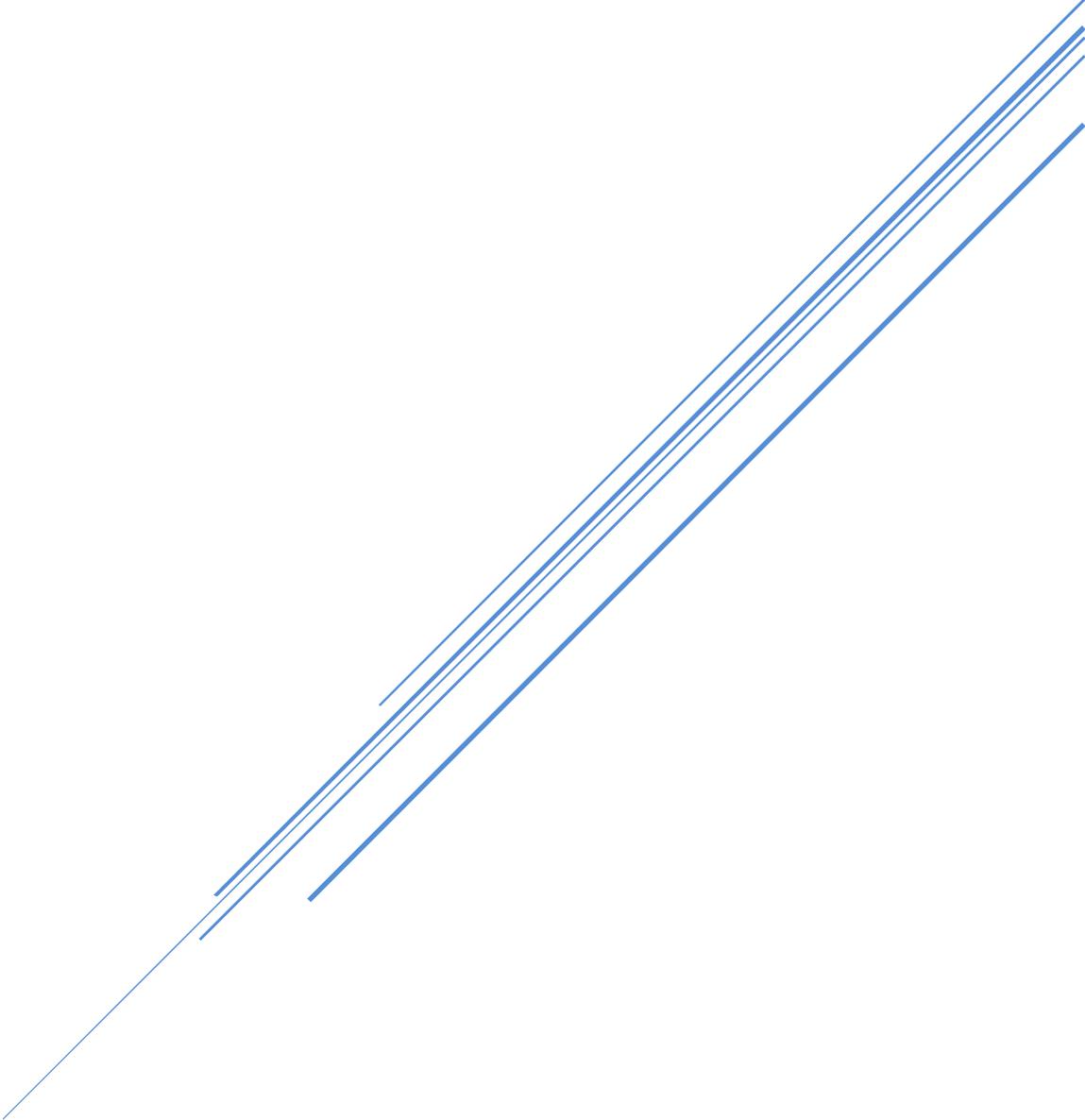


AFFORDABLE HOUSING MIDPOINT REVIEW REPORT

Borough of Hillsdale



July 1, 2020

PURPOSE

Paragraph 23a of the Borough of Hillsdale's settlement states:

For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D 313, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.

RELEVANT BACKGROUND

Hillsdale filed a Declaratory Judgment Action on June 16, 2015 seeking to comply with its constitutional mandate to provide affordable housing in accordance with the March 10, 2015 New Jersey Supreme Court Order. On September 2, 2015, Judge Toskos issued a Case Management Order appointing Frank Banisch as the Borough's Special Master. In November of 2015 the case was transferred to Judge Meehan. Between 2015 and 2017, Hillsdale mediated with Fair Share Housing Center (hereinafter "FSHC") and Special Master Banisch. On October 10, 2017 the Borough executed a Settlement Agreement with FSHC. In November of 2017 the case was transferred to Judge Farrington as Judge Meehan had retired. Judge Farrington held a Fairness Hearing on February 9, 2018 and issued an Order deeming the Settlement Agreement fair and reasonable to the protected class. On September 25, 2019 Judge Farrington issued a Final Judgment of Compliance and Repose. The Settlement Agreement outlines Hillsdale's Housing obligations: a 26-unit Rehabilitation Obligation, a 111-unit Prior Round Obligation, and a 234-unit Third Round Obligation. However, it should be noted that the Borough requested and received a Vacant Land Adjustment, which produced a Realistic Development Potential of 35 units for the Third Round. This leaves an Unmet Need of 199 units.

Prior Round Obligation

It should be noted that the entirety of Hillsdale's Prior Round Obligation has been satisfied with Hillsdale House, an existing mechanism.

REALISTIC OPPORTUNITY REVIEW

The realistic opportunity standard applies to all Realistic Development Potential (hereinafter "RDP") mechanisms for Vacant Land Adjustment municipalities. Below is a summary of the mechanisms allocated to the Third Round RDP and their current status.

The Borough of Hillsdale received its Final Judgment of Compliance and Repose on September 25, 2019 and has worked to amend all relevant zoning ordinances to reflect our commitment to implementing our Settlement Agreement. The mechanisms allocated to the RDP are as follows:

- Hillsdale House. This site was built in 1986 and exists today. 2 credits.
- New Concepts for Living. This group home exists and provide 4 credits.
- V&R. This inclusionary development was CO'd in 2012 and provides 4 credits and 4 bonuses.
- 273 Broadway (Paterno). In November of 2019, 273 Broadway (Paterno) Block 1205 Lot 8 was issued a CO, and 30-year deed restrictions were recorded with the County of Bergen on November 4, 2019. One, 2 bedroom, low-income unit and One, 3 bedroom, moderate-income unit were affirmatively marketed by Piazza and Associates. A lottery was held for these 2 units by Piazza Associates on May 29, 2020. 2 credits and 2 bonuses are included in this development.
- 305 Patterson Street (Walsky). In April of 2017 this site received use variance approval for inclusionary development. Construction has begun on 305 Patterson) (Block 1212 Lot 15and 16). Piazza and Associates have been working with the developer to ensure compliance with affordable housing plan. One, 1-bedroom low-income unit; One, 2 bedroom, very low-income unit; One, 2 bedroom, low-income unit; two 2 bedroom, moderate-income units; and One, 3 bedroom, moderate-income units are being constructed with a anticipated occupancy of August, 2020. A lottery was held for these 6 units by Piazza and Associates on May 29, 2020.
- Alliance Against Homelessness. This group home exists and provides 4 credits.
- Back of America (Block 1102). Borough of Hillsdale ordinance 18-13 was adopted June 12, 2018 which amended and supplemented chapter 310 of the code to establish a new MU-2 Mixed-Use 2 Zone for this site. No applications have been submitted to date.

UNMET NEED

The items below summarize the mechanisms allocated to the Third Round Unmet Need and their current status.

Industrial Zone Redevelopment Area. An area in need study was prepared by DMR Architects in February 2019 and amended in May 2019. The report entitled Preliminary Investigation for Determination of an Area in Need of Redevelopment without Condemnation for Block: 1207, Lots: 8, 9 10 & 11; Block: 1208, Lots: 1, 2, 3, 4 & 5; Block: 1209, Lots: 2, 3, 4, 5 & 6; Block: 1210, Lots: 6, 7, 8, 9, 10 & 11; Block: 1211, Lots: 1 & 2; Block: 1212, Lot: 13. (the "DMR Report") and was presented to the Planning Board on June 18, 2019. 175 Broadway (Verizon). Ordinance 18-12 was adopted June 12, 2018 for this site. No applications have been submitted to date.

A purchase sale agreement with Habitat for Humanity was signed August 7, 2019 for Lot 7 Block 717. Due diligence was extended several times to answer resident concerns over developing the lot. The Habitat Board voted to accept the land and purchase was finalized March 16, 2020. Governor Murphy's shut down order went into effect on March 17, 2020 and Habitat has not resumed development of the project to date. The Borough has worked with the Borough Engineer to include a road extension in its 2020 road program for this project and has obtained agreements with Suez Water and PSE&G to extend services to this lot.

- No applications have been approved that would trigger the Borough-wide Set-aside Ordinance.

REHABILITATION

The Borough has established a municipal Rehabilitation Program that complies with the requirements of N.J.A.C. 5:93-5.2. Funding for the program will come from the Affordable Housing Trust Fund. The Borough will reserve at least \$80,000 to rehabilitate eight units. The purpose of a rehabilitation program is to rehabilitate substandard housing units occupied by low and moderate- income households. A substandard housing unit is defined as a unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system.

The Borough of Hillsdale replaced the firm originally contracted to provide rehabilitation services for the Borough and contracted CPG&H in February of 2020. A plan to market the rehabilitation program to senior freeze recipients in Hillsdale is currently being implemented.

AFFORDABILITY ASSISTANCE

The Borough of Hillsdale offered Spectrum for Living and New Concepts for Living, two very low-income qualified developments, a grant from our Affordable Housing Trust Fund for to replace older water heaters, furnaces and air conditioner systems as outlined below.

Water Heater Replacement - Hillsdale will provide a minimum of \$10,000 to replace water heaters in existing units that are more than eight years old. New water heaters are more energy efficient and will reduce the affordable households' utility expenses. Assistance will be provided on a first-come, first-served basis to existing income-eligible affordable households with good credit standing. Said assistance shall be in the form of a grant.

Furnace Replacement - Hillsdale will provide a minimum of \$50,000 to replace furnaces in existing units that are more than 15 years old. New furnaces are more energy efficient and will reduce the affordable households' utility expenses. Assistance will be provided on a first-come, first-served basis to existing

income-eligible affordable households with good credit standing. Said assistance shall be in the form of a grant.

Air Conditioner Replacement - Hillsdale will provide a minimum of \$50,000 to replace air conditioners in existing units that are more than 15 years old. New air conditioners are more energy efficient and will reduce the affordable households' utility expenses. Assistance will be provided on a first-come, first-served basis to existing income-eligible affordable households with good credit standing.

Both group homes were contacted in February and March 2020 and expressed interest in this program and are reaching out to building maintenance departments within their organizations to see if the homes in Hillsdale met the qualifications of the program.

Our Administrative Agent is working to qualify residents for rental assistance at 55 Patterson St. (V&R).

VERY-LOW INCOME ANALYSIS

Paragraph 13 of the Settlement Agreement indicates that 13% of all units referenced in the Agreement, with the exception of units constructed as of July 1, 2008, and units subject to a preliminary or final site plan approval, to be very-low income units. The below is the status of units that have been or are under construction since 2008.

- V&R Developers at 55-59 Patterson Street Block 1101 and Lots 6 and 7 has been built and occupied since March 2012 and includes 4 units one low income 1 bedroom, 1 moderate income 1 bedroom, 1 moderate-income 2 bedroom, and 1 low-income efficiency.
- 273 Broadway Block 1205 Lot 8 (Paterno) CO was issued on January 30, 2020 and a 30 year deed restriction was recorded on November 12, 2019 with the County of Bergen. One, 2 bedroom, low-income unit and One, 3 bedroom, moderate-income unit were constructed and affirmatively marketed.
- 305 Patterson has begun construction and is working with Piazza and Associates for the 6 units to be included in that project which includes One, 1-bedroom low-income unit; One, 2 bedroom, very low-income unit; One 2 bedroom, low-income unit; two 2 bedroom, moderate-income units; and One, 3 bedroom, moderate-income units .

Conclusion

The Borough's plan implementation continues to create a realistic opportunity for affordable housing within the Borough of Hillsdale. Construction has been completed, CO's issued and units were affirmatively marketed at 55 Broadway (Paterno). Construction has begun at 305 Patterson (Walsky) and the developer is working with the Administrative Agent contracted by the Borough.

The Borough Planning Board and the Municipal Council approved rezoning of Block 1201 Lot 11(Verizon), and Block 1102, Lot 2, 3, 4 (Bank of America) to permit inclusionary development.