

Haddon Heights Borough Midpoint Review Report As of July 2020

Purpose of the Midpoint Review Report

Haddon Heights Borough'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 Borough's Settlement Agreement with FSHC, that review requires the Borough to post on its website, with a copy to FSHC, a status report as to the implementation of the plan and an analysis of whether or not unbuilt sites/unfulfilled mechanisms continue to present a realistic opportunity and whether mechanisms to meet unmet need should be revised or supplemented.

Background

In 2015, the Haddon Heights Borough filed a Declaratory Judgment Action seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:270-301 et seq. The matter has proceeded as a declaratory judgment action in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Through the declaratory judgment process, the Borough and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial, and results more quickly in the construction or provision of homes for lower income households.

The Borough entered into a Settlement Agreement with FSHC on October 18, 2016, which was approved by Order of the Court dated December 16, 2016, after the required Fairness and Compliance Hearing (held on November 18, 2016). There is no court appointed special master in this case. The Court approved the settlement agreement subject to the Borough's satisfaction and compliance with all of the terms and conditions of the Settlement Agreement. Per the Order, a final judgement of compliance and the judicial equivalent of substantive certification were entered in favor of the Borough of Haddon Heights for its Third Round Affordable Housing obligation through July 2025. The Borough and the Joint Land Use Board were granted continued immunity from Mount Laurel lawsuits through July 2025.

The Planning Board adopted a Housing Element and Fair Share Plan on February 16, 2017. The Borough is currently preparing an amendment to the Third Round Housing Element and Fair Share Plan and the implementing inclusionary residential ordinances, to ensure consistency with the Settlement Agreement and to provide alternatives to satisfy the unmet need. The amended Housing Element and Fair Share Plan and the ordinances will be submitted to FSHC and the Court for review. Of the twenty (20) units that the Settlement Agreement identified to satisfy the sixteen (16) unit Realistic Development Potential ("RDP"), 16 are currently operational and the Borough is actively working on the remaining 4.

Rehabilitation Program Update

Haddon Heights Borough has a Rehabilitation Obligation of 0 units. Residents of the Borough are eligible to apply for assistance through the Camden County Improvement Authority's rehabilitation program.

Satisfaction of the Realistic Development Potential

The Borough has made the following progress toward addressing the RDP. Though the Settlement Agreement identifies the RDP as 16 units, the Settlement Agreement sets forth 20 units to satisfy the RDP.

<u>Mechanism</u>	<u>Description</u>	<u>Ordinance Adopted (Yes/No)</u>	<u>Status</u>	<u>Notes/Additional Information</u>
Permanent Supportive Living Arrangements (Group Homes)	9 units	N/A	9 units completed and occupied	4 bedrooms at 1214 S Park Avenue 5 bedrooms at 101 E. Atlantic Avenue
Stanfill Commons Age Restricted rental units	5 units	Yes-Redevelopment Plan	25 total units (13 affordable) completed in 2007	404 White Horse Pk 411 White Horse Pk 412 White Horse Pk
Kings Run Age Restricted for sale units	2 units	Yes	4 units completed in 2014	Units 207, 311, 411, 413
Market to Affordable Program - Family	4	Manual is Complete	In Progress	The program will include 2 low income and 2 moderate income family units

Sixteen (16) of the twenty (20) units that are identified in the Settlement Agreement for satisfaction of the sixteen (16) unit RDP are currently providing affordable housing. In addition, there are 10 age restricted affordable units (8 rental and 2 for sale) that have been created during the Third Round, but that are not currently generating credits toward the Borough's Fair Share obligations because they are in excess of the RDP and because they are age-restricted in excess of the maximum number of age-restricted units permitted by the COAH rules.

The Borough has contracted with an experienced Administrative Agent, Triad Associates to set up, manage, and implement the Market to Affordable Program. The program will create four (4) affordable family housing opportunities utilizing money from the Affordable Housing Trust Fund. The Borough is currently identifying owners and local investors that may be interested in participating in the market to affordable rental program. The Borough's Administrative Agent has prepared an operating manual for the Market to Affordable Program. The funds needed to implement the program are available in the AHTF. It is anticipated that two of the four units will be created and occupied by July 2022 and the remaining two will be created and occupied by July 2023.

Unmet Need Analysis

The Borough’s unmet need is 179 units. There are 10 age-restricted affordable units that have been created during the Third Round that may be applied to the unmet need (2 units at Kings Run first occupied in 2014 and 8 units at Stanfill Commons first occupied in 2007). There have not been any formal residential development proposals since the approval of the Settlement Agreement in 2016.

In addition to the age-restricted units mentioned above, the Settlement Agreement anticipated the adoption of two inclusionary zoning overlays to enable the production of 20 affordable housing units if the redevelopment opportunities were realized. The proposals were as follows:

<u>Mechanism</u>	<u>Location</u>	<u>Ordinance Adopted (Yes/No)</u>	<u>Projected # of Affordable Units</u>	<u>Notes/Additional Information</u>
Inclusionary Zoning	Block 29 Lot 4 (within the CBD)	Yes, CBD, but needs to be amended	6	Rather than zoning specific to this lot, the entire CBD will be amended to require 15% affordable when 5 or more units are proposed
Inclusionary Zoning	Block 80 Lots 1, 2, 2.01, 2.03 (1400, 1420, 1440, 1500 Kings Highway)	No	14	The projection is reduced to 4 affordable units. New zoning will follow the amended HEFS Plan

The Borough has carefully reviewed the two areas that had been identified for inclusionary overlay zoning to partially satisfy the unmet need, and has determined that given the current conditions, the projects are unlikely to be realized. The Borough is proposing an inclusionary redevelopment overlay for the Central Business District to provide a reasonable opportunity for the production of at least 20 affordable housing units.

Very-Low Income Analysis

The 2016 Settlement Agreement requires that 13% of all units referenced in the Agreement constructed after July 1, 2008 shall be very-low income units. Half of the very low-income units must be available for families. The Borough is satisfying its very low-income requirement as follows:

<u>Development</u>	<u>Very Low Units</u>	<u>Total Units</u>	<u>Percentage</u>	<u>Status</u>
Bancroft Home	4	4	100	Complete
Youth Services Inc	5	5	100	Complete
Market to Affordable	1	4	25	Proposed
Unmet Need	3	20	13	Proposed

In summary, with a total of 10 very low-income units out of the total of 20 RDP units and a possible total of 3 very-low income units of a possible total of 20 unmet need units, 50 percent of the RDP and 13% of the unmet need affordable units will be affordable to very low-income households.