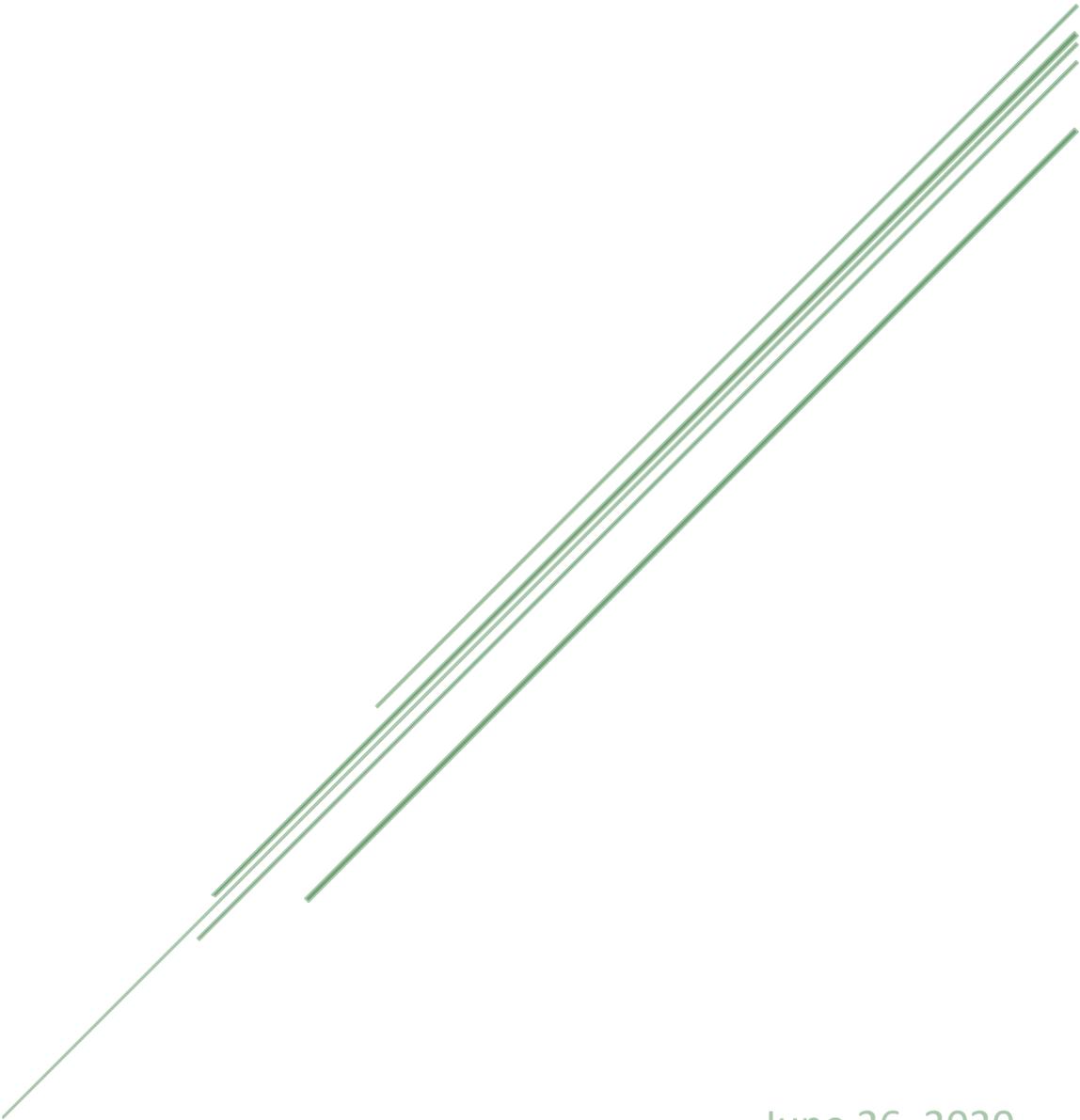


AFFORDABLE HOUSING MIDPOINT REVIEW REPORT

Borough of High Bridge



June 26, 2020

PURPOSE

Paragraph 19 of the Borough of High Bridge's Settlement Agreement with Fair Share Housing Center (hereinafter "FSHC") requires that the Borough comply with the statutory midpoint review requirements for the Fair Housing Act and specifically N.J.S.A. 52:27D-313, which states "...the Council 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 Court-approved Housing Element and Fair Share Plan.

The 2017 Settlement Agreement requires that the midpoint review be posted on the Borough's website, with a copy provided to FSHC. The review acts as a status report regarding the Borough's compliance mechanisms and whether or not any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity. This review includes mechanisms addressing the unmet need.

RELEVANT BACKGROUND

On July 7, 2015, High Bridge filed its Declaratory Judgment Action. The Borough executed a Settlement Agreement with FSHC on December 15, 2017. The 2017 Settlement Agreement outlines High Bridge's affordable housing obligations:

- A four-unit Rehabilitation Obligation,
- A 27-unit Prior Round Obligation, and
- A 90-unit Third Round Obligation.

The Borough sought and received a Vacant Land Adjustment (hereinafter "VLA") for the Third Round. The VLA produced a 12-unit Realistic Development Potential (hereinafter "RDP"). However, during the mediation process, FSHC added the affordable units from the 41 Center Street and 20 Main Street inclusionary developments, which have two affordable units and one affordable unit, respectively. The estimated four affordable units to be provided by the Exact Tool Redevelopment Area were mandated to be included in the RDP. Therefore, the Borough's total RDP is 19 units.

However, the Borough and FSHC agreed to an eight-unit Durational Adjustment pursuant to N.J.A.C. 5:93-4.3. As detailed in the 2018 Housing Element and Fair Share Plan, several sites identified in the VLA are outside of the Borough's sewer service area. This reduced the RDP by 8, from 19 to 11.

On February 13, 2018, Judge Miller entered an Order Approving Settlement Agreement following the Fairness Hearing held on the same day. Thereafter, the Borough adopted and/or approved the necessary compliance documents. On August 9, 2018, a Final Compliance Hearing was held, which resulted in a Final Judgment of Compliance and Repose (hereinafter "JOR") entered by Judge Miller on the same day.

CONDITIONS OF COMPLIANCE

High Bridge's JOR contains one condition, which states "as a continuing obligation and condition of this Judgment of Compliance and Repose, the Borough shall comply with the monitoring and reporting requirements identified in Paragraphs 17, 18, and 19 of the December 11, 2017 Settlement Agreement".

Paragraph 17 of the 2017 Settlement Agreement requires on the first anniversary of the JOR and on every anniversary thereafter for monitoring to be submitted regarding the trust fund activity. Paragraph 18 concerns affordable housing activity with the same deadlines. Finally, Paragraph 19b concerns the review of very-low income units, which is due within 30 days of the third anniversary of the JOR and every third year thereafter.

The Borough's first trust fund and affordable housing activity monitoring was due on August 8, 2019. It should be noted that the Borough filed its first anniversary monitoring via email to FSHC on August 9, 2019. Both monitoring reports are posted on the Borough's website - <https://highbridge.org/affordable-housing/>.

PRIOR ROUND MECHANISM REVIEW

As detailed above, High Bridge's Prior Round Obligation is 27 units. The Borough has three existing mechanisms to satisfy the entire Prior Round Obligation with 24 credits and 3 bonuses. The table below provides a summary of the units allocated to the Prior Round Obligation and their status.

PRIOR ROUND MECHANISMS						
Development	Block & Lot	Description	Ordinance Adopted (Y/N)	Status	Existing Affordable Units	Proposed Affordable Units
Credits without Controls	Various block & lots	Housing units created and occupied between April 1, 1980 and December 15, 1986, which do not have affordability controls but were occupied by an affordable household that were identified in a "credits without controls" survey conducted during the Borough's 2004 COAH Substantive Certification.	N/A	Awarded credits in the Borough's 2004 COAH Substantive Certification.	18	
Development Resources Corporation	B25, L10.25	A five-bedroom group home occupied by very-low income clients with developmental disabilities.	N/A	Built & Occupied	5	
38 Main St	B8, L7	A mixed-use inclusionary building approved via use variance. One apartment has a 30-year deed restriction for a moderate-income one-bedroom family unit.	N	Built & Occupied	1	

THIRD ROUND REALISTIC OPPORTUNITY REVIEW

The realistic opportunity standard applies to all RDP mechanisms for VLA municipalities. The table below summarizes the mechanisms allocated to the Third Round RDP and their current status. There are three mechanisms allocated to the Third Round RDP, which generate seven credits and four bonuses.

THIRD ROUND REALISTIC DEVELOPMENT POTENTIAL MECHANISMS						
Development	Block & Lot	Description	Ordinance Adopted (Y/N)	Status	Existing Affordable Units	Proposed Affordable Units
41 Center St	B29.02, L12	There are two affordable units, which have a 30-year deed restriction. Both are family units and one-bedroom. One is a low-income unit and the other is a moderate-income unit.	N/A	Built & Occupied	2	
20 Main St	B29.01, L3	A mixed-use inclusionary building constructed in 2017. One apartment has a 30-year deed restriction for a family one-bedroom moderate-income household.	N/A	Built & Occupied	1	
100 West Main St	B26, L16	Designated Redevelopment Area with a Redevelopment Plan that permits a variety of uses, including inclusionary multi-family housing. The maximum residential density is eight units per acre, which could produce up to 35 units. The Redevelopment Plan requires a 20% affordable housing set-aside.	Y	A Redevelopment Plan for the property was adopted via Ordinance 2018-012. The Redevelopment Plan was amended on May 24, 2018 via Ordinance 2018-018 to add indoor recreation as a permitted use and prohibiting vaping-related businesses. The Borough awaits an application.		4

DURATIONAL ADJUSTMENT OF THE THIRD ROUND RDP AND UNMET NEED

As stated above, the Borough received a Durational Adjustment for eight units of the 19-unit RDP. The Borough also has an Unmet Need of 71 units for the Third Round. Pursuant to Paragraph 9 of the Settlement Agreement with FSHC, the Borough will address the eight-unit Durational Adjustment and 71-unit Unmet Need through the mechanisms presented in the table below.

THIRD ROUND DURATIONAL ADJUSTMENT AND UNMET NEED MECHANISMS						
Development	Block & Lot	Description	Ordinance Adopted (Y/N)	Status	Existing Affordable Units	Proposed Affordable Units
Downtown Business "DB" Zone	Various block & lots	The Borough amended its Downtown Business (DB) Zone Ordinance in 2014 to permit residential units. High Bridge is located in the Highlands Region, which mandates 20% of new units to be affordable.	Y	The Borough will maintain the DB Zone Ordinance through July 1, 2025.		TBD
Mixed-Use Corridor "MUC" Zone	Various block & lots	Amendment to the MUC Zone to conditionally permit inclusionary multi-family residential development.	Y	Ordinance 2018-026 was adopted on June 28, 2018, which conditionally permits inclusionary residential development above permitted uses in the MUC Zone on lots greater than 25,000 square feet. One application has been submitted that has triggered this Ordinance. The Borough awaits additional applications.		TBD
Fair Housing Act	TBD	Inclusionary ordinance triggered when multi-family development of certain sizes and density are permitted outside of an inclusionary zone.	Y	Adopted via Ordinance 2018-024 on June 28, 2018. No application has been filed that has triggered the Ordinance.		TBD

THIRD ROUND DURATIONAL ADJUSTMENT AND UNMET NEED MECHANISMS (continued)						
Development	Block & Lot	Description	Ordinance Adopted (Y/N)	Status	Existing Affordable Units	Proposed Affordable Units
81 West Main St	B30, L13 & 14	Inclusionary residential development, known as Riverview Village, is located in the MUC Zone and contains 15 multi-family apartments, which was approved in 2019. The site is located in the MUC Zone and utilized the conditionally permitted inclusionary development provision that resulted from the Borough's settlement. The development provides three affordable units.	Y	Resolution PB09-2019 approved the 15-unit multi-family building. One low-income, once-bedroom affordable unit will be provided on site. Two affordable units will be provided at the existing 20 Main Street building. This will include a two-bedroom very-low income unit and a two-bedroom moderate-income unit. All are family rentals. A 30-year deed restriction has been recorded for all three units. The building received a CO on June 25, 2020.	3	

High Bridge has not been advised of any changes to the sewer service area boundaries. Nor has the Borough received any requests from property owners to expand said sewer service area. Furthermore, any requests for a boundary change would be submitted to Highlands and/or NJDEP not the Borough.

REHABILITATION

As indicated above, High Bridge has a four-unit Rehabilitation Obligation. As noted in Paragraph 5 of the Settlement Agreement, this obligation will be satisfied by reserving a maximum of \$40,000 of the Borough's Affordable Housing Trust Fund to complete up to four rehabilitations through a Borough-sponsored rehabilitation program. Since the issuance of the JOR, the following activities have been completed:

- The pre-application form was posted on the Borough's website and published in the Borough's Newsletter on or about November of 2019.
- As a result of the advertising, at least 19 applications were received. The first application was received on December 11, 2019.
 - 4 applications have been withdrawn or were determined to be over the income limit.
 - 1 application is moving toward a loan closing. Quotes for the work have been received.
 - 1 application is eligible and scheduled to be inspected in the next 30 to 60 days.

- 2 applications have been invited into the program but have not submitted paperwork to certify their income. They have been given a deadline of June 19, 2020 to submit.
- 15 applications are currently on the program’s waiting list.

VERY-LOW INCOME ANALYSIS

Paragraph 10 of the 2017 Settlement Agreement indicates that 13% of all units referenced in the Agreement, except those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very-low income units. Half of those units must be available for families. The table below provides a summary of the Borough’s very-low income units and their current status.

VERY-LOW INCOME UNITS					
Mechanisms	Total Affordable Units	Proposed VLI Units	Existing VLI Units	VLI Percentage of Total	Status
38 Main St	1		0	0%	Built & Occupied
41 Center St	2		0	0%	Built & Occupied
20 Main St	1		0	0%	Built & Occupied
100 West Main St	4	1		25%	A Redevelopment Plan for the property was adopted via Ordinance 2018-012. The Redevelopment Plan was amended on May 24, 2018 via Ordinance 2018-018 to add indoor recreation as a permitted use and prohibiting vaping-related businesses. The Borough awaits an application.
Fair Housing Act	TBD	TBD		TBD	Ordinance adopted. Awaiting Applications.
81 West Main St	3		1	33.3%	Approved 15-unit multi-family inclusionary residential development. Three affordable units will be provided, one unit on the site and two units at the 20 Main Street building, including one very-low income unit. The building received a CO on June 25, 2020.

CONCLUSION

As per Paragraph 8 of the 2017 Settlement Agreement, High Bridge was required to provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning on the Exact Tool Property, which is also known as 100 West Main Street. As demonstrated by the tables above, the Borough adopted a Redevelopment Plan for the site. Furthermore, as per Paragraph 9 of the 2017 Settlement Agreement, High Bridge was required to create and/or amend ordinances to address the Unmet Need. As demonstrated by the tables above, all three mechanisms are in place. Furthermore, one application has already been processed and approved under the amended MUC Zone.

In conclusion, High Bridge has implemented the necessary ordinances, has approved one application that triggered the MUC Zone inclusionary residential ordinance, and awaits additional applications. The Borough's plan implementation continues to create a realistic opportunity where that standard is applicable, and the municipality has implemented its Unmet Need mechanisms, which continue to be constitutionally sufficient.