possible zoning amendment to increase the site's maximum residential yield. On April 8, 2020 the zoning amendment was adopted by the Township Council (Ord. No. 20-006), permitting an increase from 298 to 388 residential units with a 20% affordable housing set-aside to be comprised of 55% low income and 45% moderate income households. This increase in overall dwelling units raises the set-aside from 60 to approximately 78 family affordable for-sale units.

Hamilton Senior Living

This inclusionary age-restricted assisted living and memory care facility is reported to be nearing completion. The building will house 11 Medicaid beds, which were previously deed restricted in May 2018. According to Mr. Poppert, the project has been slightly delayed by revisions to the construction drawings, which must be approved by the DCA prior to the issuance of certificates of occupancy.

Society Hill Extension of Expiring Controls

At the time the Amended Plan was adopted, the Township had successfully extended controls through the end of the Third Round for 48 of the 80 affordable units at Society Hill II. The Township has agreed to provide \$2,380.20 in annual affordability assistance to 22 of the 48 units. Subsequently, an

additional unit may have its controls extended; however, an amendment to the agreement between the Township and the Condo Association shall be required before this may occur.

Habitat for Humanity

Although not included in the Amended Plan, Habitat for Humanity is currently constructing two homes for low income families at 308 and 328 Parkinson Avenue. In February 2020, the Township Council adopted Resolution 20-221 authorizing an expenditure of \$100,000 (\$50,000 per home) in Trust Fund monies to subsidize construction. An Amended Spending Plan will be prepared to include this project and will be submitted to the Court for approval.

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. Compliance mechanisms in Hamilton's Plan that meet that criterion provide a total of 311 affordable units, of which at least 41 must be affordable to very low income households. The Township far exceeds this requirement, providing 97 very low income units from post-2008 mechanisms alone (see below table). Plan-wide, the Township provides a total of 143 very low income units, including 39 available to families.

Affordable Units Built / Approved Since 2008	Total Affordable Units	VLI Units Proposed / Provided	Status
Twin Ponds	18	0	Under Construction
Brandywine Woods	60	8	Adopted Zoning
Enchantment Villas	28	0	Completed
Mill One	0	0	Proposed
The Homestead	5	0	Completed
Visitation Homes (VH1) - 417 Yardville-Allentown Rd	5	0	Completed
Visitation Homes (VH2) - 355 Yardville-Allentown Rd	4	0	Completed
Visitation Homes (VH3) - 405 Yardville-Allentown Rd	6	0	Completed
Allies Inc. (331 Redfern Ave.)	3	3	Completed
Allies Inc. (423 Wilfred Ave.)	3	3	Completed
SERV (6 Lohli Dr.) *	5	5	Completed
SERV (2 Bainbridge Ct.) *	5	5	Completed
SERV (117 Colonial Ave.) *	4	4	Under Renovation
Eden (3 Blue Devil Ln.) *	4	4	Completed

Eden (433 Princeton Ave.) *	4	4	Completed
Mercer ARC (236 Murray Ave.)	4	4	Completed
Mercer ARC (11 Phaeton)	4	4	Completed
Mercer ARC (88 Village Drive West)	4	4	Completed
Mercer ARC (12 Compton Way)	3	3	Completed
Mercer ARC (1470 Klockner Road)	0	0	Construction Pending
Community Options (25 Tattletown Road)	5	5	Completed
HomeFront Transitional (129 Moffatt Ave.)	4	4	Completed
HomeFront IV (116 Moffatt Ave.)	4	2	Completed
HomeFront VI (141 Francis Ave.)	4	2	Completed
HomeFront IX (1782 & 1786 Greenwood Ave.)	8	4	Completed
HomeFront X (1778 Greenwood Ave.)	4	1	Completed
HomeFront XI (117 Moffatt Ave)	4	4	Completed
HomeFront (141 Moffatt Ave.)	4	4	Completed
HomeFront XVI (GP&TL Connecticut Avenue)	16	8	Approved
Project Freedom – Samuel Alito Drive	78	10	Approved
State Street	0	0	Proposed
Hamilton Senior Living	11	2	Under Construction
Habitat for Humanity	0	0	Under Construction
TOTALS	311	97	-

7.0 SUMMARY

The Township’s Court-approved compliance mechanisms addressing its Fair Share obligations create a realistic opportunity as each compliance mechanism has met the development requirements (as extended by FSHC) set forth in the Court-approved Settlement Agreement and in the Court’s 2018 JOR Applicable. The Township maintains sufficient mechanisms for addressing its obligations. In the event the Court determines that a site or mechanism no longer presents a realistic opportunity and should be replaced, or if the Court determines that any mechanisms should be revised or supplemented, then Hamilton Township shall have the opportunity to supplement or revise its Amended Plan to correct any unit deficiency.