

AFFORDABLE HOUSING

THIRD ROUND MIDPOINT REVIEW

PREPARED FOR:

Borough of Dunellen
Middlesex County, New Jersey

June 30, 2020

Prepared By:



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Affordable Housing Midpoint Review Report Dunellen Borough, New Jersey

CME Associates (“CME”) is pleased to provide this status report as to the implementation of the Borough of Dunellen’s Housing Plan Element and Fair Share Plan, including an analysis as to whether any unbuilt sites or unfilled mechanisms continue to represent a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. The Borough of Dunellen’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 non-deferred mechanisms continue to present a realistic opportunity.

The Borough of Dunellen’s Settlement Agreement with Fair Share Housing Center was signed by the Borough on May 9, 2016. Subsequently, the Borough received a final Judgment of Compliance and Repose on May 21, 2016. A summary of the status and realistic opportunity provided by the various mechanisms included within the Borough’s compliance plan, is set forth within the attached forms as provided by Fair Share Housing center (FSHC).

The Borough of Dunellen has been proactive in the production of affordable units to ensure compliance with the requirements of the Judgement of Compliance and Repose for the Third Round obligation. Dunellen has a Realistic Development Potential of 22 affordable units and an unmet need of 96 affordable units. As of this midpoint review, the Borough of Dunellen has 64 affordable units in production with the potential for additional affordable units to satisfy the remaining unmet need that are anticipated to be realized within established redevelopment areas. The attached forms demonstrate that all of the mechanisms set forth within the Borough’s compliance plan continue to represent a realistic opportunity for affordable housing for low- and moderate-income households.

Notice to the Public

In accordance with the Borough of Dunellen’s Settlement Agreement with Fair Share Housing Center (Dated May 9, 2016) and the Borough’s Final Judgment of Compliance and Repose (Dated May 21, 2016), this Midpoint Realistic Opportunity Review Report has been prepared to summarize the various affordable housing projects and mechanisms in the Borough’s Housing Plan Element and Fair Share Plan. Any interested party is invited to submit comments to Dunellen Borough, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced. Please submit any comments you may have to the Borough and FSHC using the contact information included on the next page.

Borough of Dunellen

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Fair Share Housing Center

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Conclusion

The Borough is maintaining compliance with the terms of the Settlement Agreement and the Final Judgment of Compliance and Repose. Although not all projects identified have been completed, each proposed project remains a viable and realistic opportunity for the construction of affordable housing at this time.

EXHIBITS:

Affordable Housing Trust Fund Monitoring

Rehabilitation Monitoring

Prior Round and Third Round Monitoring

Very Low Income Monitoring

Affordable Housing Questions

EXHIBIT A:
AFFORDABLE HOUSING TRUST FUND MONITORING

1. GENERAL INFORMATION AND TRUST FUND MONITORING

MUNICIPALITY NAME:	Dunellen Borough
COUNTY:	Middlesex County
Date through which funds reported:	
Name of person filling out form and affiliation/role:	CME Associates-Peter Van den Kooy, PP, AICP, Consulting Planner
Date of filling out form:	June 2, 2020
Email:	pvandenkooy@cmeusa1.com
Municipal Housing Liaison for municipality:	William Robins, RMC, Borough Administrator/Borough Clerk
Email:	wrobins@dunellenborough.com
Income Limits Year Being Used by Municipality*:	

(Note: Date in Approved Spending Plan = date through which revenues/expenditures are shown in the approved spending plan; if no approved spending plan, show revenues/expenditures through June 30, 2015 in Column B and beginning July 1, 2015 in Column C.)

TRUST FUND INFORMATION

	Inception - 12/31/15	12/31/15 to Present	Total
REVENUE SUMMARY			
Barrier Free Escrow			\$0
Development Fees	\$ 500	\$ 2,300	\$2,800
Interest Earned			\$0
Other Income			\$0
Payments-in-Lieu of Construction			\$0
TOTAL	\$ 500	\$ 2,300	\$2,800
EXPENDITURE SUMMARY			
Administration**	-		\$0
Affordability Assistance***	-		\$0
Very Low-Income Affordability Assistance	-		\$0
Barrier Free Conversions	-		\$0
Housing Activity	-		\$0
TOTAL	\$ -	\$ -	\$0

ADMINISTRATION: Date in Approved Spending Plan to Present		
Name	List types of administrative expenses	Amount
TOTAL		\$0

AFFORDABILITY ASSISTANCE: Date in Approved Spending Plan to Present		
Name	List affordability assistance projects and programs	Amount
TOTAL		\$0

HOUSING ACTIVITY: Date in Approved Spending Plan to Present		
Type of Housing Activity	Specific Site or Program	Amount
TOTAL		\$0

Comments:

*View 2020 income limits: https://ahpnj.org/member_docs/Income_Limits_2020.pdf

https://ahpnj.org/member_docs/Income_Limits_2019_FINAL.pdf

https://ahpnj.org/member_docs/Income_Limits_2018.pdf

https://ahpnj.org/member_docs/Income_Limits_2017.pdf

**Administrative expenses cannot total more than 20% of collected revenues, less any Administrative expenses already disbursed.

***Affordability Assistance must equal at least 30% of revenues collected after July 2008, with one-third of that dedicated to very low-income Affordability Assistance

EXHIBIT B:
REHABILITATION MONITORING

2. REHABILITATION

Total Third Round rehabilitation obligation	12
Rehabilitation program administrator(s) with email, phone number, and address: (if multiple rehab programs list administrator for each)	Middlesex County - Housing First Program; Division of Housing, Community Development & Social Services Middlesex County Administration Building 2nd Floor 75 Bayard Street, New Brunswick, NJ 08901
Period of time covered (Only completed rehabs since either the adoption of the Housing Element and Fair Share Plan or the previous annual report should be included on this sheet):	5/6/16-Present

Please list below all units rehabilitated towards the municipality's Third Round rehabilitation obligation.

[illegible]

EXHIBIT C:
PRIOR ROUND AND THIRD ROUND MONITORING

3. PRIOR AND THIRD ROUND MONITORING

Site / Program Name:	Dunellen Station	520-536 North Avenue	Villani	Downtown Redevelopment Site #1	Downtown Redevelopment Site #2
Project developer:	Dunellen Prism Assoc., K. Hovnanian	528 North Ave, LLC	Villani	Pending	Pending
Compliance Mechanism:	Redevelopment	Redevelopment	Inclusionary	Redevelopment	Redevelopment
Compliance Mechanism #2 (if project has multiple):					
Round:	Third Round	Third Round	Third Round	Third Round - Unmet Need	Third Round - Unmet Need
Block (if multiple separate by commas):	83, 85	34	32	69	70
Lot (if multiple separate by commas):	1, 1	31,32,33,34	19	All lots	13, 13.01, additional lots
Address:	100 South Washington Avenue	528 North Avenue	364-368 North Avenue	South Washington Avenue	South Washington Avenue
Construction required to begin by (for mechanisms other than inclusionary development):					
Status:	Under constuction	Approved	Built	Approved Redevelopment Plan	Approved Redevelopment Plan
If project has site plan /or subdivision approval, date building permits received (DD/MM/YYYY):					
If "approved not built" or "under construction," date of site plan and/or subdivision approval:	9/24/2018	10/28/2019			
If "under construction," expected date of completion:					
Date of issuance of C.O.:					
If "built," date controls began:			2013		
Length of Affordability Controls (years):	30	30	30	30	30
Administrative Agent or other entity responsible for affirmative marketing:					
Contribution (for payments in lieu)					
Total Affordable Housing Units Proposed	58	6	2		
Total Affordable Housing Units Completed to Date					
Type of Affordable Units:					
Family					
Family For-Sale	0				
Family Rental	58	6	2		
Senior					
Senior For-Sale	0				
Senior Rental					
Supportive/Special needs	0				
Supportive For-Sale	0				
Supportive Rental	0				

EXHIBIT D:
VERY LOW INCOME MONITORING

4. VERY LOW INCOME REPORTING

Very Low Income Units approved and constructed since July 17, 2008				
Development/Compliance Mechanism	Total Affordable Units	VLI units constructed as of date of report	VLI units not constructed as of date of this report but still planned	Type of Very Low Income Unit (Family, Senior, Special Needs)
Dunellen Station	58		8	Family
520-536 North Avenue	6		1	Family
Total	64	0	8	

This tab provides reporting required on very low income units, i.e. units affordable to and reserved for households at or below 30% of regional median income. See N.J.S.A. 52:27D-329.1.

EXHIBIT E:
AFFORDABLE HOUSING QUESTIONS

Midpoint Review Questions

In addition to updating the attached monitoring spreadsheet with up to date information on each project in your approved settlement/fair share plan, please answer the following questions in narrative form:

Conditions of Compliance

1. What conditions from the court's approval of the municipal housing element and fair share plan and judgment of compliance and repose (or whatever standard terms is being used), if any, have not yet been satisfied? Explain the reasons for any delay and the steps the municipality is taking to satisfy the condition(s).

The ongoing annual reporting for both the Affordable Housing Trust Fund and affordable housing activity, the midpoint realistic opportunity review and the triennial very low-income unit reporting are being addressed via this submission and certain additional information that is planned to be submitted under separate cover.

Developments that Are Not Completed

2. For each court-approved inclusionary development project that is not yet constructed, please provide a narrative as to its status and any progress towards construction.

Dunellen Station: *Although this is a redevelopment project the Dunellen Station project is currently under construction. The project contains a total of 58 affordable housing units. More detailed information can be found within the attached table pertaining to Prior and Third Round Projects.*

520-536 North Avenue: *While this is also a redevelopment project the 520-536 North Avenue project was approved on October 28, 2019 and is pending construction. The approval requires the construction of 6 affordable family rental units. More detailed information can be found within the attached table pertaining to Prior and Third Round Projects*

Downtown Redevelopment Sites 1 & 2: *While these are also redevelopment sites, it is important to note that these properties are subject to an adopted redevelopment plan that requires a 15% set-aside for rental units and a 20% set-aside for for-sale units. These properties are anticipated to generate additional affordable housing units to help address the Borough's unmet need.*

3. Have any non-inclusionary development projects (including 100% affordable projects, group homes, accessory apartments, market-to-affordable, extensions of affordability controls, etc.) included in the court-approved plan not yet been built/converted to affordable housing/controls extended? If yes, explain how many units, if any, have been built for each non-inclusionary project or mechanism and when construction is expected to be completed on the remaining units.

This question is not applicable to Dunellen, as the Borough does not have any projects of the types mentioned included within its approved compliance plan.

4. Are there any projects that have missed any construction deadline established in the court-approved Settlement Agreement, or other mechanisms (e.g. market-to-affordable, accessory apartments, extensions of affordability controls) that have not met the completion schedule set forth in the Settlement Agreement or Housing Element and Fair Share Plan? If yes, what steps is the municipality taking to complete construction and what is the current timetable?

No.

5. Are all unbuilt developments currently in a sewer service area, and if not what has the municipality done to incorporate the site into a sewer service area? Are there any barriers to obtaining water or sewer for any unbuilt site? Are there any other regulatory conditions (e.g. changes to DEP permits or conditions) that make it not possible to complete any site as originally contemplated?

All unbuilt developments are currently located within a sewer service area and have access to water and service. It is the Borough's understanding the no environmental or regulatory impediments exist that would preclude the development of the Dunellen Station project, the 520-536 North Avenue project or the development of portions of the Redevelopment Sites 1 & 2.

Rehabilitation Obligation

6. Is the rehabilitation program being administered by a municipality, county, or both? Do the program(s) include rental rehabilitation? If the municipality has not met at least half of its rehabilitation obligation by this midpoint review, what affirmative steps is the municipality taking to meet the obligation and to facilitate participation by homeowners and/or landlords?

The Borough of Dunellen participates in Middlesex County's Housing First program for the rehabilitation of low- and moderate-income housing. As noted in the Settlement Agreement, the Borough of Dunellen intends to satisfy its rehabilitation obligation of twelve units through its continued participation in the County's Housing First program. Dunellen anticipates completing 1-3 rehabilitation units per year between 2020 and July 2025.

For Municipalities with a Prior Round and/or Third Round Vacant Land Adjustment (note please make sure any development referenced in the answers to these questions that includes or will include affordable housing is also in the monitoring spreadsheet):

7. If the municipality's court-approved Prior and/or Third Round plan includes Unmet Need:
 - a. Has there been any development, proposal for development received by the municipality (even if ultimately rejected), adoption of rezoning or a redevelopment plan for of any parcel larger than 0.5 acres since the settlement was approved by the court on a parcel that was neither previously identified in calculating the municipality's RDP nor included in an inclusionary overlay zone? If so:
 - i. Please describe the development(s), development proposal(s), rezoning(s) or redevelopment plans(s)?

- ii. Is any affordable housing included in any of the development(s) proposals(s), and/or rezoning(s) or redevelopment plan(s) referenced?
- iii. If the municipality has a mandatory set-aside ordinance, was that applied to the development(s) and/or rezoning(s) or redevelopment plan(s)?

The Dunellen Station project has moved forward as described above. In addition, the 520-536 North Avenue inclusionary project was approved on October 28, 2019 and is pending construction. The 376 North Avenue Associates, LLC project was approved on February 25, 2019 (Block 32, Lot 11). This project is anticipated to yield a small number of inclusionary affordable housing units. As additional information about this project is pending, supplemental information about this project shall be provided at the time of the next Annual Review.

- b. Has any development occurred or been proposed to occur within any inclusionary overlay zone or for which a mandatory set-aside ordinance, if required to be adopted by the municipality, would apply since the settlement? If so:
 - i. What is that development or developments?
 - ii. Does that proposed or actual development include any affordable housing? What percentage of the development is affordable?

Please see the answer to question 7a, above.

- c. Have any changed circumstances occurred that result in additional parcels becoming available for development that were neither previously identified in calculating the municipality's RDP nor included in an inclusionary overlay zone? If yes, please identify the parcel(s) and describe how the municipality plans to address the changed circumstances.

Please see the answer to question 7a, above.

For Municipalities with a Prior Round and/or Third Round Durational Adjustment:

- 8. If the municipality's court-approved plan had a durational adjustment, have there been any changed circumstances with regards to limited sewer and/or water capacity? If yes, please describe the changes and when and where additional infrastructure capacity will become available.
- 9. What steps has the municipality taken, if any, to address limited water and/or sewer capacity, and to facilitate the extension of public water and/or sewer to any site identified in the settlement agreement?
- 10. Has any property owner or developer contacted the municipality to extend public water and/or sewer to a site not identified in the settlement agreement? If so, how did the municipality respond to the request?

This section is not applicable to Dunellen, as the Borough does not have a durational adjustment included within its approved compliance plan.