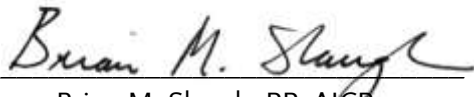


**AFFORDABLE HOUSING
THIRD ROUND MIDPOINT REVIEW
BOROUGH OF HIGHLAND PARK
MIDDLESEX COUNTY, NEW JERSEY**

JULY 6, 2020

Prepared by:



Brian M. Slauch, PP, AICP
New Jersey Professional Planning License No. 3743



Elaine R. Clisham, MCP

Clarke Caton Hintz



100 Barrack Street
Trenton, New Jersey 08608
609-883-8383

Table of Contents

Purpose	1
Background	1
Rehabilitation Obligation Review	2
Prior Round Review	2
Third Round Review	2
Family Unit Requirement.....	4
Summary	5

PURPOSE

Highland Park’s Settlement Agreement with Fair Share Housing Center (“FSHC”) requires that the Borough 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 Borough 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 for the creation of affordable housing. This report has been prepared to comply with those statutory midpoint review requirements.

BACKGROUND

The Borough filed a petition on July 2, 2015, seeking declaration of its compliance with the Mount Laurel doctrine and the Fair Housing Act, in accordance with In re N.J.A.C. 5:96 and 5:97. The Borough and Fair Share Housing Center executed a Settlement Agreement dated December 19, 2017 that determined the Borough’s Third Round affordable housing obligation. At a fairness hearing May 31, 2018, memorialized by Court order dated June 11, 2018 and amended June 20, 2018, the Settlement Agreement was found fair and reasonable to the interests of low- and moderate-income residents. Pursuant to the terms of the Settlement Agreement, the Borough’s Planning Board adopted a Third Round Housing Element and Fair Share Plan on October 11, 2018, which the Mayor and Council endorsed on October 23, 2018 and which the Borough submitted to the Court as proof of compliance with the Settlement Agreement. At a hearing July 15, 2019 the Court found the Borough had satisfied all compliance conditions, and on that date issued a final Judgment of Repose in the matter through 2025.

The Settlement Agreement established the Borough’s Third Round Fair Share obligation as follows:

- Rehabilitation share: 121 units
- Prior Round obligation: 0 units
- Third Round gap and prospective need obligation: 173 units

REHABILITATION OBLIGATION REVIEW

The Borough had a Rehabilitation obligation of 121 units. Through the rehabilitation of 123 Highland Park Housing Authority affordable rental units, the Borough has fully satisfied its Rehabilitation obligation. The Borough remains a participant in the Middlesex Urban County Housing Rehabilitation Program, but has discontinued its municipal rehabilitation program, although it reserves the option to revive that program should the need arise.

PRIOR ROUND REVIEW

The Borough had a Prior Round obligation of 0 units.

THIRD ROUND REVIEW

The Borough has satisfied its 173-unit Third Round obligation with a combination of existing 100% affordable age-restricted rental units, inclusionary family rental and for-sale units, and alternative living arrangements, and adopted redevelopment plans.

The FSHC Settlement Agreement acknowledges that, although the Borough's 188 previously approved or constructed units and rental bonuses exceed the 173-unit Third Round obligation agreed upon by the parties, the Borough would be 11 units short of satisfying the FSHC Settlement Agreement requirement that half of the units to be available to families. In order to close this gap, the Borough identified four projects in the development approval pipeline that could create up to 25 affordable family units. Due to changes in circumstances, the Borough's final plan now provides 14 new family units, and this review identifies one more, that resolve the 11 family-unit gap and also include very low-income units, bringing the total number of units and rental bonuses addressing the Third Round to 202.

Table 1. Highland Park Borough's Third Round 173-Unit Obligation Compliance Status				
Mechanism	Units	Bonus Credits	Total Credits	Current Status
Alternative Living Arrangements				
11 S. Second Ave.	1		1	Existing
Project Highland Park	4		4	Completed
114 S. Second Ave.	3		3	Existing
Veterans' Supportive Housing	11		11	Existing
Irayna Court	6	5; cap	11	Existing
SERV	18		18	Existing
ARC of Middlesex County	9	9	18	Existing
Inclusionary Development				
Overlook at Highland Park Affordable Family For-Sale	9		9	Existing
Highland Cliffs Affordable Family For-Sale	2		2	Under Construction
The Merriewold Affordable Family Rental	30	30	60	Existing
The Crossings at Highland Park Affordable Family For-Sale	5		5	Existing
Heritage at Highland Park Affordable Family For-Sale	6		6	Under Construction
137-139 Raritan Ave.	1		1	Under Construction
130-134 Raritan Ave.	3		3	Proposed
31 River Rd.	6		6	Approved
100% Affordable Development				
Habitat for Humanity Affordable Family For-Sale	1		1	Existing
AHEPA Age-Restricted Affordable Rentals	43		43	Existing
Total	158	44	202	

Most of the compliance mechanisms claimed by the Borough in its 2018 plan were in existence at the time of plan adoption. Below are updates on units that were not completed at the time of plan adoption.

Project Highland Park: These four units of permanent supportive housing, owned and administered by The Reformed Church of Highland Park, were undergoing rehabilitation at the time of plan adoption. They have now been completed, and two additional units that are part of Project Highland Park but which were not included in the 2018 plan have also been rehabilitated and deed-restricted since plan adoption.

Highland Cliffs: Piazza and Associates conducted a lottery for the two affordable for-sale units in this development in 2018, but the units have not yet been filled and no deeds have yet been filed. The developer provided a \$77,047.20 payment in lieu of constructing the required 0.3 units to meet the set-aside requirement.

Heritage at Highland Park: This project, which includes six family affordable for-sale units, had been approved at the time of plan adoption; however, the plan noted the site required environmental remediation, which was ongoing at the time. The remediation has been completed and the site is currently under construction. Piazza and Associates will administer the six affordable units.

Popov/137-139 Raritan Avenue: This project, the result of an adopted redevelopment plan, had been approved at the time of plan adoption, and is now under construction. The affordable family rental unit will be administered by the Borough's Administrative Agent, CGP&H.

130-134 Raritan Avenue: According to the Borough Administrator, the developers are moving forward with this project, part of the Borough's Downtown Redevelopment Plan. They have expressed interest in expanding the project footprint, which would increase the total number of units and thus the number of affordable units, but doing so will require provision of off-site parking and another amendment to the redevelopment plan. The Borough is working with the developers to try and secure the parking.

31 River Road: This project received Planning Board approval in October of 2019, and the developer is finishing resolution compliance and getting building permits ready, in the hope of starting site work within the next few months.

FAMILY UNIT REQUIREMENT

The Borough is required to ensure that at least 65 affordable units are available to families. The Settlement Agreement acknowledges that at the time of signing, the Borough only had 54 confirmed units available to families, and the agreement notes it is required to make up the 11-unit shortfall "by any combination of the Proposed Inclusionary Developments and/or other mechanisms as may be necessary." The 2018 adopted Plan identified sufficient existing

and proposed family units to satisfy the 65-unit requirement, and Table 4, below, shows the Borough has provided or plans to provide 68 affordable units available to families.

Table 4. Highland Park Borough's Family Affordable Units	
Mechanism	Family Affordable Units
Overlook at Highland Park Affordable Family For-Sale	9
Highland Cliffs Affordable Family For-Sale	2
The Merriewold Affordable Family Rental	30
Heritage at Highland Park Affordable Family For-Sale	6
Crossings at Highland Park Affordable Family For-Sale	5
Habitat for Humanity Affordable Family For-Sale	1
11 S. Second Ave. Family Supportive Housing	1
Project Highland Park Family Supportive Housing	4
Popov/137-139 Raritan Avenue Affordable Family Rental	1
130-134 Raritan Avenue -- Proposed	3
31 River Road – Proposed	6
Total Family Units	68

SUMMARY

There has been progress on all six of the compliance mechanisms that were not completed at the time of plan adoption: The Project Highland Park units have been completed, and additional units are being added to it; the 31 River Road redevelopment project has been approved; and three other projects are under construction. The developer of the final proposed mechanism, 130-134 Raritan Avenue, is engaged in good-faith negotiations with the Borough to expand the size of the project and the number of affordable units it will deliver.