



2020

Appendices to the Housing Element & Fair Share Plan

ADOPTED: MAY 26, 2020

Readington Township, Hunterdon County, New Jersey

Prepared by:

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1. 2019 SETTLEMENT AGREEMENT



**A RESOLUTION OF THE TOWNSHIP OF READINGTON IN THE COUNTY OF
HUNTERTON, STATE OF NEW JERSEY
AUTHORIZING MAYOR TO EXECUTE SETTLEMENT AGREEMENT WITH FAIR
SHARE HOUSING CENTER**

WHEREAS, the Township and Fair Share Housing Center wish to settle their litigation;
and

WHEREAS, the parties have negotiated an agreement in the form attached hereto and
wish to enter this Agreement; and

WHEREAS, Agreement must be signed by multiple parties; and

WHEREAS, the Agreement is subject to the Township adopting certain ordinances and
to approval of the agreement after a duly noticed "fairness hearing": and

WHEREAS, the Township wishes its Affordable Housing counsel to seek approval of the
Agreement at duly noticed fairness hearing


THEREFORE, BE IT AND IT IS HEREBY RESOLVED as follows:

1. The Township Committee authorizes and directs Mayor Betty Ann Fort to execute the
Settlement Agreement in the form attached hereto; and
2. The Township Committee directs its Affordable Housing counsel to seek execution of the
Agreement by all the parties thereto and to seek approval of the agreement from the trial
court after a duly noticed "fairness hearing".

CERTIFICATION

I, **VITA MEKOVETZ**, Clerk of the Township of Readington, County of Hunterdon,
State of New Jersey, do hereby certify the forgoing to be a true and correct copy of a Resolution
adopted by the Township Committee on the 15th of July, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of this Township this
16th day of July, 2019.


Vita Mekovetz, RMC/MMC/QPA
Municipal Clerk

**AGREEMENT TO RESOLVE ISSUES BETWEEN THE TOWNSHIP OF
READINGTON AND FAIR SHARE HOUSING CENTER CONCERNING
THE TOWNSHIP'S MOUNT LAUREL FAIR SHARE OBLIGATIONS AND
THE MEANS BY WHICH THE TOWNSHIP SHALL SATISFY SAME.**

**In the Matter of the Township of Readington, County of
Hunterdon, Docket No. HNT-L-301-15**

**THIS SETTLEMENT AGREEMENT ("Agreement") made this ___ day of July
2019, by and between:**

**TOWNSHIP OF READINGTON, a municipal corporation of the State of New
Jersey, County of Hunterdon having an address at 509 Route 523, Whitehouse Station,
New Jersey, 08889 (hereinafter the "Township" or "Readington");**

And

**FAIR SHARE HOUSING CENTER, having an address at 510 Park Boulevard,
Cherry Hill, New Jersey 08002, (hereinafter "FSHC");**

**WHEREAS, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount
Laurel IV), the Township filed the above-captioned matter on July 2, 2015 seeking,
among other things, a judicial declaration that its Housing Element and Fair Share Plan
(hereinafter "Fair Share Plan"), as will be further amended in accordance with the terms
of this settlement, satisfies its "fair share" of the regional need for low and moderate
income housing pursuant to the Mount Laurel doctrine; and**

**WHEREAS, the Township simultaneously sought, and ultimately secured, an
Order protecting Readington from all exclusionary zoning lawsuits while it pursues
approval of its Fair Share Plan; and**

**WHEREAS, the immunity secured by Readington remains in force as of the date
of this Agreement; and**

**WHEREAS, the trial court appointed Francis J. Banisch, III, PP, AICP as the
"Special Master" in this case as is customary in Mount Laurel matters; and**

**WHEREAS, with Special Master Banisch's assistance, Readington and FSHC
have engaged in good faith negotiations and have reached an amicable accord on the
various substantive provisions, terms and conditions delineated herein; and**

**WHEREAS, through that process, the Township and FSHC agreed to settle the
litigation and to present that settlement to the trial court, 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 of homes for lower-income households; and**

**WHEREAS, at this time and at this particular point in the process resulting from
the Mount Laurel IV decision, when fair share obligations have yet to be definitively**

determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Round 3 present and prospective need, instead of doing so through plenary adjudication of the present and prospective need.

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties hereto, each binding itself, do hereby covenant and agree, each with the other, as follows:

Settlement Terms

The Township and FSHC hereby agree to the following terms, subject to any relevant conditions set forth in more detail below:

1. Readington's "Rehabilitation" obligation is 95.
2. Readington's "Prior Round" obligation is 394.
3. Readington's allocation of the Round 3 (1999-2025) regional need is 1,045.

4. FSHC and the Township agree that the 1,045 Round 3 obligation is the number that multiple experts have used as an extrapolation of the Mercer County Opinion, which is not otherwise binding on either party except by way of this Settlement Agreement. Although the Township does not accept the basis of the methodology or calculations proffered by FSHC's consultant, FSHC contends, and is free to take the position before the Court, that the 1,045-unit Round 3 obligation should be accepted by the Court, because it is based on the Prior Round methodology and reflects a reduction of Dr. Kinsey's July 2016 and April 2017 calculation of the Township's Round 3 (1999-2025) fair share obligation.

5. For the purposes of this Agreement, the "Round 3 regional need" (also referenced as the "Third Round Prospective Need") shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999 to 2015 that need affordable housing, that was recognized by the Supreme Court in In re Declaratory Judgment Actions filed by Various Municipalities, 227 N.J. 508 (2017).

6. The Parties agree that the Township is entitled to a durational adjustment related to its Round 3 obligation. The Township has sufficient sewer to provide a realistic opportunity for 783 credits of its 1045 unit Round 3 obligation (the "Non-Deferred Portion"). The remaining portion shall be deferred in a manner consistent with this Agreement including Paragraph 12 below and N.J.A.C. 5:93-4.3 (the "Deferred Portion"). The basis for this adjustment is calculated in Exhibit A. The Township will as part of its Housing Element and Fair Share Plan provide any updates to the information in Exhibit A at the time of preparation of that plan.

7. **Satisfaction of the Rehabilitation Obligation:** The Township's efforts to meet its 95-unit rehabilitation obligation include the following:

- a) Participation in Hunterdon County's Home Improvement Loan Program and Community Development Block Grant Program.
- b) A Township-run Rental Rehabilitation program will be established.
- c) If there is a shortfall in funding the rehabilitation programs, the Township will adopt a Resolution of Intent to Bond. This is sufficient to satisfy the Township's present need obligation of 95 units.

No later than 30 days prior to the date of the final compliance hearing in this matter, Readington Township may conduct a housing survey of existing dwelling units to determine whether the municipal housing stock includes the 95 Present Need units identified for the Third Round. The housing survey will be conducted in accordance with the field inspection and documentation procedures set forth in N.J.A.C. 5:93-2.2(b). The survey will be reviewed by the Special Master and Court and if the Court deems appropriate the rehabilitation obligation may be adjusted based on the survey at the final compliance hearing.

8. **Satisfaction of the Prior Round Obligation:** The Township has a 394-unit Prior Round obligation, which shall be satisfied as follows:

Compliance Mechanisms:	Credits	Bonuses	Total
394 Unit Prior Round Obligation (1987-1999)			
RCA's - funds transferred (164 of 188)	164		164
Family Sale - Completed			
Whitehouse Village	14		14
Credits without Controls	30		30
Senior Rentals - completed			
ECHO	4		4
Family Rentals - approved/completed			
Calio House - completed	1	1	2
Winfield-Cushetunk Manor (2 very low units) - completed	12	12	24
Hartman - partially completed (2 very low units)	15	15	30
Nelson Street (100% project) funded/approved (30 of 72)	30	30	60
Group Homes - completed			
Anderson House (6), ARC(14), Allies (13)	33	33	66
Total	303	91	394
		Surplus	0

9. As to the Prior Round units to address with Credits without Controls, the Township has sent out a Credits without Controls survey and based on the responses received to date, reasonably anticipates that there will be at least 30 eligible qualifying households. The Township intends to resend the survey to homes that have not responded within thirty (30) days after the entry of an order approving this settlement agreement at a fairness hearing. The Special Master will review the results and opine on the final number of creditable units which the court will ultimately determine at the final compliance hearing in this matter. To the degree that the results show any shortfall, the Township will address that shortfall through substituting additional credits within the Township consistent with N.J.A.C. 5:93 or applicable portion of N.J.A.C. 5:97 prior to final judgment in this matter subject to the review of FSHC and the Special Master and approval by the court.

10. Satisfaction of the Round 3 Obligation: The Township has a 1,045-unit Round 3 obligation. The Township will apply the following credits and reductions to this portion of its obligation from sites that already have been developed and/or have been approved and have adequate water and sewer (or centralized on-site alternative wastewater treatment) capacity existing or anticipated in the near future to proceed with development. This portion of the obligation shall be referred to as the "Non-deferred Round 3 Obligation". The below chart delineates both the mechanisms that satisfy the 783-unit Non-deferred Round 3 obligation and the additional mechanisms, referenced in the below chart as "durational adjustment sites," that would achieve the entire new construction obligation if the Township had sufficient sewer and water to achieve that obligation.

The 783-unit Non-deferred Round 3 obligation is comprised of the 587 credits in the "credits" column of the chart below in all categories other than "durational adjustment sites" plus 196 of the 262 bonus credits referenced in the "bonuses" column of the chart below. The Parties agree that if and when any of the projects identified in the "durational adjustment sites" become realistic and are developed, thus increasing the Non-deferred portion of the obligation, the municipality may claim additional bonus credits that would otherwise be eligible from the non-deferred mechanisms for which bonuses are claimed in the "bonuses" column of the chart below. The durational adjustment bonuses shown in the chart below are eligible based on the Township's commitments in this Agreement, but for the cap of bonuses at 25% of the Non-deferred Round 3 obligation. At all points the total bonuses claimed shall not exceed 25% of the Non-deferred Round 3 obligation, and under no circumstances shall the number of bonuses exceed 25% of the 1045-unit Round 3 obligation.

Compliance Mechanisms	VL Units		Credits	Bonuses	Total
	Senior/SN	Family			
Third Round Obligation (1999-2023)					
Prior Round Residual Credits (1987-1999)					
RCA residual credits (24 of 188)			24		24
Lake Quishetunk Woods (1999)			84		84
Mirota (LSM) - Senior rental			60		60
Extensions of Controls Program - Completed					
Whitehouse Village			14		14
Group Homes - by bedrooms - Proposed					
Proposed	10		28	23	51
Market to Affordable - Proposed					
General Twp. Wide Program					
General Twp. Wide Program			27		27
Harriets Mobile Home Park			22		22
Municipal Sponsored - Proposed					
Habitat for Humanity - James St.			3		3
BCUW - Harsch Site - Senior rental/family special needs	8		43	20	63
Three Bridges		11	80	65	145
Municipal Sponsored - Approved					
Main St./Nelson St. - family rentals (42 of 72)		9	42	42	84
Inclusionary Sites - Family - Proposed					
SAR (192 units w/ 25% setaside)		7	48	48	96
Readington Commons (254 units with 25% setaside)		9	64	64	128
Inclusionary Sites - Senior - Proposed					
Fox Hollow (240 units with 20% setaside)	7		48		48
Durational Adjustment Sites					
Mirota (LSM) - Senior rental - 100%	11		80		80
Van Doren - Inclusionary Overlay		6	41		41
Hionis - Inclusionary Overlay		5	33		33
Three Bridges - Inclusionary Overlay		6	42		42
Total	36	53	783	262	1045

11. The Township will provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning on the sites listed below in this paragraph, in compliance with the terms of this Agreement within 120 days of the approval of this Agreement at a fairness hearing. The Township represents that sufficient available sewer exists for the development of each of these projects:

- a) SAR – Located at Block 36, Lots 5, 5.02 and 5.04 (“Property”) according to the Township’s tax and assessment maps, and is commonly known as 13, 15, and 20 Mullen Road, Readington, New Jersey has been zoned to permit 192 total residential units, of which 48 units (25%) shall be family rental units affordable to low (17 units), very low (7 units) and moderate

income (24 units) households. The southern portion of the parcel is within the sewer service area. The Township will support a site specific amendment application to the Township's wastewater management plan to include the entirety of the parcel.

- b) **Readington Commons** – Located at Lots 51 and 52, Block 4 ("Property") according to the Township's tax and assessment maps, and is commonly known as Route 22, Readington, New Jersey has been zoned to permit 254 total residential units, of which 64 shall be family rental units affordable to low (23 units), very low (9 units) and moderate income (32 units) households. The western portion of the parcel is within the sewer service area. The Township will support a site specific amendment application to the Township's wastewater management plan to include the entirety of the parcel.
- c) **Fox Hollow** – Located at Block 15, Lot 28 according to the Township's tax and assessment maps, and is commonly known as the Fox Hollow Golf Club will be zoned to permit 240 age-restricted units, of which 48 shall be affordable to low (17 units) moderate income (24 units) households and very-low (7 units) income units. The parcel is not located with the sewer service area. The Township will support a site specific amendment application to the Township's waste management plan to include the parcel for sewer service from the Somerset Raritan Valley Sewer Authority.

The Township has already entered into settlement agreements with SAR and Readington Commons reflecting the above terms which agreements have been approved by the court. As to Fox Hollow, the Township shall, no later than the fairness hearing in this matter, provide a letter agreeing to the set-aside provided herein and providing a firm commitment that the affordable units will be as set forth in subparagraph (c).

The Township will submit an application or applications to amend the sewer service area to include Harriet's Mobile Home Park, and BCUW parcels prior to the final compliance hearing in this matter in accordance with N.J.A.C. 5:93-5.3(b). The Township will support applications to amend the sewer service area for the Readington Commons, SAR and Fox Hollow parcels with the understanding that all such applications shall be finalized and submitted to the DEP within 45 days prior to the final compliance hearing in this matter. In the event that a developer has not filed such an application in a timely manner, then the Township shall petition the DEP for the requisite SSA Amendment by the time of the final compliance hearing in this matter. If there is a denial on any such site by DEP or at the end of two years if there is no DEP determination then this agreement and any orders of the court shall be reopened for the limited purpose of determining whether there is a realistic opportunity on any such site (i.e. if it is realistically possible that the site can be developed as intended without sewer service) and if not what measures should be taken to address that portion of the Third Round obligation for which there is no longer a realistic opportunity with credits that replace any such site or sites within Readington with other sites that provide an

equivalent number of credits of the same type (e.g. family rental, senior, special needs) that otherwise conform to the terms of this Agreement.

12. In accordance with N.J.A.C. 5:93-4.3(c), the requirement to address the remaining portion of the Round 3 Obligation, namely 262 units, shall be deferred until adequate water and/or sewer are made available (hereinafter the "Deferred Round 3 Obligation"). The Township shall reserve and set aside new water and/or sewer capacity, when it becomes available, for low- and moderate-income housing on the below-listed sites, on a priority basis, except as may occur as a result of an application filed pursuant to paragraph 17 below. Municipal officials shall endorse all applications to the Department of Environmental Protection (DEP) or its agent to provide water and/or sewer capacity, which shall include, but is not limited to, applications for centralized on-site alternative wastewater treatment options approved by the NJDEP, for the sites designated in the deferred portion of the chart in Paragraph 10 above. The deferred portion shall be addressed as shown in that paragraph and chart.

Sewer Prioritization: Except as may be modified as a result of an application filed pursuant to paragraph 17 below, the Township shall prioritize sewer that may become available through recapture, I&I, plant expansion, and/or other means within the RLSA sewer service area for future affordable housing projects as follows:

1. The Hionis project, as described in Section 13.c below.
2. Mirota expansion as described in Section 16.b below.
3. Van Doren as described in Section 13.b below.

The Township shall prioritize sewer that may become available through recapture, I&I, plant expansion, and/or other means within the Three Bridges sewer service area, after the I&I curing anticipated to occur in the immediate future for the Three Bridges 100% family affordable project as described in Section 16.c below, for the Three Bridges inclusionary zoning as described in Section 13.a below.

13. The sites described below will be rezoned as described below within 120 days of the approval of this Agreement at a fairness hearing:

- a. Three Bridges Inclusionary Zone – Block 81, Lot 2 and 3: This 11.4 acre parcel is vacant and located in the Special Resource Residential (SRR) zone district. The Township proposes to zone the parcel (which consists of two lots traversed by a public right-of-way) to permit multi-family housing at a density of 14 dwelling units per acre with a set-aside for affordable housing equaling 25% of the total number of dwelling units. Based on the acreage, the maximum total number of dwelling units from the application of the overlay zoning district would be 160, of which, 40 would be affordable. Utilization of the higher-density multi-family zone regulations zoning is contingent upon the availability of adequate public sewer capacity.
- b. Van Doren Inclusionary Site – Block 21.13, Lots 8, 12, & 14: This 43-acre property is vacant and located in the Special Resource Residential (SRR) zone district. The Township proposes to zone approximately half of this site

(the unconstrained portion closest to Route 22) to permit multi-family housing at a density of 6 units per gross acre with a set-aside for affordable development equaling 20% of the total number of dwelling units (for-sale units) or 15% (if rental units). Based on the acreage, the maximum total number of dwelling units from the application of the overlay zoning district would be 105, of which, 21 would be affordable. Utilization of the higher-density multi-family zone regulations zoning is contingent upon the availability of adequate public sewer capacity.

- c. Hionis – Located at Block 36, Lot 4 according to the Township's tax and assessment maps, and is commonly known as the Hionis site on Route 22, Readington, New Jersey will be zoned to permit up to 165 total residential units, of which 20 percent (33 assuming the full 165 units are developed) shall be affordable to very low, low and moderate income households including a minimum of 33 family units. The affordable family units shall comply with UHAC and the FHA's very low income requirements. To illustrate, if 33 affordable units are generated, then 5 of the units shall be very low income, 12 of the affordable units shall be low income and no more than 16 units of the family rental may be moderate income.

- d. Town wide set-aside requirement

The Township shall adopt a town-wide ordinance requiring a mandatory set-aside of 20% for any multi-family including single family attached residential development of at least five (5) units created through any Planning Board action on subdivision or site plan applications; municipal rezoning; Zoning Board use or density variance; redevelopment plan or rehabilitation plan with a minimum density of six (6) units per acre. To the extent such a development yields affordable housing during the compliance period, the Township may adjust its non-deferred mechanisms accordingly, with the consent of FSHC and approval of the court and consistent with other agreements entered into between the Township and the owners and/or developers of other sites referenced herein.

14. Reporting: The Township agrees, that as part of its annual reporting, and midpoint review reporting, described in Section 29 and 30, below, that it will include annual reports as to a) changes in circumstances relative to sewer including any already existing or anticipated increase in capacity through reclaimed sewer or plant expansion; and b) reporting on applications for existing or anticipated capacity pursuant to Section 17 of this Agreement.

15. The requirements included in N.J.A.C. 5:93-4.3(c)3 and 4 related to inclusion in a fair share plan when the DEP or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in the housing element are hereby waived in accordance with N.J.A.C. 5:93-4.3(c)4, which permits waiver of such requirements when a municipality has a plan that will provide water and/or sewer to sufficient sites to address the full municipal housing obligation.

16. The Township will provide a realistic opportunity for the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:

a) Proposed group homes

ARC is an experienced provider of supportive and special needs housing within Hunterdon County and across the State. ARC is the current owner of a unit located at 399 Ferncrest Court (Block 95, Lot 12-399) and the contract purchaser of a unit located at 405 Ferncrest Court (Block 95, Lot 12-405) within the Hunter's Crossing neighborhood. Each two (2) bedroom group home is currently licensed by NJ Department of Human Services, Division of Developmental Disabilities ('DDD') and is not age-restricted. The Township will place a minimum 30-year affordable housing deed restriction on each unit as indicated in the executed Memorandum of Understanding attached hereto as Exhibit B. The group homes will provide a total of four (4) very low bedroom units.

Bergen County United Way and the Madeline Corporation is another experienced provider and manager of supportive and special needs housing and will partner with the Township to provide group home facilities on Township owned property designated as Block 22 Lot 66 on the Tax Assessment Map of the Township of Readington. The Township has executed an agreement with BCUW/Madeline confirming the provider's commitment to provide affordable units in the form of group homes for a minimum total of 43 affordable senior units (20 of the 43)/special needs bedrooms (23 of the 43) which shall be developed in accordance with N.J.A.C. 5:93-5.5 no later than two years from the final judgment in this matter, with further details to be provided as part of the Housing Element and Fair Share Plan.

Community Options is an experienced provider and manager of supportive and special needs housing. The Township has entered into an agreement with Community Options to provide funding up to \$160,000 for a four-bedroom supportive and special needs home, attached hereto as Exhibit C. Community Options is acquiring property within the Township for purposes of renovating, creating and operating a group home for low and moderate income qualified individuals with developmental disabilities.

The remaining 20 group home bedrooms (besides the ARC, Community Options, and BCUW/Madeline units specifically referenced above) will be realized with either ARC, Community Options, Bergen County United Way and the Madeline Corporation, and/or another experienced provider of supportive and special needs housing. In order to be eligible for bonus credits, by the final compliance hearing the Township will provide signed agreements with experienced provider to provide at least 15 additional group home bedrooms that are eligible for bonus credits in accordance

with N.J.A.C. 5:93. The Township will deliver a minimum of 5 additional group home beds by July 1, 2023.

b) Mirota expansion (deferred)

The Township is currently working with Lutheran Social Ministries ("LSM") to expand the existing Mirota age-restricted rental complex to provide an additional 80 age-restricted rental units. This Township-owned site (99-year lease with LSM) received credit in the prior round and has 60 age-restricted affordable rental units existing in one building. The property at 200 Van Horne Road (Block 21.05, Lot 2) is 7.47 acres. The property size and configuration offers ample area to provide a separate building to accommodate the additional 80 units. The site is in close proximity (less than ½ mile) to the New Jersey Whitehouse Train Station and is located on the south side of Van Horne Road.

Prior to the Final compliance hearing in this matter, the Township will select LSM or another experienced affordable housing provider, to construct a minimum of 80 additional units and to own and administer the affordable age-restricted rental housing on the site, of which at least eleven (11) units will be designated for very low income households as part of at least half of the units being designated for low income households.

As part of its Housing Element and Fair Share Plan, the Township shall provide the information required by N.J.A.C. 5:93-5.5 for this municipally-sponsored project, with the schedule consistent with the provisions on the Deferred 100% Projects provided within this Paragraph 16.

c) Three Bridges – Diaz

Readington Township will address a portion of its Round 3 obligation through the municipally sponsored and 100% affordable development of at least 80 affordable family rental units on Block 81/ Lot 1, which has access to Route 202. This site (Block 81, Lot 1) is located on the south side Route 202 and consists of approximately 20 acres of land. The Three Bridges site is currently owned by the Township of Readington and will be donated to the affordable housing provider. The Township will select an experienced affordable housing provider, prior to the final compliance hearing in this matter, to construct a minimum of 80 units and to own and administer the affordable family rental housing on the site, of which at least eleven (11) units will be designated for very low income households as part of at least half of the units being designated for low income households.

Prior to the Compliance Hearing in this matter, the Township shall demonstrate the ability to sewer the project through curing I&I as referenced in Exhibit A to this Settlement Agreement, contract with a

100% affordable housing developer and submit a proposed pro forma and construction schedule to the Court's Master and FSHC. Within one year of Court approval of this Agreement, the Township shall cure the I&I and take all steps to formally secure a reservation of sewer capacity sufficient to construct the development. The Township anticipates that the affordable housing developer will pursue 9% tax credit financing from HMFA in the 2021 and/or 2022 funding cycle. In the event that the project is unable to secure 9% tax credits within the first two funding cycles after January 1, 2021, the Borough may utilize other available funds, including 4% Tax Credits and bonding for the project.

The Parties agree that this project shall be part of the Non-deferred Round 3 obligation entitled to bonus credits provided that it meets the deadlines described in this paragraph. In the event that the Township fails to meet the deadlines described in this paragraph, the Township will forfeit its right to claim bonus credits on this project and the project shall be treated as part of the deferred obligation, as further described later in this paragraph.

d) Habitat for Humanity

The Township is working with Habitat for Humanity to construct a duplex (2 units) and rehabilitate an existing historic home (one unit) on a township owned parcel (Block 21.12, Lot 25) on James Street located in Whitehouse Station. The Township will donate the land to Habitat for Humanity in 2019 or 2020. Three (3) for-sale family units on this parcel will be constructed within 2 years of the granting of the Judgment of Repose and Compliance.

e) Market-to-affordable program including Harriet's Mobile Home Park

Readington Township proposes a 49-unit third round Market to Affordable Program of which twenty-two (22) affordable units are approved through an executed Memorandum of Understanding dated June 27, 2018 with the owner of Harriet's Mobile Home Park. The Township has approved a bond of \$800,000 to fund the market to affordable program. In addition, the owner of Harriet's has agreed in principle to deed restrict between twenty-two (22) and twenty-four (24) mobile home pad sites and future units for moderate income households. Harriet's Mobile Home Park is located on 3605 Route 22 (Block 38, Lots 85 and 86) and contain 22-24 market rate mobile home units. The Township has agreed to fund the extension of public sewer service to the property in exchange for a deed restriction that will be placed on 22-24 mobile home pad sites and future units installed, purchased or rented with the period of deed restriction commencing once the pad site is vacated or a turn-over occurs. It is anticipated that 20% of the deed restricted units will be available to low-income families and 80% of the deed restricted units will be available to moderate income families.

In accordance with N.J.A.C. 5:93-5.5, the Township recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments. The municipality is required to provide a pro forma of both total development costs and sources of funds and documentation of the funding available to the municipality and/or project sponsor, and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. The Township will further describe how it meets the obligation for the projects referenced in this paragraph as part of its Housing Element and Fair Share Plan.

In accordance with N.J.A.C. 5:93-5.5, for non-inclusionary developments, a construction or implementation schedule, or timetable, shall be submitted for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The schedule shall provide for construction to begin within two years of final judgment being entered in this matter. The municipality shall indicate the entity responsible for undertaking and monitoring the construction and overall development activity. The Township will further describe how it meets the obligation for the projects referenced in this paragraph as part of its Housing Element and Fair Share Plan.

The Township agrees to take all reasonable efforts to obtain water and sewer access for the Three Bridges and Mirota 100% sites (the "Unbuilt 100% Sites" or "Unbuilt 100% Projects") as soon as possible, and in the case of the Three Bridges 100% site in accordance with the timetable otherwise set forth in this paragraph. In the event for any reason that either or both of the Unbuilt 100% Sites developments are not under construction within 48 months of the of the court's approval of this Agreement at a fairness hearing, the municipality shall take all necessary steps to provide and demonstrate the provision of a realistic opportunity for the units identified for development on the site. The Township shall do this by funding the development using municipal funds; increasing the density on an inclusionary site identified in this Agreement; rezoning a site that is most likely to receive water and sewer utilities within the municipality for inclusionary development at a density equal to or exceeding 10 units per acre net density; or using some combination of these three approaches. The municipality recognizes that it has the obligation to demonstrate a realistic opportunity exists for the approach(es) employed to meet the obligations that have been allocated in this Agreement to be satisfied on the Unbuilt 100% Sites.

In the event that either or both of the Unbuilt 100% Projects either does not have access to water or sewer utilities in accordance with the timetable otherwise set forth in this paragraph (for the Three Bridges 100% site), or within four years of the court's approval of this Agreement at a fairness hearing (for the Mirota 100% affordable site), or is not under construction within four years of the court's approval of this Agreement at a fairness hearing, and in the event the municipality has not provided a realistic opportunity for a sufficient number of affordable units through other means, such as inclusionary zoning without a durational adjustment, without further order of court,

pursuant to the preceding paragraph, the Township agrees that it will be required to comply with N.J.A.C. 5:93-4.3(c)3 and 4 with regard to the inclusion in a fair share plan when the DEP or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in a housing element and fair share plan because the municipality would be deemed to not have sufficient sites to address the municipal housing obligation within the substantive certification period.

17. The Parties recognize that at the time of this Agreement there is not a plan in place to expand the total capacity of the Readington-Lebanon Sewerage Authority (RLSA) beyond the total capacity in place today which would enable the creation of a realistic opportunity for the Township's entire fair share pursuant to this Agreement, as reflected in Exhibit A. At such time as the Township is able to work with the Readington-Lebanon Sewerage Authority to expand capacity of its treatment plant the Township reserves the right to seek relief from the court on notice to an opportunity to be heard by FSHC and all other interested parties pursuant to N.J.A.C. 5:93-4.5, N.J.A.C. 5:93-15.1 and/or other applicable law to reserve or set aside a portion of future sewer expansion for purposes other than affordable housing, including public purposes and for non-residential purposes FSHC reserves the right to take any position it wishes on any such application by the Township including the applicability of any particular regulation and also including, but not limited to a) whether or not future expansion should prioritize Hionis and Mirota even in the event of a granted waiver and b) whether or not, and the degree to which, a granted waiver precludes the waiver contained in Paragraph 15 of this agreement pursuant to N.J.A.C. 5:93-4.3(c)4.

18. The Township agrees to require 13% of all the affordable units referenced in this plan, with the exception of units constructed as of July 1, 2008, and units subject to preliminary or final site plan approval as of July 1, 2008, to be very low income units (defined as units affordable to households earning 30 percent or less of the regional median income by household size), with half of the very low income units being available to families, as shown in paragraph 7 above. In addition, 13 percent of the affordable units in any development referenced in paragraph 11 above will be affordable to very low income families.

19. To the extent that Readington is entitled to any "bonus credits" to be applied to its Round 3 obligation, such bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).

20. At least fifty (50) percent of the units addressing the Township's Round 3 obligation shall be affordable to a combination of very-low-income and low-income households, while the remaining affordable units shall be affordable to moderate-income households.

21. At least twenty-five (25) percent of the Township's Round 3 obligation shall be met through rental units, including at least half in rental units available to families.

22. At least half of the units addressing the Township's Round 3 obligation must be available to families.

23. The Township agrees to comply with COAH's Round 2 age-restricted cap of 25 percent, and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the Township claim credit toward its fair share obligation for age-restricted units that exceed 25 percent of all units developed or planned to meet its Prior Round and Round 3 fair share obligations.

24. The Township and/or its administrative agent shall add the following entities to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5): Fair Share Housing Center, the New Jersey State Conference of the NAACP, the New Brunswick, Plainfield Area, Perth Amboy, Warren/Sussex, and Metuchen/Edison branches of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center. As part of its regional affirmative marketing strategies during implementation of its fair share plan, the Township and/or its administrative agent shall also provide notice of all available affordable housing units to the above-referenced organizations.

25. All affordable housing units created pursuant to the measures set forth in this Agreement shall comply with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be affordable to households earning at or below 35 percent of the regional median household income by household size, 13 percent of affordable units in such projects shall be required to be affordable to households earning at or below 30 percent of the regional median household income by household size subject to paragraph 12 herein, and all other applicable law. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Township annually in accordance with the prior order entered by the court in this matter. The Township, as part of the Housing Element and Fair Share Plan that will be prepared, adopted and endorsed as a result of this Agreement, shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied. The Housing Element and Fair Share Plan, along with a Spending Plan, and ordinances amending the Township's zoning ordinance and affordable housing ordinances to implement the terms of this Agreement shall be adopted by the Township and shall be submitted to the Court and the Special Master within 120 days of the entry of an order by the Court approving this Agreement.

26. Upon full execution of this Agreement, Readington shall place this agreement on file in the Township's municipal building and file a copy with the Court for the upcoming scheduled Fairness Hearing, at which the Township will seek judicial approval the terms of this Agreement pursuant to the legal standard set forth in Morris

Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. City of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Notice of the Fairness Hearing shall be published at least 30 days in advance of the Hearing. Readington shall also apply to the Court for scheduling a "Compliance Hearing" seeking judicial approval of Readington's Housing Element and Fair Share Plan and implementing ordinances, once same are prepared, adopted and endorsed. The Fairness and Compliance Hearings can be held concurrently or sequentially, which shall be decided by the Court with consultation by the Special Master, Readington, and FSHC. Readington shall make its consulting planner and any other relevant witnesses available for testimony at the Hearing(s). FSHC shall not challenge the validity of any of the documents attached hereto, or the validity of the Township's Fair Share Plan, provided it complies with all of the terms of this Agreement, including all Exhibits and Schedules attached to this Agreement. If the Fairness and Compliance Hearing(s) result in approval of this Agreement and the Township's Fair Share Plan, the parties agree that the Township will be entitled to either a "Judgment of Compliance and Repose" ("JOR") or the "judicial equivalent of substantive certification and accompanying protection as provided under the FHA," 221 N.J. at 6, which shall be determined by the trial judge. Each party may advocate regarding whether substantive certification or repose should be provided by the court, with each party agreeing to accept either form of relief and to not appeal an order granting either repose or substantive certification. Among other things, the entry of such an Order shall maintain Readington's immunity from all Mount Laurel lawsuits through July 2, 2025.

27. Subsequent to the signing of this Agreement, if a binding legal determination by the Judiciary, the Legislature, or any administrative subdivision of the Executive Branch determines that Readington's Round 3 obligation is decreased by 20% or more (209 or more), with any relevant appeal periods having passed, the Township may file a proposed form of Order, on notice to FSHC and the Township's Service List, seeking to reduce its Round 3 obligation accordingly. Such relief shall be presumptively granted. Notwithstanding any such reduction, the Township shall be obligated to implement the Fair Share Plan prepared, adopted and endorsed as a result of this Agreement, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement; taking all steps necessary to support development of any 100% affordable developments referenced herein; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Township's obligation below that established in this agreement does not provide a basis for seeking leave to amend this agreement or the fair share plan adopted pursuant to this agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Township prevails in reducing its prospective need for Round 3, the Township may carry over any resulting surplus credits to Round 4.

28. The Township shall prepare a Spending Plan within 120 days of the entry of an order by the Court approving this Agreement which shall be approved by the Court during, or prior to, a duly-noticed Compliance Hearing. FSHC reserves its right to provide any comments or objections on the Spending Plan to the Court upon review. Upon approval by the Court, the Township and Fair Share Housing Center agree that

the expenditures of funds contemplated in the Township's Spending Plan shall constitute the "commitment" for expenditure required pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period contemplated therein commencing in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). Upon approval of its Spending Plan the Township shall also provide an annual Mount Laurel Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services.

29. On the first anniversary of the execution of this Agreement, and every anniversary thereafter through the end of this Agreement, the Township agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC. In addition to the foregoing, the Township may also post such activity on the CTM system and/or file a copy of its report with the Council on Affordable Housing or its successor agency at the State level.

30. The Fair Housing Act includes two provisions regarding action to be taken by the Township during the ten-year period of protection provided in this agreement. The Township agrees to comply with those provisions as follows:

- a) For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township 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. 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. Any interested party may by motion request a hearing before the Court regarding these issues.
- b) For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this agreement, and every third year thereafter, the Township will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

- c) In addition to the foregoing postings, the Township may also elect to file copies of its reports with the Council on Affordable Housing or its successor agency at the State level.

31. This agreement may be enforced by the Township or FSHC through a motion to enforce litigant's rights or a separate action filed in Superior Court, Hunterdon County. If FSHC determines that such action is necessary, the Township consents to the entry of an order providing FSHC party status as an intervenor solely for purposes of its motion to enforce litigant's rights.

32. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement. However, if an appeal of the Court's approval or rejection of the Settlement Agreement is filed by a third party, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division, and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved by the Trial Court unless and until an appeal of the Trial Court's approval is successful, at which point the Parties reserve their right to return to the status quo ante. In this regard, the Township and FSHC acknowledge that the parties have entered into this agreement to settle the litigation and that each is free to take such position as it deems appropriate should the matter return to the status quo ante.

33. The Township agrees to pay \$ 40,000 to FSHC, payable within 10 days of judicial approval of this Agreement pursuant to a duly-noticed Fairness Hearing.

34. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.

35. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

36. This Agreement may not be modified, amended or altered in any way except by a writing signed by both the Township and FSHC.

37. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.

38. The Township and FSHC acknowledge that each has entered into this Agreement voluntarily after consulting with its counsel, that each person to sign this Agreement is the proper person and possesses the authority to sign the Agreement, that this Agreement contains the entire understanding of the Township and FSHC and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

39. The Township and FSHC acknowledge that this Agreement was not drafted by the Township and FSHC, but was drafted, negotiated and reviewed by representatives of the Township and FSHC and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. The Township and FSHC expressly represent that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the persons executing it.

40. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both the Township and FSHC.

41. This Agreement constitutes the entire Agreement between the Township and FSHC hereto and supersedes all prior oral and written agreements between the Township and FSHC with respect to the subject matter hereof except as otherwise provided herein.

42. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which representatives of the Township and FSHC have executed and delivered this Agreement.

43. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the Township and FSHC by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

TO FSHC:

Adam Gordon, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: adamgordon@fairsharehousing.org

TO THE TOWNSHIP:

Michael J. Edwards, Esq.
Jeffrey R. Surenian and Associates, LLC
707 Union Avenue, Suite 301
Brielle, NJ 08730
Phone: (732) 612-3100
Telecopier: (732) 612-3101
Email: MJE@Surenian.com

**WITH A COPY TO THE
TOWNSHIP CLERK:**

Vita Mekovetz, Municipal Clerk
Township of Readington
509 Route 523
Whitehouse Station, NJ 08889
Phone: (908) 534-4051
E-mail: vmek@readingtontwp-nj.org

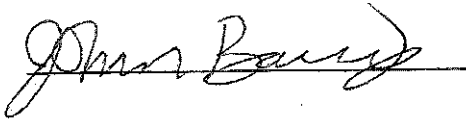
**WITH A COPY TO THE
SPECIAL MASTER:**

Francis J. Banisch, III, PP/AICP
Banisch Associates
111 Main Street
Flemington, NJ 08822
Phone: (908) 782-0835
Telecopier: (908) 782-7636
Email: frankbanisch@banisch.com

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

Witness/Attest:

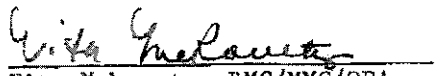


Dated: 7-19-2019

FAIR SHARE HOUSING CENTER:

By: 
Adam Gordon, Esq.
On Behalf of Fair Share Housing Center

Witness/Attest:


Vita Mekovetz, RMC/MMC/QPA
Administrator/Municipal Clerk

Dated: 7-17-2019

TOWNSHIP OF READINGTON:

By: 
Honorable Betty Ann Fort
On Behalf of the Township of Readington

EXHIBIT A

EVALUATION OF AVAILABLE SEWER CAPACITY
within the
TOWNSHIP OF READINGTON
in the
Readington-Whitehouse & Three Bridges
Sewer Service Areas

PREPARED FOR THE
TOWNSHIP OF READINGTON
HUNTERDON COUNTY, NEW JERSEY

PREPARED BY



1128 ROUTE 31
LEBANON, NEW JERSEY 08833

July 10, 2019

Robert J. Clerico

ROBERT J. CLERICO, PE, PP
READINGTON TOWNSHIP ENGINEER
NJPE # 22360

**Evaluation of Available Sewer Capacity
Readington-Whitehouse & Three Bridges
Sewer Service Areas**

Description of System

The Township of Readington is located in the central portion of Hunterdon County with a population of approximately 16,000 people.

Readington Township owns and operates sanitary collection systems within the Readington-Whitehouse (RWSA) and Three Bridges (TBSA) sewer service areas. Pump stations within both systems are also owned and maintained by Readington.

Sanitary sewer flow from the RWSA is conveyed by the collection system to the Readington-Lebanon Sewerage Authority (RLSA) treatment plant located on Old Highway Rt. 28 in Whitehouse Station, NJ.

Sanitary sewer flow from the TBSA is conveyed by the collection system to the Raritan Township Municipal Utility Authority (RTMUA) treatment plant located on Old York Road in Raritan Township, NJ.

Evaluation of RWSA Capacity

The RLSA treatment plant accepts flow from Readington Township, Lebanon Borough and the Round Valley Reservoir Park. The RLSA owns & maintains trunk lines within Readington Township that convey the other flows to the treatment plant.

Readington's flow is the calculated difference of the total plant metered flow less the metered flow from Lebanon Borough. Readington is provided with the RLSA treatment plant's tabulation of flows based upon a 12-month moving average and utilizes this data to monitor the monthly flows within the conveyance system.

The permitted flow for Readington, per agreement with the RLSA, is 939,000 gpd. Readington's calculated 12-month moving average flow for 2017 & 2018 were 570,724 gpd & 584,091 gpd, respectively.

The average dry weather monthly flow for this 2-year period was 440,600 gpd.

Rain-induced inflow & infiltration (RII) within the Readington conveyance system in 2018, for example, increased average monthly flows above 770,000 gpd in February, August and November (see attached flow summary).

**Evaluation of Available Sewer Capacity
Readington-Whitehouse & Three Bridges
Sewer Service Areas**

Increased flow due to RII may also be attributed to the RLSA trunk lines within Readington which can result in higher flows to the treatment plant. Under Readington Township's maintenance program for 2019, meters will be installed at connection points to the RLSA system in order to obtain the actual flow generated by Readington and to prioritize system repairs. Readington is also working with the RLSA and Lebanon Township to coordinate system maintenance and repair work.

Any recaptured flow as a result of the system repairs would be allocated under the RLSA agreement with 80% to Readington and 20% to Lebanon.

Commitment and Capacity of RLSA Wastewater Treatment Plant

Readington Township monitors the flow to the plant and available capacity within the RWSA on a monthly basis taking into account various properties with allocated flow and the needs of future affordable housing projects.

A table listing the properties with current unconnected gallonage and the gallonage needed for affordable housing is provided on the next page.

**Evaluation of Available Sewer Capacity
 Readington-Whitehouse & Three Bridges
 Sewer Service Areas**

Available Sewer Gallonage - RLSA Wastewater Treatment Plant

Permitted Flow	939,000
Less Avg 2018 RT flow to plant	(584,000)

Allocated Gallonage - Not Connected

	Name	Block	Lot	GPD
1	Merck	4	4.01	104,000
2	Toll Brothers-Regency at Readington	36	49	9,426
3	Lot 3 Dev. LLC	21	3	350
4	Readington Jr. Baseball	21.12	94	350
5	Ryland Developers, LLC	14	29.02, 29.03	11,700
6	Shelton Land LLC (Ryland Inn)	14	29	9,450
7	Belle Meade	2.01	9.01, 11	54,800
8	388 Rt 22	17	8	11,260
9	Tom Jr	36	7	1,400
10	Whitehouse Plaza (aka Walmart)	14	49	0
11	Hartman	36	48	4,650
12	Cunha	32	9	350
				207,736
				(207,736)

Affordable Housing Needs

1	Readington Commons (254 units)	4	51 & 52	51,375
2	SAR (192 units)	36	5 & 5.02	37,250
3	Nelson Street (72 units)	32	12	16,710
4	James Street (2 units)	21.12	25	700
5	Group Homes (5 - 3bdrm dwellings)	-	-	1,500
6	Mirota (80 units)	21.05	2	0
7	Hionis Site (165 units)	36	4	0
8	BCUW/Madeline (42 units)	-	-	5,150
9	Harriet's Trailer Park (24 Units)	38	86	4,080
				116,765
				(116,765)

Balance Available	30,499
Failing Septics (20 @350 gallons)	7,000
10% Future flow to cover I&I	32,450
Free balance	-8,951

**Evaluation of Available Sewer Capacity
Readington-Whitchouse & Three Bridges
Sewer Service Areas**

Evaluation of the TBSA Capacity

The permitted flow for Readington, per the agreement with the RTMUA is 125,000 gpd. Flow meters within Readington's pump stations are monitored by DPW personnel and tabulated based upon a 12-month moving average.

The 12-month moving average flows for 2017 & 2018 were 118,485 & 130,867 gpd, respectively. This increase in flow above the dry weather flows can be attributed to RII. Under Readington's 2018 repair program, the entire system was smoke tested to identify, repair and eliminate defective/illicit connections. Several illicit connections (roof leaders) were eliminated and numerous defective sewer laterals and manholes were repaired.

Dry weather monthly average flows for 2018 were below 99,000 gpd (see attached flow summary). Based upon the 2018 dry weather flows, there is approximately 26,000 gpd of available capacity in the system.

Conclusions and Recommendations

Future sewer capacity in both systems is subject to the influence of inflow and infiltration as shown on the attached flow summaries. Continued maintenance will reduce the I&I and recapture flow for the required affordable housing developments.

Using a conservative recapture rate of between 50 – 65% results in a range of available capacity between 13,000 – 16,900 gpd within the TBSA which is sufficient to provide sewer for the affordable housing development proposed in this sewer service area.

EXHIBIT B

Arc 6/11

MEMORANDUM OF UNDERSTANDING FOR SETTLEMENT

THIS MEMORANDUM OF UNDERSTANDING ("MOU") made this 8th day of August, 2018, by and between:

TOWNSHIP OF READINGTON, a municipal corporation of the State of New Jersey, County of Hunterdon, having an address at 509 Route 523, Whitehouse Station, NJ, 08889 (hereinafter the "**Township**");

And

The Arc of Hunterdon County, Inc., a New Jersey Corporation and/or Arc Properties of Hunterdon, LLC a New Jersey limited liability company, all with an address at 1465 Route 31 South, Suite 23, Annandale, NJ 08801 (hereinafter "**Arc**");

Collectively, the Township and Arc of Hunterdon County, Inc. shall be referred to as the "**Parties.**"

WHEREAS, in response to the New Jersey Supreme Court's decision In re Adoption of N.J.A.C. 5:96 and 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015), on or about July 2, 2015, the Township filed an action with the Superior Court of New Jersey ("Court"), entitled In the Matter of the Application of the Township of Readington, County of Hunterdon, Docket No. HNT-L-301-15, seeking a Judgment of Compliance and Repose approving its Affordable Housing Plan (as defined herein), in addition to related reliefs (the "Compliance Action"); and

WHEREAS, the Township simultaneously sought and ultimately secured an Order protecting Readington from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, Arc is the owner of that real property within the Township of Readington on which it operates group homes located at 185 Milkweed Court and 405 Ferncrest Court which are currently deed restricted for a term of 30 years for affordable housing purposes;

WHEREAS, Arc is also the owner of 399 Ferncrest Court and contract purchaser of sites located at 401 Ferncrest Court that are currently without affordability controls (hereinafter Site 1 and Site 2, respectively);

WHEREAS, through private negotiations, the Parties have reached an agreement in principle, subject to a future contractual agreement, agreed to and ratified by both parties that Arc will operate one group home each on both Sites 1 and 2. Each Site shall contain one group home consisting of two credit-worthy very low income ("VLI") bedrooms;

WHEREAS, to ensure that the 4 bedrooms contemplated by this MOU generate affordable housing credits to be applied as VLI bedrooms to the Township's Gap (1999-2015) and Round 3 (2015-2025) affordable housing obligations, the affordable bedrooms within the

each group home shall be developed in accordance with the COAH Prior Round regulations, the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. ("UHAC") and all other applicable law except that all 4 bedrooms shall be deed restricted for a period of at least 30 years as affordable to very low income households as defined by UHAC, the FHA and COAH regulations.

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto, agree in this MOU to the terms set forth as follows:

ARTICLE I - "BASIC TERMS AND CONDITIONS"

1.1 Purpose The purpose of this MOU is to create a realistic opportunity for group homes at Site 1 and Site 2, and to generate VLI affordable housing credits for the Township to apply to its Gap (1999-2015) and Round 3 (2015-2025) affordable housing obligations.

ARTICLE II - ARC OBLIGATIONS

2.1 Affordable Units. Arc shall have an obligation to deed-restrict at least four bedrooms (2 bedroom group home on Site 1 and a 2 bedroom group home on Site 2) with affordability controls for very low income households. Any such affordable bedrooms shall comply with UHAC, applicable COAH affordable housing regulations, any applicable order of the Court, and other applicable laws, except that all units must be affordable to very low income households as defined by UHAC, the FHA and COAH regulations. In addition, the affordable bedrooms shall remain affordable for a period of at least thirty (30) years from the date of their initial occupancy ("Deed-Restriction Period").

ARTICLE III - TOWNSHIP OBLIGATIONS

3.1 Payment per bedroom: The Township agrees to pay a sum of thirty-five thousand dollars (\$35,000) per bedroom from its affordable housing trust fund or through other funds to subsidize the administration of the affordable bedroom/units.

3.3 The Township agrees to waive all local permit fees within its control in order to help facilitate this development.

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum of Understanding to be properly executed, their corporate seals affixed and attested and this MOU to be effective as of the Effective Date.

Witness/Attest:

Colleen A. Dennis By: Jeffrey Mattison
Colleen Dennis Jeffrey Mattison
Title: Deputy Executive Director Executive Director

Dated: 8/23/18

Witness/Attest:

TOWNSHIP OF READINGTON
By:
as its MAYOR

Vita Nekovetz By: Benjamin A. Smith
Vita Nekovetz, Administrator/Clerk Benjamin A. Smith, Mayor

Dated: 8-8-2018

EXHIBIT C

TOWNSHIP OF READINGTON

WHITEHOUSE STATION, NEW JERSEY 08889

MUNICIPAL BUILDING
509 ROUTE 523
WHITEHOUSE STATION, NJ 08889
TEL: (908) 534-4051
FAX: (908) 534-5909



VITA MEKOVETZ, RMC/MMC/QPA
ADMINISTRATOR/MUNICIPAL CLERK

May 30, 2019

Wei-Han Zhou
Director of Government Relations
Community Options, Inc.
506 Hamburg Turnpike, Suite 107
Wayne, NJ 07470

Ref: Funding Agreement
Affordable Housing: Group Home Project

Enclosed please find a fully executed copy of the referenced agreement. We look forward to working with you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Vita Mekovetz".

Vita Mekovetz, RMC/MMC/QPA
Administrator/Municipal Clerk

VM:dm
vm\19coresp\Community Options

cc: Township Committee
Sharon A. Dragan, Esq. w/attachments

FUNDING AGREEMENT

This Funding Agreement is made and dated on the 17th day of May, 2019, by and between:

The Municipality of Readington, in Hunterdon County, having an address at 509 Route 523, Whitehouse Station, New Jersey 08869 ("Readington"), and

Community Options, Inc., having an address at 16 Farber Road, Princeton, New Jersey 08540 ("COI").

Whereas, COI has agreed to acquire real property in the Township of Readington, County of Hunterdon, (the "Property");

Whereas, COI is acquiring the Property for the purpose of renovating, creating and operating a group home for low and moderate income qualified individuals with developmental disabilities, which group home shall consist of four (4) bedroom units (the "Group Home Project"); and,

Whereas, pursuant to the Fair Housing Act (P.L. 1985, c. 222) (the "Act"), municipalities in the State of New Jersey are required to provide their fair share of housing that is affordable to low and moderate income households in accordance with the provisions of the act; and,

Whereas, Readington administers the Readington Affordable Housing Program for the purpose of meeting its fair share affordable housing obligation in accordance with the provisions of the Act; and,

Whereas, as part of its Affordable Housing Program, Readington administers an Affordable Housing Trust Fund; and,

Whereas, COI and Readington wish to restrict the Property for use as low or moderate income affordable housing for income qualified individuals with developmental disabilities; and,

Whereas, contingent upon the governing body of Readington adopting an ordinance authorizing the expenditure of funds to partially reimburse COI for the acquisition of the Property and/or to fund the renovation and creation of the Group Home Project, Readington shall contribute the sum of One Hundred Sixty Thousand Dollars (\$160,000.00) toward partially reimbursing COI for its acquisition of the Property and/or to fund the renovation and creation of the Group Home Project in consideration of COI executing a Declaration of Covenants, Conditions, and Restrictions (the "Declaration"), attached hereto as Exhibit B, restricting the Property for affordable housing purposes, which Declaration shall be recorded in the Office of the Hunterdon County Clerk immediately following the recording of the deed of conveyance vesting title to the Property in COI under the contract of sale; and,

Whereas, COI will obtain any additional funding or gap financing from other sources and/or shall contribute all additional funds necessary for the renovation and creation of the Group Home Project; and,

Whereas, the Declaration shall implement affordable housing controls on the Property, and shall ensure that the Property remains affordable to low or moderate income qualified individuals with developmental disabilities for a period of at least fifty (50 years) from the date the Declaration is recorded in the Office of the Hunterdon County Clerk; and,

Whereas, pursuant to the Declaration, the Property shall be a part of the Readington Affordable Housing Program, subject to the rules and regulations of the Readington Affordable Housing Program and COAH; and,

Whereas, the Group Home Project shall provide Readington with credits for the four bedroom group home toward Readington's fair share affordable housing obligation pursuant to COAH requirements; and,

Whereas, the Declaration shall be executed by COI and shall be recorded following recording of the deed of conveyance vesting title to the Property in COI; and,

Now Therefore, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties hereto, Readington and COI agree as follows:

1. It is the intent and purpose of this Agreement to ensure that the affordable housing controls contained herein are implemented and recorded to restrict the Property as an affordable housing unit under the Readington Affordable Housing Program and the rules and regulations of COAH, so as to bind COI, its successors, heirs and assigns, to comply with the declarations, covenants, conditions and restrictions contained in the Declaration, of which COI shall be required to notify all future parties taking title to the Property, for a period of at least fifty (50) years from the date the Declaration is recorded in the Office of the Hunterdon County Clerk.
2. Contingent upon the governing body of Readington adopting an ordinance authorizing the expenditure of funds from the Readington Affordable Housing Trust Fund towards the partial reimbursement for the purchase and/or renovation of the Property, Readington shall contribute the sum of One Hundred Sixty Thousand Dollars (\$160,000.00) toward partially reimbursing COI's acquisition of the Property and/or renovation and creation of the Group Home Project in consideration of COI executing the Declaration, and recording the Declaration following the recording of the deed of conveyance vesting title to the Property in COI.
3. Within thirty (30) business days of the execution of this Agreement by both parties, transfer of One Hundred Sixty Thousand Dollars (\$160,000.00) to COI to acquire and renovate one four bedroom house located in Readington Township.

4. COI shall obtain any additional funding or gap financing from other source and/or shall contribute all additional funds necessary for the renovation and creation of the Group Home Project.
5. The Group Home Project will consist of a minimum of four (4) bedrooms, providing Readington with four units of affordable housing pursuant to COAH rules and regulations. The parties acknowledge that COAH does not have guidelines for affirmative marketing for group homes. COI shall therefore be responsible for filling the four bedrooms and any subsequent re-rental of any of the bedroom units with low or moderate income qualified individuals with developmental disabilities utilizing a state-wide list for developmentally disabled residents.
6. COI will undertake the renovation, creation and operation of the Group Home Project.
7. COI shall keep Readington informed of the status of the creation and renovation of the Group Home Project, and shall provide documentation regarding the same as may be requested by Readington.
8. This Agreement can only be assigned or changed by an agreement in writing signed by both parties hereto.
9. This Agreement is binding upon all parties who sign it and all who succeed to their rights and responsibilities.
10. All notices under this Agreement must be in writing. The notices must be delivered personally or mailed by certified mail, return receipt requested, to the other party at the address written in this Agreement, or to that party's attorney. Notices may also be sent electronically.
11. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.
12. The authorized corporate officers of COI and Readington sign this Agreement with authority provided by their respective governing bodies.
13. The Effective Date of this Agreement shall be the date first stated above on Page 1.

SIGNED AND AGREED TO BY:

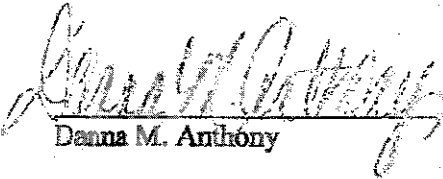
Municipality of Readington



Vita Mekowitz, Municipal Clerk



By: Betty Ann Fort, Mayor



Danna M. Anthony

Community Options, Inc.



By: Robert Stack, President and CEO



2. 2019 COURT ORDER



JEFFREY R. SURENIAN AND ASSOCIATES, LLC

Brielle Galleria

707 Union Avenue, Suite 301

Brielle, New Jersey 08730

(732) 612-3100

Attorneys for Declaratory Plaintiff, Township of Readington

By: Jeffrey R. Surenian (Attorney ID: 024231983)

Michael J. Edwards (Attorney ID: 032112012)

**IN THE MATTER OF THE
APPLICATION OF THE TOWNSHIP OF
READINGTON, COUNTY OF
HUNTERDON**

**SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: HUNTERDON COUNTY**

DOCKET NO.: HNT-L-301-15

CIVIL ACTION

Mount Laurel

**ORDER APPROVING SETTLEMENT
AGREEMENT WITH FAIR SHARE
HOUSING CENTER**

THIS MATTER having been opened to the Court by Jeffrey R. Surenian and Associates, LLC, Michael J. Edwards, Esq. appearing on behalf of declaratory plaintiff, Township of Readington (hereinafter “the Township” or “Readington”) via Declaratory Judgment to approve the Township’s Housing Element and Fair Share Plan (hereinafter “Fair Share Plan”) in response to In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) (“Mount Laurel IV”); and the Court having granted the Township immunity from Mount Laurel lawsuits from the time of the filing of the Township’s Declaratory Judgment action (hereinafter “DJ Action”); and the Court having appointed Frank Banisch, PP/AICP, as the Special Mount Laurel Court Master (hereinafter the “Court Master”); and the Township’s professionals, Fair Share Housing Center, having agreed upon a form of Settlement Agreement, dated July 19, 2019 (Exhibit P-1) and together with all exhibits thereto, referred to hereinafter as the “FSHC Settlement Agreement”), which was executed by Adam Gordon; and the Township Council having adopted

a Resolution, dated July 16, 2019 (Exhibit P-2); and the Court having set a date of October 3, 2019 for a Fairness Hearing to entertain approval of the Settlement Agreement between FSHC and the Township, and to determine whether said Settlement are fair, reasonable and adequately protect the interests of low- and moderate-income households; and the Township having provided proper public and actual notice of the Fairness Hearing; and no written objections having been received; and Counsel for the Township having prepared a Certification of Public Notice of Michael Edwards, Esq., (Exhibit P-4) to document that proper notice of the Fairness Hearing had been given; and the Fairness Hearing having been held on October 3, 2019 during which Exhibits P-1 to P-4 were marked into evidence; and the Court having considered the testimony of Michael Sullivan, PP/AICP taken during the Fairness Hearing, as well as the comments of counsel and testimony of the Court Master; and the Court having reviewed all of the documents submitted into evidence during the Fairness Hearing; and the Court being satisfied that the parties are entitled to the relief sought; and good cause having been shown;

IT IS HEREBY ORDERED ON THIS 15th day of October 2019, as follows:

1. The Court finds and determines pursuant to the judicial standards prescribed by the Appellate Division in East/West Venture v. Bor. Of Fort Lee, 289 N.J. Super. 311 (App. Div. 1996) and in Morris County Fair Housing Council v. Boonton Tp., 197 N.J. Super. 359 (Law Div. 1984), affd o.b., 209 N.J. Super. 108 (App. Div. 1986) and through analysis of the FSHC Settlement Agreement (Exhibit P-1), on the basis of the testimony taken during the Fairness Hearing conducted on October 3, 2019, that the Settlement Agreement between FSHC and the Township is fair, reasonable and adequately protects the interest of low- and moderate-income households, and the Court hereby approves the FSHC Settlement Agreement.

2. Within 120 days of the entry of this Order, the Township shall satisfy all conditions of the Special Master's Report, dated August 15, 2019 (Exhibit P-3) and shall request a date for a final Compliance Hearing.

3. The temporary immunity from all exclusionary zoning actions previously granted to the Township of Readington, the governing body of the Township of Readington, and the Planning Board of the Township of Readington, shall remain in place and effective until one month after the date the final Compliance Hearing is held.

4. Counsel for the Township shall provide all Counsel of Record and the Court Master with a copy of this Order within seven (7) days of receipt.

IS/ THOMAS C. MILLER, P.J.Cv.

HONORABLE THOMAS C. MILLER, P.J.Cv.

DOCUMENTS MARKED INTO EVIDENCE AT HEARING

Exhibit P-1: Settlement Agreement between the Township of Readington and Fair Share Housing Center, dated July 19, 2019

Exhibit P-2: Resolution authorizing the execution of the FSHC settlement agreement, dated July 16, 2019

Exhibit P-3: Special Master's Report of Frank Banisch, AICP/PP, dated August 15, 2019

Exhibit P-4: Notice Certification of Michael J. Edwards, dated September 23, 2019



3. PLANNING BOARD RESOLUTION



READINGTON TOWNSHIP PLANNING BOARD

RESOLUTION ADOPTING THE 2020 AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN

RESOLUTION NO. 2020-03

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Readington Township Planning Board (the "Board"), held a public hearing on May 26, 2020 on a proposed Third Round Amended Housing Element and Fair Share Plan dated March 11, 2020 (the "2020 HE&FSP) which would amend the Township's prior Third Round Housing Element and Fair Share Plan in accordance with In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1 (2015) (Mount Laurel IV); and

WHEREAS, Township Planning consultant, Michael F. Sullivan, ASLA, AICP, of Clarke Caton Hintz, presented an overview of the contents of the 2020 Amended HE & FSP, including a detailed description of the compliance mechanisms being utilized for the production of affordable housing; and:

WHEREAS, the Board considered and incorporated minor revisions to the 2020 draft Amended HE & FSP articulated in a memorandum dated May 11, 2020 from Clarke Caton Hintz, the Township Planning consultant in order to reflect:

1. An increase in claimed Credits without Controls, from 30 to 32, as certified by Court Master Banisch; and

2. A decrease in the number of credits planned for the Market-to-Affordable programs from 27 to 25; and

3. The addition/replacement of the following appendices:

Appendix 12 – The executed agreement with Allies, Inc., for an additional 17 bedrooms.

Appendix 22 –Ordinance 12-2020 establishing the Age-Restricted Affordable Housing-2 (ARAH-2) District for the BCUW/Madeline Housing Partners, LLC.

Appendix 31 –Ordinance 14-2020 establishing the Multi-Family Affordable Housing-4 (MFAH-2) District for the Hionis project.

Appendix 43 –Ordinance 13-2020 establishing the Multi-Family Affordable Housing-5 (MFAH-5) District for the Three Bridges - Diaz project.

Appendix 44 –Ordinance 15-2020 establishing the Multi-Family Affordable Housing-2 (MFAH-2) District for the Three Bridges Inclusionary Overlay project.

Appendix 47 – The deed restriction for 181 Aster Court.

Appendix 50- Spending Plan and a Resolution of Intent to Fund will replace the draft documents within the appendix.

Appendix 51 –Ordinance 09-2020 to establish the affordable housing ordinance regulations consistent with the Settlement Agreement with Fair Share Housing Center.

4. Correction of the date of the Fairness Hearing as October 3, 2019, on page 30 in paragraph 2.

5. Correction of the number of “Proposed” group home bedrooms from 20 to 1 in the crediting table, on page 86.

WHEREAS, upon the conclusion of the public hearing, the Board determined that the 2020 Amended HE&FSP is consistent with the goals and objectives of the Readington Township Master Plan, will guide the use of lands in the municipality in a manner which protects public health and safety and promotes the general welfare in accordance with N.J.S.A. 40:55D-28, and is designed to achieve, and the adoption and implementation of the 2020 Amended HE&FSP will achieve, access to affordable housing to meet present and prospective housing needs in accordance with the Fair Housing Act of 1985, specifically, N.J.S.A. 52:27D-310;

NOW THEREFORE BE IT RESOLVED, by motion duly made and seconded, that the Board hereby adopts the 2020 HE&FSP.

VOTE TO ADOPT THE 2020 HOUSING ELEMENT AND FAIR SHARE PLAN:

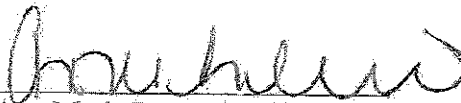
THOSE IN FAVOR: ALBANESE, COOK, FILLER, MUELLER, MONACO, ALLEN, DUFFY, HELLER AND JOHN.

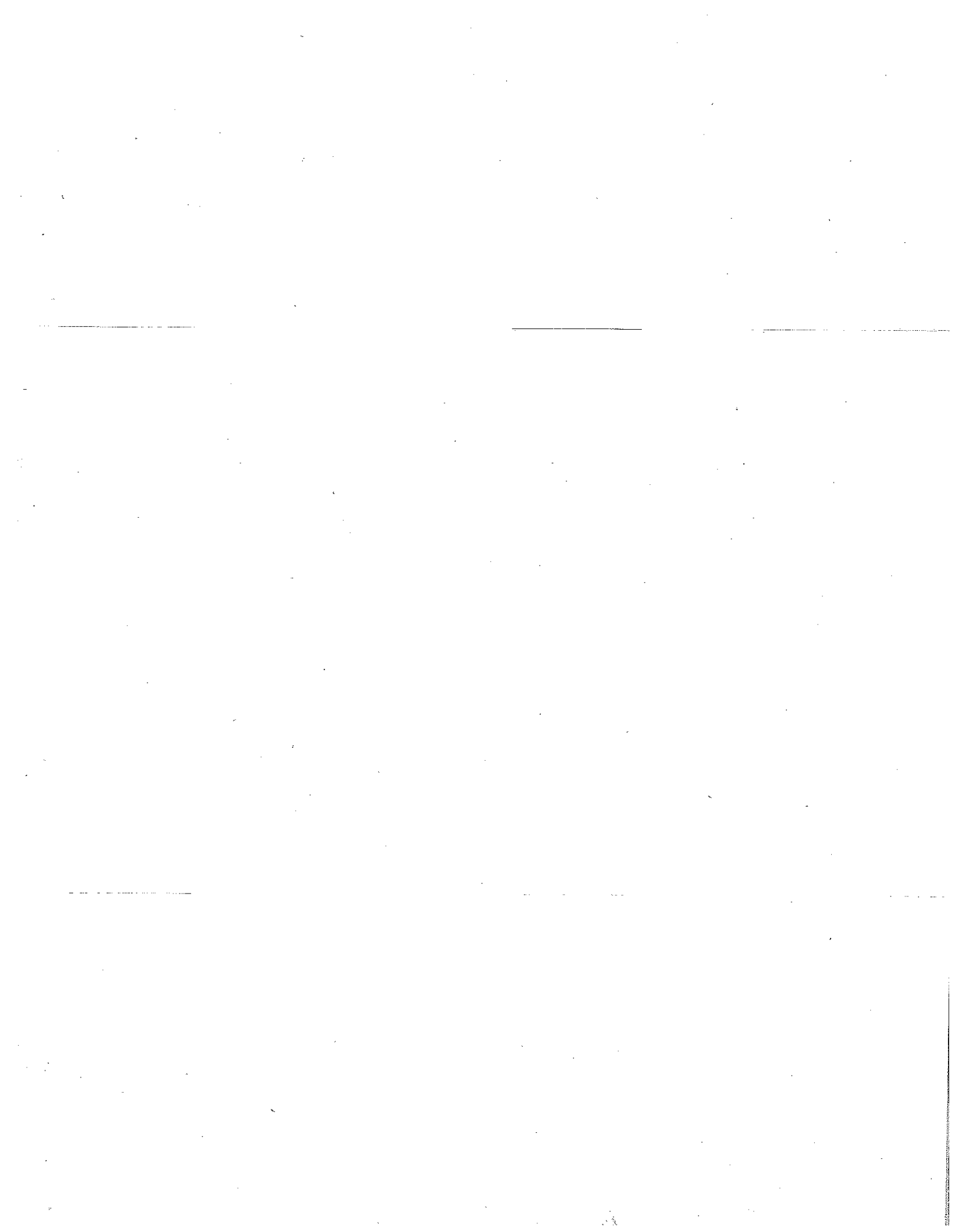
THOSE OPPOSED: NONE.

This Resolution was adopted on May 26, 2020, with the roll call vote on the memorialization as follows:

	Yes	No	Absent	Not Voting
J. Albanese	X			
J. Cook	X			
C. Filler	X			
A. Mueller	X			
R. Monaco	X			
J. Allen	X			
E. Duffy	X			
J. Heller	X			
C. John	X			
T. Rohrbach (Alt#1)				Not Eligible

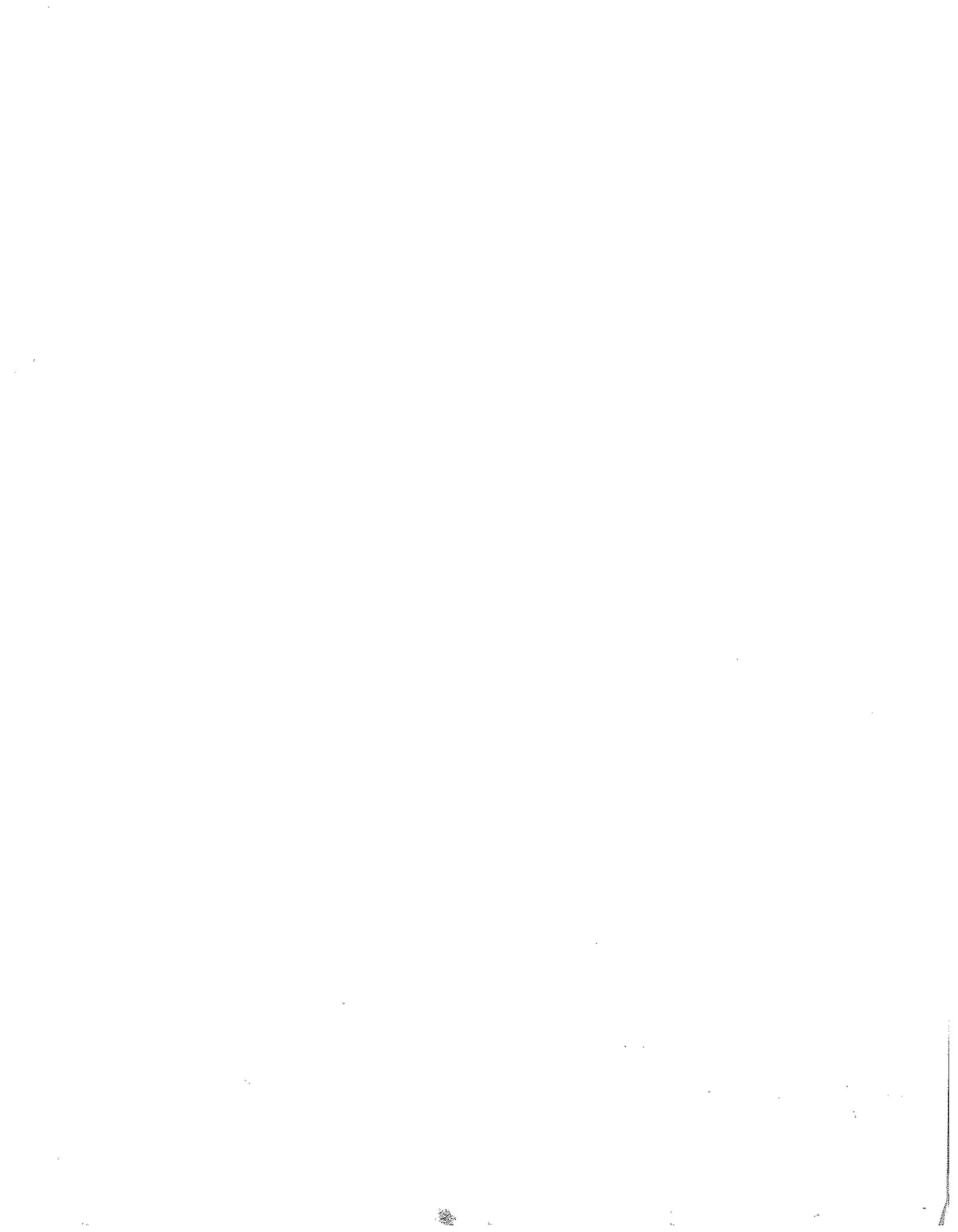
I hereby certify that this resolution was adopted by the Readington Township Planning Board at a public meeting held on May 26, 2020.


Ann Marie Lehberger, Secretary
Readington Township Planning Board





4. GOVERNING BODY RESOLUTION



**RESOLUTION ENDORSING THE 2020 AMENDED THIRD ROUND HOUSING
ELEMENT AND FAIR SHARE PLAN**

WHEREAS, on November 24, 2008, Readington Township's Planning Board adopted a Housing Element and Fair Share Plan that addressed the Township's Rehabilitation Need, Prior Round and Third Round "fair share" obligations; and

WHEREAS, the Township Committee endorsed the 2008 Plan, which received third round substantive certification from the Council on Affordable Housing (COAH) on October 14, 2009 and

WHEREAS, the New Jersey Supreme Court invalidated COAH's Third Round rules and ordered COAH to adopt new rules based upon its Prior Round rules and methodologies (see In re Adoption of N.J.A.C. 5:96 and 5:97, 215 N.J. 578 (2013)); and

WHEREAS, COAH failed to adopt new rules, and on March 10, 2015, the Supreme Court transferred responsibility to review and approve housing elements and fair share plans from COAH to designated Mount Laurel trial judges within the Superior Court; and

WHEREAS, July 2, 2015, the Township submitted a Declaratory Judgement Action to the New Jersey Superior Court; and

WHEREAS, on October 3, 2019 the Superior Court approved the Settlement Agreement between the Township of Readington and Fair Share Housing Center (FSHC), which approval was memorialized in an order dated October 15, 2019, which included the Township's three-part fair share obligation and the Township's preliminary compliance measures; and

WHEREAS, the Township's Affordable Housing Planning Consultant, Michael F. Sullivan, ASLA, AICP and Emily Goldman, PP, AICP, of Clarke Caton Hintz, PC, prepared a 2020 Amended Third Round Housing Element and Fair Share Plan; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the 2020 Amended Housing Element and Fair Share Plan and adopted the Plan on May 26, 2020; and

WHEREAS, COAH's Prior Round rules at N.J.A.C. 5:91-2.2(a), requires that the Township Committee endorse the 2020 Amended Third Round Housing Element and Fair Share Plan adopted by the Planning Board.

NOW THEREFORE BE IT RESOLVED, by the Township Committee of Readington Township in the County of Hunterdon, and the State of New Jersey hereby endorses the 2020 Amended Housing Element and Fair Share Plan as adopted by the Planning Board on May 26, 2020.

CERTIFICATION

I, **VITA MEKOVETZ**, Clerk of the Township of Readington, County of Hunterdon, State of New Jersey, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Township Committee on the 15th day of June, 2020.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of this Township this 16th day of June, 2020.

Vita Mekovetz
Vita Mekovetz, RMC/MMC/QPA
Municipal Clerk



5. REHABILITATION PROGRAM



RENTAL REHABILITATION LOAN PROGRAM

POLICIES AND PROCEDURES MANUAL



Township of Readington Hunterdon County, New Jersey

February 28, 2020

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Readington Rental Rehabilitation Program

Policies and Procedures Manual

I. Introduction

This Rental Rehabilitation Program Operating Manual has been prepared to assist in the administration of the Rental Rehabilitation Program for the Township of Readington. It will serve as a guide for the Administrative Agent, Municipal Housing Coordinator or designee ("Program Coordinator") and applicants.

This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. This manual explains the steps in the rehabilitation process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, cost estimating, contract payments, record keeping and overall program administration. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

The Township of Readington Rental Rehabilitation Program has been established to help make needed repairs to 1-4 family residential rental units in the Township of Readington that are occupied by income-eligible families (or currently vacant). As part of the Township's Housing Element and Fair Share Plan, the Program seeks to:

- Improve living conditions for eligible Township residents;
- Stabilize older neighborhoods;
- Reduce energy consumption of older homes and thereby lower operating expenses;
- Reduce the likelihood of children being lead poisoned by hazardous lead painted surfaces in their home; and
- Generate affordable housing credits to satisfy the Township's obligation.

The Program is designed to accomplish this by:

- Making available interest free loans for rehabilitation work; and
- Establishing and enforcing housing rehabilitation standards that must be met for all properties in the Program.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities Law, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq., the Substantive rules of the Council on Affordable Housing, N.J.A.C. 5:93 and Procedural Rules of the Council on Affordable Housing, N.J.A.C. 5:93 and the affordable housing regulations of the Township of Readington (hereafter referred to as the "Regulations").

A. Fair Housing and Equal Housing Opportunities



It is unlawful to discriminate against any person making application to participate in the rehabilitation program or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments.

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights <http://www.state.nj.us/lps/dcr/index.html> or at 1-866-405-3050.

II. Eligible Participants

A. Program Eligibility

- Renter-occupied housing units located within one to four-family residential rental units located in the Township of Readington are eligible for funding for rehabilitation provided that the occupants of the units are determined to be low- or moderate-income households and that the units are determined to be substandard.
- Rents must be affordable to low- or moderate-income households.
- Homeowner agrees to only raise the rent per "Affordable Housing Regional Income Limits." Rents may only be raised once per year. Homeowner will be notified in writing from the Program Coordinator of rental increase amount on a yearly basis.
- The property must be a permanent structure and be available to rent on a year-round basis.
- The applicant must be the homeowner of the property as evident by deed.
- Homeowner must be current on mortgage (if applicable), HOA Fees (if applicable), property and sewer taxes and homeowner's insurance.
- Mixed used properties are permitted for loan monies as long as funds are only utilized on the residential apartment(s). Loan monies may not be used on commercial units.
- Homeowner's who have filed for bankruptcy in the past seven (7) years are not eligible to participate in the loan program.

B. Income Limits for Participation

The occupants of the units must have incomes that fall within the income guidelines established for the County of Hunterdon by the Affordable Housing Professionals of New Jersey (AHPNJ). These limits are revised annually as HUD figures become available and can be found in Appendix A.

C. Program Area

This is a municipal-wide program. The rehabilitation property must be located in the Township of Readington.

D. Certification of Substandard

The purpose of the program is to bring substandard housing up to NJ State Housing code (N.J.A.C. 5:28). Substandard units are those units requiring repair or replacement of at least one major system. A major system is any one of the following:

1. Roof
2. Plumbing systems (excluding wells and septic systems)
3. Heating systems
4. Electrical systems
5. Structural systems
6. Lead paint abatement
7. Energy efficiency improvement (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)
8. Egress: adaptations made to comply with ADA regulations and/or to promote accessibility to unit (i.e. ramps, grab bars, barrier free environment, etc.).

III. Available Benefits

A. Program Financing

The Township of Readington will provide assistance of up to **\$10,000** per unit to repair or replace any failing or deteriorated major system and otherwise remove all health and safety violations. Rehabilitation projects may cost more than the maximum loan amount; however, the remainder of needed funds will be the responsibility of the Property Owner to secure or pay.

B. Renter-occupied Units – Program Financing/Program Affordability Controls

Eligible owners of one-four unit rental buildings may be eligible for an interest free loan for a period of ten (10) years. Each unit must meet the major system repair or replacement requirement. In addition to the interest free loan, a ten-year deed restriction, attached to the mortgage and note, will be used to control the contract rent and ongoing tenant eligibility on rental units that receive assistance.

Should the property owner sell the property prior to the end of the ten (10) year loan term, full payment of the loan will be due prior to the title to the property transferring to the new owner. The deed restriction will be recorded in the county deed book.

Loan payments will be paid to the Township on a quarterly basis. Payments are due on the following schedule:

January 1st, April 1st, July 1st and October 1st of each year. A late fee of \$25.00 will be charged for payments received after the 15th of the month the loan payment is due. Should the loan payment not be paid by the 15th of the month it is due an additional \$25.00 will be charged for each additional 15 day period.

If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate- income household at an affordable price and affirmatively marketed pursuant to the N.J.A.C. 5:97-9. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.

C. Subordination

Township of Readington may agree to subordination of a loan if the mortgage company supplies an appraisal showing that the new loan plus the balance on the old loan does not exceed 95% of the appraised value of the unit.

IV. Eligible Property Improvements

A. Eligible Improvements

Rental rehabilitation funds may be used only for repairs or system replacements necessary to bring a substandard unit into compliance with municipal health, safety and NJ State building codes, applicable code violations, as well as any other cosmetic work that is reasonable and deemed necessary or is related to the necessary repairs.

At least one major system must be included in the repairs, which include one of the following:

1. Roof
2. Plumbing systems (excluding wells and septic systems)
3. Heating systems
4. Electrical systems
5. Structural systems
6. Lead paint abatement
7. Energy efficiency improvement (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)
8. Egress: adaptations made to comply with ADA regulations and/or to promote accessibility to unit (i.e. ramps, grab bars, barrier free environment, etc.)

In addition related work may include but not limited to N.J.A.C. 5:28.

B. Ineligible Improvements

Work not eligible for program funding includes but is not limited to owner occupied unit, luxury improvements (improvements which are strictly cosmetic), additions, fences, conversions (basement, garage, porch, attic, etc.), repairs to structures separate from the living units (detached garage, shed, barn, etc.), furnishings, pools and landscaping. If determined unsafe, stoves may be replaced. The replacement or repair of other appliances is prohibited. Rehabilitation work performed by property owners shall not be funded under this program. However, licensed or registered contractors, who own a rental unit, may do work on their own unit. Loan monies may only be used to purchase needed supplies and cannot be used towards the cost of their labor. All invoices must be submitted to the Program Coordinator for

review and approval and direct payment to the vendor. Loan monies cannot be used to pay administrative violations.

C. Rehabilitation Standards

Upon rehabilitation, housing deficiencies shall be corrected and the unit shall comply with the New Jersey State Housing Code, N.J.A.C. 5:28. For construction projects that require the issuance of a construction permit pursuant to the Uniform Construction Code, the unit must also comply with the requirements of the Uniform Construction Code (N.J.A.C. 5:23). In these instances, the more restrictive requirements of the New Jersey State Housing Code or the Uniform Construction Code shall apply. For projects that require construction permits, the rehabilitated unit shall be considered complete at the date of final approval pursuant to the Uniform Construction Code.

D. Certification of Standard

All code deficiencies noted in the inspection report must be corrected and rehabilitated units must be in compliance with the standards prescribed in sub-section C above upon issuance of a certificate of completion or occupancy. The licensed inspector must certify any structure repaired in whole or in part with rehabilitation funds to be free of any code violations.

V. Overview of Administrative Procedures

A. Application/Interview

1. Property Owner will submit a preliminary application (Appendix B) for review to the Readington Township Housing/Social Service Office. If it appears that the requested project/projects meet the eligibility requirements of the program, the Property Owner will submit a full loan application (Appendix C) along with a non-refundable application fee of \$250.00. Application fee will cover title search, credit check, loan closing costs and county filing fee. The full loan application must include contractor proof of insurance, contractor license # or registration #, itemized list of repairs and costs from contractor who will be completing the work. All hired contractors must be licensed or registered in accordance with NJ state law.

Property Owners can secure an application through the Readington Township Housing/Social Service Office located at 509 Route 523, Whitehouse Station, NJ 08889. Applications can be mailed, picked up in person or downloaded from the Readington Township Affordable Housing website: <https://www.readingtontwpnj.gov/departments/affordable-housing>

2. Applications are accepted on an ongoing basis and processed by the Readington Township Program Coordinator on a first come, first serve basis.
3. Applicants will be placed on a waiting list should there be no funds remaining for the budgeted year. Applicants will also be referred to other available programs to meet their needs in the most expedient fashion.

4. Applicants will be notified in writing regarding the status of their application within 30 days of receipt.
5. If applicant is approved, the Program Coordinator will prepare a resolution for consideration by the Township Committee.
6. Once resolution is adopted, owner will receive a loan commitment letter.

B. Income Eligibility and Program Certification

Property owners of renter-occupied units must submit the following documentation:

- Copy of the deed to the property.
- Proof that property and sewer taxes, HOA fees (if applicable) , and mortgage (if applicable) are current.
- Proof of property insurance, including liability, fire and flood insurance where necessary.

If after review of the income documentation submitted by the applicant's tenants, the tenant is determined to be ineligible, the applicant will receive a letter delineating the reasons for the determination of ineligibility. An applicant may be determined ineligible if the total household income for the rental unit exceeds COAH income limits.

The Program Coordinator will arrange for a title search of all properties entering the program.

Upon confirmation of income eligibility of the applicant's tenants, the Program Coordinator will send a letter to the applicant certifying the applicant's and or tenant's eligibility. Eligibility will remain valid for six months. If the applicant has not signed a contract for rehabilitation within six months of the date of the letter of certifying eligibility, the applicant will be required to reapply for certification.

C. Ineligible Properties

If after review of the property documentation submitted an applicant's property is determined to be ineligible, the Program Coordinator will send a letter delineating the reasons for the determination of ineligibility. An applicant's property may be determined ineligible for any one of the following reasons:

- Title search is unfavorable.
- Property does not need sufficient repairs to meet eligibility requirements:
- Real estate taxes, mortgage, HOA fees, or sewer fees are in arrears.
- Proof of property insurance not submitted.
- Property is listed for sale.
- Property is in foreclosure.
- Township of Readington may disqualify properties requiring excessive repairs to meet municipal housing standards.

D. Cost Estimate

The contractor will prepare a Repair Proposal which will include a detailed Cost Estimate ("Repair Proposal"). This estimate will include a breakdown of each major work item by category as well as by location in the house. It will contain information as to the scope and specifications on the materials to be used. A Cost Estimate will be computed and included within the program documentation. The Program

Coordinator will review the Preliminary Repair Proposal with the property owner and reserves the right to request up to two (2) additional quotes.

Only required repairs to units occupied by income eligible households will be funded through the rental rehabilitation program. If the property owner desires additional work to be completed that is not fundable through the program, including work on an owner-occupied unit of a rental rehabilitation project, work on a non-eligible rental unit in a multi-unit building or improvements not covered by the program, such work must be written in a separate Repair Proposal. Both Repair Proposals are to be forwarded to Program Coordinator.

E. Contract Signing conference

Program Coordinator and Construction Official (if applicable) will meet with the property owner to review Final Repair Proposal.

The Program Coordinator will then coordinate a Contract signing Conference. Documents to be executed at the Contract Signing Conference include: Contractors Agreement(s), a Restricted Covenant, Mortgage and Mortgage Note. The property owner, Program Coordinator and contractor will execute the appropriate documents and copies will be provided as appropriate. The Program Coordinator will outline project procedures to which property owner must adhere. A Proceed to Work Order will be signed and issued by the Program Coordinator, guaranteeing that the work will commence within thirty (30) calendar days of the date of the conference and be completed within ninety (90) days from the start of work, (contractor may seek an additional 30 day extension if needed).

F. Progress Inspections

The Program Coordinator and Construction Official will make periodic inspections to monitor the progress of property improvements. This is necessary to ensure that the ongoing improvements are in accordance with the scope of work outlined in the written work and cost proposal. It is the contractor's responsibility to notify the Building Inspector before closing walls on plumbing and electrical improvements.

G. Payment Schedule

One third of the financial payment will be paid directly to the contractor at the start of repairs; an additional one third will be paid to contractor at mid-point of repairs and remainder one third of the payment will be paid when all work is complete and a certificate(s) has been issued.

All no interest loans will be memorialized via a repayment agreement, mortgage and mortgage note signed by applicant and recorded with the Hunterdon County Clerk's Office prior to disbursal of funds. Applicant will receive a copy of all signed documents.

The Program Coordinator will maintain a master spreadsheet of all funds distributed.

Property Owners will notify the Readington Township Housing/Social Service Office in writing if they intend to sell their unit prior to the end of the 10-year term.

H. Appeal Process

A homeowner whose loan application was denied and disagrees with this decision has the right to appeal with the Township Administrator. Homeowner must submit their appeal, in writing, stating the reasons they disagree with the program coordinator's decision. The appeal must be submitted to the Township Administrator within 20 days of the date on the denial letter. The Township Administrator will review the appeal and make a final decision with-in 30 days of receiving the appeal request.

I. Final Inspection

Upon notification by the contractor that all work is complete, a final inspection will be conducted, and photographs taken. The Program Coordinator, Construction Official, the property owner, and the necessary contractors will be present at the final inspection to respond to any final concerns that need to be addressed.

J. File Closing

After the final payment is made, the applicant's file will be closed by the Program Coordinator. File will be retained for a period 10 years per State of New Jersey Division of Archives and Records Management.

VI. Contractor Related Procedures

A. Contractor Requirements

The contractor shall submit all required insurance certifications including a Certificate of Insurance (COI) with worksite address listed to the Program Coordinator. A contract signing conference will be called by the Program Coordinator to be attended by the property owner and contractor. At the time of Agreement execution, the contractor shall sign a Certification of Work Schedule prepared by the Program Coordinator.

B. Property Owner's Responsibility

1. Property Owner is responsible for the cost and ensuring all required permits and mandatory inspections are obtained. Failure to obtain mandatory permits and inspections will result in revocation of loan.

Note: If proposed work does not require a construction permit, a certificate of continuing occupancy (CCO) inspection will be completed by an agent of Readington Township.

2. Property owner is responsible for coordination of all construction activities.
3. Property owner is responsible to comply with all applicable Local, State and Federal environmental laws and regulations and will obtain and maintain compliance under any and all necessary environmental permits, licenses, approvals and reviews.
4. It is the responsibility of the property owner to provide monthly updates to the Program Coordinator on the status of the rehabilitation project/projects.

5. Property owner must notify Program Coordinator once all rehabilitation work has been completed.
6. Property owner must rent all vacant units in accordance with the Township of Readington's Affirmative Marketing Plan.

FOR OFFICE USE ONLY

VII. Maintenance of Records

A. Preliminary Application files must include the following:

- Tenant Information Form (rental units only)
- Tenant Income verification
- Homeowner varication that mortgage (if applicable), HOA fees (if applicable), sewer and taxes are current
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility

B. All Full Applicant Approved files must contain the following:

- Contractor's detailed proposal of work, including before photos
- Certification of Property Eligibility or Determination of Ineligibility
- Proof of Homeowners Insurance
- Copy of Deed to Property
- Proof mortgage (if applicable), HOA fees (If applicable), taxes and sewer are up to date.

C. Approved Application Files must contain the following:

- All information referenced in A & B
- Repair Proposal/Cost Estimate
- Copies of all proposals
- Applicant/Contractor Contract Agreement
- Recorded Mortgage/Lien Documents
- Copies of All Required Permits
- Progress Payment Inspection Reports
- Progress Payment Vouchers
- Final Inspection Report
- Photographs of completed work
- Certification of Completion

D. Rental Rehab Log

A Rental Rehab log will be maintained by the Program Coordinator that tracks the status of all requests/applications and associated progress.

E. Monitoring

For each unit the following information must be retained to be reported annually:

- Street Address
- Block/Lot/Unit Number
- Owner/Renter
- Income: Very Low/Low/Mod
- Final Inspection Date

- Funds expended
- Funds Recaptured
- Major Systems Repaired
- Unit Below Code & Raised to Code
- Effective date of affordability controls
- Length of Affordability Controls (years)
- Date Affordability Controls removed
- Reason for removal of Affordability Controls

VIII. Program Marketing

The municipality will conduct a public meeting announcing the implementation of the rental rehabilitation program. For the term of the program, the municipality will include flyers once a year with the tax bills, water bills or other regular municipal mailing to all property owners. Program information will be available at the municipal building, library, senior center, municipal website, and posted periodically in The Readington News.

IX. Rental Procedures

Rental units are subject to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5-80:26.1 et. seq. once the rental units are rehabilitated.

APPENDIX A

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - May 2019

2019 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on AHPNJ.org

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents** Sales***	Regional Asset Limit****
Region 1	Median	\$66,607	\$71,365	\$76,122	\$85,637	\$95,153	\$98,959	\$102,765	\$110,377	\$117,989	\$125,602		
Bergen, Hudson, Passaic and Sussex	Moderate	\$53,286	\$57,092	\$60,898	\$68,510	\$76,122	\$79,167	\$82,212	\$88,302	\$94,391	\$100,481	2.6%	4.73%
	Low	\$33,303	\$35,682	\$38,061	\$42,819	\$47,576	\$49,479	\$51,382	\$55,189	\$58,995	\$62,801		
	Very Low	\$19,982	\$21,409	\$22,837	\$25,691	\$28,546	\$29,688	\$30,829	\$33,113	\$35,397	\$37,680		
Region 2	Median	\$70,537	\$75,576	\$80,614	\$90,691	\$100,767	\$104,798	\$108,829	\$116,890	\$124,952	\$133,013		
Essex, Morris, Union and Warren	Moderate	\$56,430	\$60,460	\$64,491	\$72,563	\$80,614	\$83,838	\$87,063	\$93,512	\$99,961	\$106,410	2.5%	5.67%
	Low	\$35,269	\$37,788	\$40,307	\$45,845	\$50,384	\$52,399	\$54,414	\$58,445	\$62,476	\$66,506		
	Very Low	\$21,151	\$22,673	\$24,184	\$27,207	\$30,230	\$31,439	\$32,649	\$35,067	\$37,485	\$39,904		
Region 3	Median	\$82,810	\$88,725	\$94,640	\$106,470	\$118,300	\$123,032	\$127,764	\$137,228	\$146,692	\$156,156		
Hunterdon, Middlesex and Somerset	Moderate	\$66,248	\$70,980	\$75,712	\$85,176	\$94,640	\$98,426	\$102,211	\$109,782	\$117,354	\$124,925	2.6%	8.64%
	Low	\$41,405	\$44,363	\$47,320	\$53,235	\$59,150	\$61,516	\$63,882	\$68,614	\$73,346	\$78,078		
	Very Low	\$24,843	\$26,618	\$28,392	\$31,941	\$35,490	\$36,910	\$38,329	\$41,168	\$44,008	\$46,847		
Region 4	Median	\$72,165	\$77,319	\$82,474	\$92,783	\$103,092	\$107,216	\$111,340	\$119,587	\$127,834	\$136,082		
Mercer, Monmouth and Ocean	Moderate	\$57,732	\$61,855	\$65,979	\$74,226	\$82,474	\$85,773	\$89,072	\$95,670	\$102,268	\$108,865	2.6%	3.91%
	Low	\$36,382	\$38,680	\$41,237	\$46,392	\$51,546	\$53,608	\$55,670	\$59,794	\$63,917	\$68,041		
	Very Low	\$21,649	\$23,196	\$24,742	\$27,835	\$30,928	\$32,165	\$33,402	\$35,876	\$38,350	\$40,825		
Region 5	Median	\$63,076	\$67,573	\$72,070	\$81,090	\$90,109	\$93,704	\$97,308	\$104,516	\$111,724	\$118,932		
Burlington, Camden and Gloucester	Moderate	\$50,456	\$54,060	\$57,664	\$64,872	\$72,080	\$74,363	\$77,846	\$83,613	\$89,379	\$95,146	2.6%	3.09%
	Low	\$31,535	\$33,788	\$36,040	\$40,545	\$45,050	\$46,852	\$48,654	\$52,258	\$55,862	\$59,466		
	Very Low	\$18,921	\$20,273	\$21,624	\$24,327	\$27,030	\$28,111	\$29,192	\$31,355	\$33,517	\$35,680		
Region 6	Median	\$53,714	\$57,550	\$61,387	\$69,061	\$76,734	\$79,803	\$82,873	\$89,011	\$95,150	\$101,289		
Atlantic, Cape May, Cumberland and Salem	Moderate	\$42,971	\$46,040	\$49,110	\$55,248	\$61,387	\$63,843	\$66,298	\$71,209	\$76,120	\$81,031	2.6%	5.15%
	Low	\$26,857	\$28,775	\$30,694	\$34,530	\$38,367	\$39,802	\$41,436	\$44,505	\$47,575	\$50,644		
	Very Low	\$15,114	\$17,265	\$18,416	\$20,718	\$23,020	\$23,941	\$24,862	\$26,703	\$28,545	\$30,387		

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

** This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 was 2.2%. The increase for 2019 is 2.6% (Consumer Price Index for All Urban Consumers (CPI-U); Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, 2017, or 2018 may increase rent by up to the applicable combined percentage including 2019 or 9.0% whichever is less in accordance with N.J.A.C. 5:97-9.3(c). In no case can rent for any particular apartment be increased more than one time per year.

*** This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Low income tax credit developments may increase based on the low income tax credit regulations.

**** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3.

APPENDIX B
RENTAL REHABILITATION LOAN PROGRAM PRELIMINARY APPLICATION
FOR THE TOWNSHIP OF READINGTON

Property Owner's Contact Information

Name: _____
Physical address (where you reside): _____
Mailing address (if different from above): _____
Phone number: (H) _____ (C) _____
E-mail Address: _____

Rental Rehabilitation Property Information:

Property Name (if applicable): _____
Property address: _____
Type of dwelling: Single family: _____ Duplex: _____ Triplex: _____ Fourplex: _____
Total # of units: _____ # of units occupied: _____
How many units are you requesting rehabilitation monies for? _____
Are you the owner of the property? Yes No

Funds

Amount of funds requested per unit. \$ _____ (max request per unit \$10,000.00)

Scope of Work: Please place an X next to each proposed rehabilitation project:

_____ Improvements to correct any violations of zoning, housing or fire codes.
_____ Replacement of malfunctioning appliances or appliances that are at the end of their life and no longer run efficiently.

Stove _____ Refrigerator _____ Dishwasher _____
Washer _____ Dryer _____ Other (please state): _____

_____ Replacement or updating of building systems that may be failing.
Furnace _____ Water Heater _____ HVAC-R System(specify) _____

Other (please state): _____
_____ Removal/Remediation of: lead-based paint _____ asbestos _____ mold _____

_____ Repair/Replacement of: roof _____ windows _____
_____ Adaptations made to comply with ADA regulations and/or to promote accessibility to unit.

Please specify: _____
_____ Improvements made to increase the quality of living for tenants.

Please specify: _____
_____ Replacement/Repair: deck _____ patio _____

Homeowner's Signature: _____ Date: _____

Office use only

Date Received: _____
Preliminarily approved: Yes No
Property owner notified: Yes No
Full app sent: Yes No Date: _____

APPENDIX C
RENTAL REHABILITATION LOAN PROGRAM FULL APPLICATION
FOR THE TOWNSHIP OF READINGTON

Property Owner's Contact Information

Name: _____
Physical address (where you reside): _____
Mailing address (if different from above): _____
Phone number: (H) _____ (C) _____
E-mail Address: _____

Rental Rehabilitation Property Information:

Property Name (if applicable): _____
Property address: _____
Type of dwelling: Single family: _____ Duplex: _____ Triplex: _____ Fourplex: _____
How many units are you requesting rehabilitation monies for? 1 2 3 4
Are you the owner of the property? Yes No Year Property was built: _____
Do any environmental hazards exist in the building, at the site or around the site? Yes No
If yes please specify: _____

Occupancy Information:

Total # of units: _____ # of units occupied: _____
Does rehabilitation project require displacement/relocation of tenants? Yes No
If displacement/relocation of tenants is necessary, please explain how this will be handled: _____

Property Utilities:

Water: public _____ well _____ bottled _____
Public sewer: Yes No Septic: Yes No

Request for Funds:

Amount of funds requested per unit. \$ _____ (max request per unit \$10,000.00)
Unit #s of those units to be rehabbed: _____

Scope of Work: *Please place an X next to each proposed rehabilitation project:*

_____ Improvements to correct any violations of zoning, housing or fire codes.
_____ Replacement of malfunctioning appliances or appliances that are at the end of their life and no longer run efficiently.
Stove _____ Refrigerator _____ Dishwasher _____
Washer _____ Dryer _____ Other (please state) _____

_____ Replacement or updating of building systems that may be failing.
 Furnace _____ Water Heater _____ HVAC-R System(specify) _____
 Other (please state): _____
 _____ Removal/Remediation of: lead-based paint _____ asbestos _____ mold _____
 _____ Repair/Replacement of: roof _____ windows _____
 _____ Adaptations made to comply with ADA regulations and/or to promote accessibility to unit.
 Please specify: _____
 _____ Improvements made to increase the quality of living for tenants.
 Please specify: _____
 _____ Replacement/Repair: deck _____ patio _____

Contractor's Information:

Name of Contractor: _____
 Business Name: _____
 Business Address: _____
 Business Phone: _____
 Contractor's License #: _____

Please attach:

- contractor proof of insurance
- contractor license
- itemized list of repair costs from contractor who will be completing the work (if applicable).

All contractors must be licensed or registered in accordance with state law.

Please include a check made payable to The Township of Readington in the amount of \$250.00. Please place RRLP in the note section of the check.

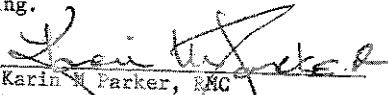
Please direct any questions regarding the Rental Rehabilitation Loan Program to the Township of Readington's Housing and Social Service office at 908-534-0974 or via e-mail at ss@readingtontwp-nj.org.

Homeowner's Signature: _____ Date: _____

Office use only

Date Received: _____
Preliminarily approved: Yes No
Property owner notified: Yes No
Full app sent: Yes No Date: _____

I, Karin M Parker, do hereby certify that these are a true and correct copy of the approved minutes of the Readington Township Committee meeting.


Karin M Parker, EMC
Municipal Clerk

The meeting reconvened at 7:36 p.m.

Mayor Heller led those present in the *Salute to the Flag*.

Executive Session:

Personnel / Personnel Matters

A **MOTION** was made by Mrs. Fort to make a temporary adjustment in hours for John Tillotson and Angela DeVoe, Construction Code, seconded by Mr. Albanese and on Roll Call vote the following was recorded:

Mr. Albanese - Aye
Mrs. Fort - Aye
Mr. Huelsebusch - Aye
Mr. Smith - Aye
Mayor Heller - Aye

A **MOTION** was made by Mrs. Fort to increase the salary of Claudia Linarducci, Accounts Payable Clerk, to \$25.00 per hour, seconded by Mr. Albanese and on Roll Call vote the following was recorded:

Mr. Albanese - Aye
Mrs. Fort - Aye
Mr. Huelsebusch - Aye
Mr. Smith - Aye
Mayor Heller - Aye

Attorney-Client Privilege / Executive Session Minutes / March 2, 2020

A **MOTION** was made by Mrs. Fort to approve the Executive Session Minutes of March 2, 2020 for content only, seconded by Mr. Albanese with a vote of ayes all, nays none recorded.

Attorney-Client Privilege / Executive Session Minutes / March 5, 2020

A **MOTION** was made by Mrs. Fort to approve the Executive Session Minutes of March 5, 2020 for content only, seconded by Mr. Albanese with a vote of ayes all, nays none recorded.

Attorney-Client Privilege / Potential Litigation

A **MOTION** was made by Mrs. Fort to authorize the Construction Code Official to move forward with the condemning and demolishing of 520 Mountain Road, contingent upon the Township having legal precedent to take this action, seconded by Mr. Albanese and on Roll Call vote the following was recorded:

Mr. Albanese - Aye
Mrs. Fort - Aye
Mr. Huelsebusch - Aye
Mr. Smith - Aye
Mayor Heller - Aye

Potential Litigation / Affordable Housing

A **MOTION** was made by Mr. Smith to approve the Policies and Procedures Manual for the Rental Rehabilitation and Loan Program, seconded by Mrs. Fort and on Roll Call vote the following was recorded:

Mr. Albanese - Aye
Mrs. Fort - Aye
Mr. Huelsebusch - Aye
Mr. Smith - Aye
Mayor Heller - Aye



COUNTY OF HUNTERDON NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

Planning, Mental Health, Alcohol & Drug Abuse, Youth Services, Social Services
Disability Services, Senior Services, Transportation, Housing

Meagan Q. O'Reilly
Administrator

P.O. Box 2900
Flemington, New Jersey 08822-2900
(Location: 8 Gauntt Place)

908-788-1253
908-788-1372
908-806-4204 FAX
humansvc@co.hunterdon.nj.us

August 25, 2020

Mr. Michael Edwards
Surenian, Edwards & Nolan LLC
Brielle Galleria
707 Union Avenue
Suite 301
Brielle, NJ 08730


Dear Mr. Edwards,

Thank you for your interest in the Hunterdon County Rehabilitation Program. The county's Rehabilitation Program is offered to all qualifying residents within the County of Hunterdon. Thus, while we appreciate the Township's February 2020 request for continued participation, no such special request is necessary. Indeed, a Readington home was recently rehabilitated in 2016, located at 124 Main St. Whitehouse Station (Readington Township, NJ). The Hunterdon County Rehabilitation Program looks forward to the town's continued participation in efforts to rehabilitate qualifying units.

Should you have any questions or concerns you can reach me directly at (908) 806-4192.

Thank you!

Sincerely,


Meagan Q. O'Reilly
Human Services Administrator

EXTERIOR HOUSING SURVEY

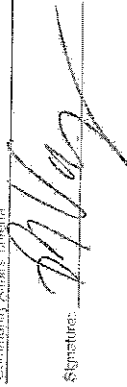
MUNICIPALITY Readington Twp

COUNTY Huntington

DATE 12/30/19

Street Address	Block/Lot	Number of Dwelling Units	Tenure of owner (ie, occupied/rental/mixed occupancy)	Year Built	MAJOR SYSTEMS			MINOR SYSTEMS			
					One major system is required to indicate that the structure is in need of repair			Two minor systems are required to indicate that the structure is in need of repair			
					Weatherization			Roof and Chimney	Eaves/Soffit/Gutter/Ladder	Rails/Stairs/Steps/Porch	Fire Escape
Stiffing and Walls	Windows and Doors	Foundation									
144 Kosciuszko	41/601	1	occupied		X		X			Yes	Roof + siding needs
16 James	23/6	1	Vac.							NO	Rear Garage a mess
2 militia	40/412	1	Vac		X					Yes	Yard a mess
205 Readington	7/1220	1	occ		X					Yes	House and Yard a mess
114 Readington	6/418	1	occ							NO	old Home of Address
43 48 Old Hwy 20		1	occ		X					Yes	
18 Readington Blvd.		1	occ		X					Yes	
244 42 ST.		1	occ		X				X	Yes	
13 9 42 ST		1	occ		X					Yes	
13 53 School Rd.		1	occ		X				X	Yes	
13 97B RT 523		1	occ		X				X	Yes	
13 1017 RT 523		1	occ		X				X	Yes	
13 1021 RT 523		1	occ		X				X	Yes	

I verify that I have conducted this exterior housing survey according to the NJ Department of Community Affairs pattern

Signature: 

Print Name and Title: Robert Vandenbej - Elder Inspector







6. ALLIES INC. – 55 JUNCO COURT



**Council on Affordable Housing (COAH)
Alternative Living Arrangement Survey**

Municipality: Readington Township County: Hunterdon
 Sponsor: DDD Developer: Atlas, Inc.
 Block: 95 Lot: 120055 Street Address: 55 Junco Court
 Facility Name: Junco Court

Type of Facility:

- Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- Transitional facility for the homeless
- Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- Congregate living arrangement
- Other - Please Specify: _____

For proposed new construction projects only:

Sources of funding committed to the project (check all that apply):

- Capital funding from State - Amount \$ _____
- Balanced Housing - Amount \$ _____
- HUD - Amount \$ _____
- Federal Home Loan Bank - Amount \$ _____
- Farmers Home Administration - Amount \$ _____
- Development fees - Amount \$ _____
- Bank financing - Amount \$ _____
- Other - Please specify: _____

Are funding sources sufficient to complete project?
 Yes No

of bedrooms occupied by low-income residents 3

Residents qualify as low or moderate income?

Yes No

of bedrooms occupied by moderate-income residents _____

Separate bedrooms? Yes No

Affordability Controls? Yes No

CO Date: 5/1/00

Length of Controls: 20 years (renewable)

Indicate licensing agency:

DDD DMHS DHSS DCA

Effective Date of Controls: 5/1/00

Initial License Date: 5/1/00

Expiration Date of Controls: 1/1/

Current License Date: 4/1/05

Average Length of Stay: _____ months (transitional facilities only)

The following verification is attached:

- Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older? Yes No

Age-restricted? Yes No

Population Served (describe): developmentally disabled

Accessible (in accordance with NJ Barrier Free Subcode)? Yes No

Affirmative Marketing Strategy (check all that apply):

DDD/DMHS/DHSS/DCA waiting list

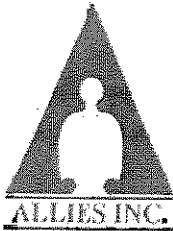
Other (please specify): _____

CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Kristal Oley Date: 8/24/05
 Project Administrator

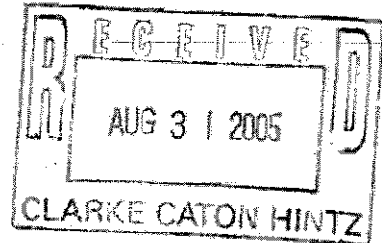
Certified by: Vita Melcetti, Administrative/Clerk Date: 10-5-05
 Municipal Housing Officer



Krystal L. Odell, M.E.D
President / CEO

Elise M. Gambino
Vice President of Operations

Mary Beth Lonergan, PP, AICP
Station Place
400 Sullivan Way
Trenton, New Jersey 08628



August 30, 2005

Re: 55 Junco Court

To Whom It May Concern:

Please be advised that the previously faxed documentation from the Capital Application Funding Unit (CAFU) for the Allies Inc. property located on Junco Court was referencing an incorrect address.

All notations for 51 Junco Court actually refer to the property located at 55 Junco Court, Readington, NJ.

Thank you,

Trista C. Silvestro
Executive Assistant

JUNCO

STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES

STANDARE LANGUAGE

FUNDING AGREEMENT FOR CONSTRUCTION, PURCHASE, OR
PURCHASE AND RENOVATION OF COMMUNITY-BASED FACILITIES

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AGREEMENT effective as of the date recorded on the signature page between the New Jersey Department of Human Services (the "Department") and the signatory agency (the "Agency") identified on the signature page.

WHEREAS the New Jersey Legislature has from time to time authorized the Department to expend such funds as are appropriated for the construction, purchase, or purchase and renovation of Community-Based facilities for certain Department Clients; and

WHEREAS the Department has established a capital funding program to carry out such authorizations; and

WHEREAS the Agency, as a Community-Based private agency or a local government agency, is eligible and desires to utilize funding under the aforementioned appropriations;

THEREFORE the Department and the Agency agree as follows:

I. DEFINITIONS

For the purposes of this document, the following terms, when capitalized, shall have meanings as stated:

Agreement means this document, the Annex(es), all additional appendices and attachments (including the Mortgage and any approved assignments, subcontracts, amendments and modifications) and all supporting documents. The Agreement constitutes the entire agreement between the parties.

Agreement Ceiling means the amount so designated in the Annex(es) and reflects the total amount of funding committed by the Department under this Agreement.

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Agreement Funds means funds committed by the Department to the Agency pursuant to this Agreement.

Annex(es) means the attachment(s) to this document containing at least the following information: a description of the Project; schedules for Project implementation and completion, Agency reporting of Project progress and Expenditures, and payment of Agreement Funds by the Department to the Agency; the commencement and expiration dates of the Agreement and the Project Period; the time period during which use of the Facility shall be restricted pursuant to the terms of Section 3.05 Facility Restrictions; the names of the Project director, the Agency officer authorized to sign this document and any other documents and papers under this Agreement, and the persons to whom Notices shall be directed; the title(s) of the Department officer(s) authorized to sign this document and any other documents and papers under this Agreement; the duties and responsibilities of the Project director; the Project budget, identifying both the Total Project Cost and the Agreement Ceiling; the sources and amounts of all funds supporting the Project; and a description of the services required to be provided in the Facility subsequent to its inspection and approval by the Department or the Division and subsequent to any required licensure. Copies of the forms of the mortgage and promissory note to be executed pursuant to Section 5.01 Mortgage Execution are appended to the Annex(es).

Community-Based means those service delivery programs or facilities which are not located on the grounds of or operated by a State institution.

Current Fair Market Value means the value of the Facility as determined by a reputable real estate appraiser approved by the Department. All appraisals must be independent of any influence either by the Agency or the Department. When used in connection with the satisfaction of the Mortgage, the Current Fair Market Value must be determined as close in time as possible to the date of such satisfaction.

Days means calendar days.

Department Clients means, as appropriate, clients of the Division of Youth and Family Services, the Division of Mental Retardation or the Division of Mental Health ~~and Hospitals~~.
DD
Services

Division means, as appropriate, the Division of Youth and Family Services, the Division of Mental Retardation or the Division of Mental Health and Hospitals.

Facility means the building constructed, purchased, or purchased and renovated in whole or in part under this Agreement and includes the land on which such building is situated.

Mortgage means the mortgage or mortgages executed pursuant to Section 5.01 Mortgage Execution and also includes the promissory note(s) secured by such mortgage(s).

Notice means an official written communication between the Department or the Division and the Agency. All Notices shall be delivered in person or by certified mail, return receipt requested, and shall be directed to the persons at the addresses specified for such purpose in the Annex(es) or to such other persons as either party may designate in writing.

Project means the project described in the Annex(es) for construction, purchase, or purchase and renovation of a Community-Based facility for Department Clients and may include acquisition of land for such purpose. The Project may be wholly or partially financed with Agreement Funds.

Project Expenditures (also Expenditures) means expenditures made by the Agency in accordance with the Project budget contained in the Annex(es).

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Project Period means the period, specified in the Annex(es), which spans the time from implementation to completion of the Project.

State means the State of New Jersey.

Total Project Cost means the amount so designated in the Annex(es) and reflects the total cost of the Project. If the Agency provides or obtains funding in addition to Agreement Funds to support the Project, the Total Project Cost will exceed the Agreement Ceiling by the amount of such additional funds.

II. BASIC OBLIGATIONS OF THE DEPARTMENT

Section 2.01 Payment. Payment of Agreement Funds to the Agency shall be in accordance with Article VI of this document.

Section 2.02 Inspection and Monitoring. The Department or its designee shall inspect the Project site and shall monitor Project activities for conformity with the terms of this Agreement, as well as with all other applicable Departmental specifications.

Section 2.03 Referenced Materials. Upon written request of the Agency, the Department or the Division shall make available to the Agency copies of federal and State regulations and other materials specifically referenced in this document.

III. BASIC OBLIGATIONS OF THE AGENCY

Section 3.01 Project Implementation and Completion. The Agency shall implement and complete the Project in accordance with the schedule outlined in the Annex(es).

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Section 3.02 Expenditure of Agreement Funds. The Agency shall expend Agreement Funds for the Project in accordance with the budget contained in the Annex(es) and for no purpose other than as reflected therein. Salaries and travel expenses for Agency employees shall not be paid by Agreement Funds, except as may be specifically approved by the Department and budgeted in the Annex(es).

With exceptions only as expressly approved by the Department, the Agency may expend Agreement Funds only during the Project Period specified in the Annex(es). When circumstances force Agency expenditures for Project-related activities prior to the Project Period, such circumstances shall be documented by the Agency and forwarded in writing to the Department. At the discretion of the Department, part or all of such expenditures may be recoverable from Agreement Funds. The Department makes no assurance that it shall permit such recovery.

Section 3.03 Mortgage. The Agency shall execute and satisfy a Mortgage in accordance with Article V of this document.

Section 3.04 Matching Funds. The Department may require that the Agency provide or obtain matching funds for the Project. Any required Agency match shall be provided in accordance with Departmental specifications, and the source(s) and amount(s) of such match shall be recorded in the Annex(es).

Section 3.05 Facility Restrictions. The Agency shall maintain the Facility as an approved facility for Department Clients for a period of time stipulated by the Department in accordance with written Division policies. Such time period constitutes the Agreement term and is recorded in the Annex(es). Unless otherwise stipulated in the Annex(es), the Agency shall reserve 100 percent of the Facility's maximum client capacity for Division referrals, except during such times as the Division may determine that a lesser percent is adequate.

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Section 3.06 Project Director. Under the direction of the Agency's governing body, the Project director named in the Annex(es) shall be responsible for all Project activities.

Section 3.07 Documents and Information. The Agency shall furnish the Department or the Division with all documents and information required by this Agreement, as well as with any additional material which may be considered necessary by the Department or the Division in support of the Agreement.

Section 3.08 Compliance with Laws. In fulfilling its commitment under this Agreement, the Agency shall comply with all applicable federal, State and local laws, rules and regulations (collectively, "laws"), including but not limited to the following: the federal Civil Rights Act of 1964, as amended; P.L. 1933, Chapter 277, of the State of New Jersey, as amended (N.J.S.A. 10:2-1 et seq.) and P.L. 1975, Chapter 127, of the State of New Jersey (N.J.S.A. 10:5-31 et seq.) pertaining to affirmative action and nondiscrimination in public contracts; the federal Equal Employment Opportunity Act; Section 504 of the federal Rehabilitation Act of 1973 pertaining to nondiscrimination on the basis of handicap; the federal Age Discrimination Act of 1975; and the New Jersey Conflicts of Interest Law (N.J.S.A. 32:13D-12 et seq.), including but not limited to those sections pertaining to contracting, solicitation and the provision of inducements to State legislators, officers or employees. In addition, the Agency shall comply with all applicable State and local laws relating to licensure, with standards specified by the Department as appropriate to the Facility, and with all applicable policies and procedures issued by the Department or the Division.

IV. SERVICE CONTRACT

The execution of this Agreement shall require execution of separate contract(s) or affiliation agreement(s) for the provision of services in the Facility. The parties to such service contract(s)

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or agreement(s) shall be the Division and the Agency or, alternatively, the Division and another entity approved by the Division. The services to be provided in the Facility are described in the Annex(es).

~~This Article, in conjunction with Section 3.05 Facility Restrictions, binds the Agency to make the Facility available for the provision of Department-approved services for the entire term of the Agreement. This Article shall not be construed, however, to obligate the Division or the Department to continue to fund such services throughout the Agreement term. The Division may choose or may be forced to discontinue such funding; and such discontinuance may, at the option of the Department, result in termination of this Agreement. Should such termination occur, the Department may act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.~~

V. MORTGAGE

Section 5.01 Mortgage Execution. The Agency shall execute and deliver to the Department a promissory note and a mortgage against the Facility. Execution of such documents shall be authorized by a resolution of the Agency's governing body. The amounts of both the note and the Mortgage shall be equal to the Agreement Ceiling. At the conclusion of the Project Period, should the actual amount of Project Expenditures approved for payment by the Department differ from the Agreement Ceiling as budgeted in the Annex(es), an additional note and an additional mortgage shall be executed by the Agency in the amount actually paid or approved for payment in excess of the original Agreement Ceiling. The original Mortgage and any additional Mortgage shall be filed by the Agency for recording in the county in which the Facility is located, and proof of such filing shall be delivered to the Department within seven Days thereafter. The original Mortgage and any additional Mortgage shall continue in full force and

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amount until or unless the Department acts in accordance with any of its options set forth in Section 5.02 Mortgage Satisfaction.

Section 5.02 Mortgage Satisfaction. The Department may, upon expiration or termination of the Agreement, exercise any of the following options:

- (a) If the Agreement Ceiling equals the Total Project Cost, the Department may require that the Agency transfer the Facility's title either to the Department or to an entity designated by the Department.
- (b) If the Agreement Ceiling is less than the Total Project Cost, the Department may pay the Agency for the Agency's interest in the Facility, and upon such payment the Agency shall transfer the Facility's title either to the Department or to an entity designated by the Department. In such case, the amount of the Department's payment to the Agency shall be calculated by multiplying the Current Fair Market Value of the Facility by the percentage of the original investment represented by Agency funds.
- (c) Regardless of the relationship of the Agreement Ceiling to the Total Project Cost, the Department may require payment by the Agency to satisfy the Mortgage. If the Agency must sell the Facility in order to satisfy the Mortgage, and if the proceeds of such sale are less than the amount of the Mortgage, the Department's fair share of such proceeds shall be deemed to satisfy the Agency's indebtedness under the Mortgage. The Department's fair share of the sale proceeds shall be the same percentage as the percentage of the original investment represented by Department funds. No amount less than the full amount of the Mortgage shall be deemed to satisfy the Agency's indebtedness to the

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Department unless the Agency furnishes the Department with an appraisal indicating the Current Fair Market Value at the time of such sale and unless the Department is satisfied that the sale price was reasonable in light of such appraisal.

VI. PAYMENT

Section 6.01 General Payment Obligation. Except as otherwise limited or precluded in this Agreement, and contingent upon satisfactory fulfillment of the Agency's obligations as set forth in Section 3.01 Project Implementation and Completion, the Department shall pay the Agency the lesser of (a) the Agreement Ceiling or (b) an amount which bears the same percentage relationship to aggregate Project Expenditures as the Agreement Ceiling bears to the Total Project Cost.

Section 6.02 Method and Schedule of Payment. The Agency shall be paid under this Agreement in accordance with the method and schedule outlined in the Annex(es). Where applicable, the Department reserves the right to require written verification from the Project architect, contractor or other appropriate person, certifying the percentage of the Project completed to the date of Agency billing. In addition, the Department may require copies of statements from parties involved in Project activities.

Section 6.03 Payments Conditional. All payments by the Department under this Agreement shall be subject to revision on the basis of an audit conducted under Section 7.04 Audit.

VII. BOOKS AND RECORDS; REPORTING REQUIREMENTS; VISITATION AND INSPECTION; AUDIT

Section 7.01 Books and Records. The Agency shall maintain such books, records and accounts as are considered necessary by the

- 10 -

Department to ensure an accurate and adequate accounting of all receipts, expenditures and available funds, regardless of their source, relating to the Project. A separate bank account shall be established for Agreement Funds to ensure that they are identifiable for monitoring and auditing purposes and that co-mingling of Agreement Funds does not occur.

All books, records and documents of any kind pertaining to this Agreement shall be retained by the Agency for a minimum of four years after expiration or termination of the Agreement or ten years after completion of the Project, whichever is later. Such requirement can be waived only by written authorization of the Department.

Section 7.02 Reporting Requirements. The Agency shall report Project progress and Expenditures to the Department in accordance with the schedule and procedures established in the Annex(es).

Section 7.03 Visitation and Inspection. The Agency's books, records and facilities, as well as the Project site itself, shall be available for inspection by authorized representatives of the Department, the Division and any other appropriate unit, agency or agent of State or local government. At the discretion of the Department, visitations and inspections may be at any time and may be announced or unannounced. The Agency's obligation to make available its books and records for on-site inspection, however, shall be limited to regular business hours.

Section 7.04 Audit. At any time during the Agreement term, the Agency's overall operations, its compliance with specific Agreement provisions, and the operations of any assignees or subcontractors engaged by the Agency under Section 10.01 Assignment and Subcontracts may be subject to audit by the Department, by any other appropriate unit or agency of State government, or by a private firm retained or approved by the Department for such purpose.

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Whether or not such audits are conducted during the Agreement term, a final financial and compliance audit of Project operations, including the relevant operations of any assignees or subcontractors, shall be conducted. Generally such audit shall be initiated within two years after expiration of the Project Period. Should extraordinary circumstances prevent this from occurring, the final audit shall commence as soon as feasible thereafter. The final audit shall be performed by a unit or agency of State government or by a private firm retained for such purpose by the Department or the Agency and shall follow guidelines issued by the Department. Final financial settlement of this Agreement shall be contingent upon the findings of the final audit.

All provisions of Section 7.03 Visitation and Inspection shall apply to the Agency and to any assignees or subcontractors in the case of any visitations or inspections made for the purpose of audit. The Department reserves the right to have access to all written material, including but not limited to work papers, generated in connection with any audit conducted. Should the Agency retain a private auditing firm, the Agency shall ensure that the instrument used to engage such firm contains express reference to the Department's right of access pursuant to this section.

VIII. AGREEMENT TERM; PROJECT PERIOD; AMENDMENTS AND MODIFICATIONS;
CLOSEOUT

Section 8.01 Agreement Term. This Agreement shall commence and expire on the dates specified in the Annex(es). The Agreement's expiration date shall coincide with the date on which the Agency shall have satisfied its obligation to the Department as established pursuant to the terms of Section 3.05 Facility Restrictions and recorded in the Annex(es).

Notwithstanding the foregoing, the Department and the Agency retain the right, during the Agreement term, to terminate this Agree-

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ment upon six months' Notice to the other. Should such termination occur, the Department may act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

Section 8.02 Project Period. The Project Period shall commence on the same date as the Agreement and shall expire on the date specified in the Annex(es). The Project Period may be extended only upon written authorization of the Department.

Section 8.03 Amendments and Modifications. Except as may otherwise be provided for in this document, all amendments and modifications to the terms of this Agreement shall be consistent with Department or Division policies and shall be accomplished by means of a written agreement signed by the parties' authorized agents identified in the Annex(es). All written amendments and modifications shall become part of this Agreement and shall be appended to this document.

Section 8.04 Closeout. All financial accounts under this Agreement, with the exception of the Mortgage, shall be settled as accurately as possible within 90 Days after expiration of the Project Period and shall be settled finally based upon the findings of the final audit conducted under Section 7.04 Audit. Any unexpended Agreement Funds in the possession of the Agency shall be returned to the Department within the 90-Day closeout period. The Mortgage shall be satisfied in accordance with Section 5.02 Mortgage Satisfaction.

Except as may otherwise be provided for in this document, all non-financial obligations of both parties shall continue after the Project Period and shall cease on the effective date of expiration or termination of the Agreement.

IX. DEFAULT

Section 9.01 Causes. The occurrence of any of the following shall be considered by the Department as Agency default of this Agreement:

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- (a) Agency failure, judged to be substantial by the Department, to abide by Project specifications stipulated in the Annex(es);
- (b) Agency failure, judged to be substantial by the Department, to adhere to the schedule established in the Annex(es) for Project implementation and completion;
- (c) any Agency use of Agreement Funds for purposes other than as approved by the Department and specified in the Annex(es);
- (d) Agency submission to the Department or the Division of reports or other documents that are inaccurate or incomplete in any material respect;
- (e) Agency refusal or failure to permit the Department, the Division or a designee of the Department to inspect the Agency's facilities, including the Project site, or to review and monitor Agency administrative records and operational practices;
- (f) Agency allowance, in the absence of Departmental approval, of the placement of any lien, mortgage or other encumbrance on the Facility during the term of this Agreement, other than as provided for in Section 5.01 Mortgage Execution or identified in the Annex(es);
- (g) Agency use of Agreement Funds to employ or otherwise compensate directly or indirectly any employee of the Department;
- (h) Department discovery, in the absence of Agency disclosure, of any pecuniary or personal interest by the Agency, its

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officers, trustees, directors or employees in any assignment or subcontract executed pursuant to Section 10.01 Assignment and Subcontracts;

- (i) ~~conduct or acts~~, including but not limited to alleged or adjudged criminal activity, on the part of the Agency, its officers, trustees, directors or employees, which are detrimental to the reputation of the Agency or the Department;
- (j) Any Agency failure, judged to be substantial by the Department, to comply with the terms and conditions of this Agreement, including any failure to maintain an approved use of the Facility pursuant to Section 3.05 Facility Restrictions.

Section 9.02 Procedures. Upon occurrence of any of the events enumerated in Section 9.01 Causes, the Department shall give Notice to the Agency that it is in default of this Agreement and shall elect either to terminate the Agreement on a date of the Department's choosing or to invoke the remedy provision set forth in Section 9.03 Remedy. Should the Agreement be terminated pursuant to this section, the Department shall act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

Section 9.03 Remedy. In lieu of terminating this Agreement in the event of default, the Department may advise the Agency, in the Notice of default, of specific measures the Agency must undertake to remedy the default by a date of the Department's choosing. Such date shall be no more than six months from the date of the Notice of default and may be extended only at the discretion of the Department and upon Notice to the Agency. The Department's election of this provision shall in no way limit or preclude its right to terminate the Agreement upon Notice to the Agency, should the Agency fail to adhere to the remedy measures or the time schedule specified in the Notice of default.

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X. MISCELLANEOUS

Section 10.01 Assignment and Subcontracts. No rights or obligations of the Agency under this Agreement may be assigned or subcontracted by the Agency, nor may the Agency sell or transfer title to the Facility, except as may be provided within the terms of this Agreement or with the prior written approval of the Department. All approved assignments and subcontracts shall become part of this Agreement and shall be subject to its terms. The Agency shall bear full responsibility, without recourse to the State or any of its subdivisions, for performance under any approved assignment or subcontract. The Agency shall forward copies of all assignment and subcontract documents to the Department and shall retain copies of them on file together with this document.

Section 10.02 Procurement. The Agency shall bear full responsibility, without recourse to the State or any of its subdivisions, for the settlement and satisfaction of any issues arising from any procurement arrangement entered into in support of this Agreement.

Section 10.03 Insurance. The Agency and any assignees or subcontractors engaged in construction or renovation of the Facility shall obtain the following types of insurance in coverage amounts judged adequate by the Department and indicated in the Annex(es):

- (a) workers' compensation;
- (b) general liability, including completed operations, broad form property damage and broad form contractual coverage;
- (c) fire insurance with extended coverage, such coverage to be equal to the replacement value of the Facility without any co-insurance; and

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(d) builder's risk, on an all-risk basis.

In addition, the Department may require the Agency and any assignees or subcontractors to obtain a completion bond and/or to maintain any other type of insurance coverage considered necessary by the Department. The State, which shall include the Department, shall be included as an additional named insured on any insurance policy applicable to the Project. The Department may require such proof of the required insurance and/or bond as it deems appropriate at any time during the Project Period.

Section 10.04 Indemnification. The Agency shall defend, indemnify and otherwise save harmless the State of New Jersey, its agencies, departments, bureaus, boards, officials and employees from any and all claims or actions at law, whether for personal injury, property damage or liabilities, including the costs of defense (a) which arise from acts or omissions, whether negligent or not, of the Agency or its agents, employees, servants, subcontractors, material suppliers or others working for the Agency, irrespective of whether such risks are within or beyond the control of the Agency, or (b) which arise from any failure to perform the Agency's obligations under this Agreement or any improper performance.

Notwithstanding the Agency's responsibilities outlined above in this section, the State reserves the right to provide its own attorney(s) to assist in the defense of any legal actions which may arise as a result of this Agreement.

Section 10.05 Insufficiency of Funds. The Agency and the Department recognize that this Agreement is dependent upon funding through State appropriations. The Department shall not be held responsible for any breach of this Agreement arising due to insufficiency of such appropriations.

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Section 10.06 Exercise of Rights. A failure or a delay on the part of the Department or the Agency in exercising any right, power or privilege under this Agreement shall not waive that right, power or privilege. Moreover, a single or a partial exercise shall not prevent another or a further exercise of that or of any other right, power or privilege.

Section 10.07 Application of New Jersey Law. The parties to this Agreement hereby acknowledge that this Agreement is governed by New Jersey law, including the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) governing the Department's liability in any disputes that may arise under this Agreement.

Section 10.08 Title to Facility. The title to the Facility shall be and remain in the Agency until such time as the Agreement has expired or been terminated for any reason. At such time, the Department's choosing of certain options set forth in Section 5.02 Mortgage Satisfaction may result in transfer of the Facility's title either to the Department or to an entity designated by the Department.

Section 10.09 Renewability. Upon expiration of the Agreement term specified in the Annex(es), this Agreement may be renewed only on the condition that such renewal is desired and its terms are fully agreed upon by both the Department (or its successor) and the Agency in a renewal agreement. Nothing either explicit or implicit in this Agreement shall be construed as granting to the Agency an automatic right of renewal. The Department reserves the right, for any reason whatsoever, to refrain from renewing this Agreement.

Should the Agreement be renewed in accordance with the terms of this section, the Mortgage shall also be renewed; and the Agency's liability to satisfy the Mortgage shall continue under and be governed by the renewal agreement.

AGREEMENT SIGNATURES AND DATE

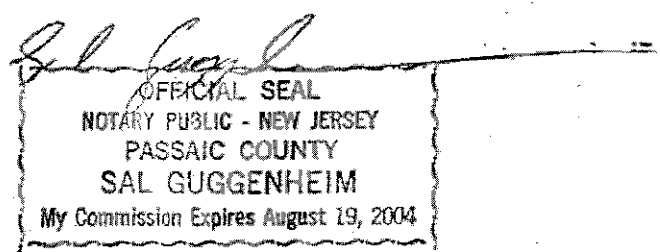
The terms of this Agreement have been read and understood by the persons whose signatures appear below. The parties agree to comply with the terms and conditions of the Agreement as set forth in Article I through Article X above.

BY: [Signature]
Assistant Commissioner, New Jersey
Department of Human Services

BY: [Signature] L.S.
Authorized Agency Representative

NAME: Krystal Odell
TITLE: President/CEO
AGENCY: Allies, Inc
ADDRESS: 138 Wainford Road
Allentown NJ 08501

AGREEMENT DATED:
July 26, 2000



* must be notarized

PURCHASE + RENOVATE.

REVISED 1/11

COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES

ANNEX A - PROJECT SUMMARY

1. This Agreement commences on 7-26-2000 and expires on 7-25-2020

2. Legal Name of Agency: ALLIES, Inc.

3. Agency Address (Including P.O. Box, City, State, Zip Code, County):

138 Walnford Road

Allentown, NJ 08501

4. Date of Agency Incorporation: 3/15/00

5. Federal I.D. Number: 22-3677684

6. Project Location (Street, Address, City, State, County):

51 Inneco Court

Readington, NJ

7. Project Scope:

y Purchase

 Land

 Existing Building/s

y Renovation

 Expansion of Existing Facility

 New Construction

 Equipment

8. The Project Period commences on 7-26-2000 and expires on 7-25-2001

9. Project Director:

10. Agency Officer authorized to sign this and other documents:

Name: Elise gambino

Name: Krystal Odell

Address: 138 Walnford Road

Address: 138 Walnford Road

Allentown, NJ 08501

Allentown, NJ 08501

Phone: 609-259-1060

Phone: 609-259-1060

11. Persons to whom Notices sh-ll be directed:

a) Agency

b) Department

Name: Allies, Inc.

Name: Greenbrook Regional Center

Address: Krystal Odell

Address: Gwen Fenton

138 Walnford Road

275 Greenbrook Road

Allentown, NJ 08501

Greenbrook, NJ 08812

COMMUNITY RESIDENTIAL FACILITY FUNDED PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES

ANNEX A - ATTACHMENT A: DUTIES AND RESPONSIBILITIES OF PROJECT DIRECTOR

The Project Director of Allies, Inc. is responsible for:

- (1) reporting the progress of the construction and related work to the Department through the Program Development Unit, DDD;
- (2) paying all contractor's and other bills as appropriate;
- (3) submitting the invoices to the State for payment as per the Schedule in Annex C of this Agreement;
- (4) verifying that the work is completed as approved by the Department.

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

ANNEX B - PROJECT BUDGET: PURCHASE AND RENOVATION

<u>1. PROJECT COSTS:</u>	<u>PROJECT TOTAL</u>	<u>AGREEMENT AMT.</u>	<u>AGENCY AMT.</u>	<u>BASIS*</u>
A. Purchase of Facility				
1) Purchase Price	\$ 110,000	\$ 110,000	\$	contract
2) Closing costs, including legal fees, studies & survey	\$ 4,319.	\$ 4,319.	\$	est.
B. Architect	\$ 6,600	\$ 6,600	\$	est.
C. Appliances	\$ 1,691.	\$ 1,691.	\$	est.
D. Carpeting	\$	\$	\$	
E. Renovations, including general contract, fire alarm/detection & equipment	\$57,030.	\$ 57,030.	\$	est.
F. Other home inspection	\$ 360.	\$ 360.	\$	est.
G. Total Project cost	\$ 180,000.	\$ 180,000.	\$	est.

2. AGREEMENT CEILING: \$

3. SOURCES OF FUNDS TO SUPPORT PROJECT (use additional sheet if necessary):

DDD/DHS

*List the basis for each element of the Project Cost - e.g., architect's estimate, contractor's estimate, agency estimate, consultant's estimate, purchase price.

**COMMUNITY RESIDENTIAL FACILITY FUNDING PROGRAM
STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES
DIVISION OF DEVELOPMENTAL DISABILITIES**

ANNEX C - PROJECT PROGRESS AND PAYMENT : PURCHASE AND RENOVATION

1. Reports and Inspections.

- A. The Agency will report Project progress and expenditures as requested, but not less frequently than monthly, to the Department through the Program Development Unit, Division of Developmental Disabilities.
- B. The Department will make periodic site inspections as necessary. At minimum, the following inspections will be made:
 - 1. site inspection prior to purchase of facility
 - 2. renovation inspection at 50% completion
 - 3. final inspection upon completion of Project, prior to final payment of capital funds.

2. Payment of Capital Funds by the Department to the Agency

- A. Upon commencement of the Agreement, the Department will make an initial payment of the following budgeted costs as specified:

	<u>AMOUNT TO BE PAID</u>	<u>% OF BUDGETED AMT (PER ANNEX B)</u>
1. Purchase of facility	\$ 110,000.	\$ 100%
2. Closing costs	\$ 4,319.	\$ 100%
3. Architect	\$ 6,600.	\$ 100%
4. Appliances	\$ 1,691.	\$ 100%
5. Carpeting	\$	\$
6. Renovations	\$ 8,554.50.	\$ 15%
7. Other	\$ 360.	\$ 100%
Home inspection		
TOTAL TO BE PAID	\$ 131,525.	

B. Subsequently, upon receipt from the Agency of billings and written verification of the percentage of the project completed to date, the Department will pay renovations costs as follows:

	<u>% OF PROJECT COMPLETED</u>	<u>% OF BUDGETED RENOVATIONS AMOUNT (PER ANNEX B) TO BE PAID</u>	<u>DOLLAR AMT TO BE PAID</u>
1.	50%	30%	\$17,109.00
2.	100%	45%	\$25,663.50

An adjustment based on actual costs may be made in the second payment to compensate for any previous over or underpayment made based on estimated costs.

C. Subsequent to the final inspection required in 1B) above, the Department will pay the remainder of the documented approved Project costs up to, but not to exceed, the Agreement Ceiling.

ANNEX D - DESCRIPTION OF SERVICES TO BE DELIVERED IN FACILITY

The Agency shall maintain the Facility as a licensed community residence for the Developmentally Disabled housing _____ persons. The facility shall provide food, shelter and personal guidance for Developmentally Disabled persons who require assistance, temporarily or permanently, in order to live independently in the community.

PROMISSORY NOTE

\$ 180,000.00

July 26, 2000

In accordance with the terms of a Funding Agreement for Construction, Purchase, or Purchase and Renovation of Community-Based Facilities dated July 26, 2000,

Allies, Inc., 51 Juneco Court, Readington Twp., NJ

promises to pay on demand to the order of the State of New Jersey, Department of Human Services,

One Hundred Eighty Thousand dollars.

dollars, payable at Capital Place One, 222 South Warren Street, Trenton, New Jersey 08625.

BY: Krystal Odell L.S.
Authorized Agency Representative

NAME: Krystal Odell

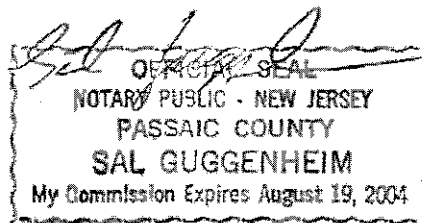
TITLE: President/CBO

AGENCY: Allies, Inc.

ADDRESS: 138 Walnford Road

Allentown, NJ 08501

* must be notarized



1022 NAME/LOCATION SEARCH REQUESTED ACCESS - THE ARC

RETRIEVE = X	OWNERS NAME	DED	CDS	DEED DT	CLASS	TX MAP	LST	CHG	ACCOUNT	PROPERTY LOCATION
95 12-211	THE ARC OF HUNTERDON COUNTY			112900	15F	2701	102405			211 NUTHATCH CT ✓
95 12-271	THE ARC OF HUNTERDON COUNTY INC			122797	15F	2701	102405			271 KINGBIRD CT
95 12-285	THE ARC OF HUNTERDON COUNTY			120798	15F	2701	102405			285 KINGBIRD CT
95 12-371	THE ARC OF HUNTERDON COUNTY			022103	15D	2701	102405			371 BURDOCK CT ✓

** END OF MATCHING IDS **

EN=CONTINUE LIST F2=END LIST F4=RETRIEVE

Deed

17 *2005* *11* *15* *Stalder*

222

This Deed is made on NOVEMBER 29, 2000

BETWEEN

LAURENE L. LILLIE n/k/a LAURENE L. FLEMING and BRUCE FLEMING, HER HUSBAND

whose post office address is

211 NUTHATCH COURT, THREE BRIDGES, NEW JERSEY 08887

referred to as the Grantor,

AND

THE ARC OF HUNTERDON COUNTY, A Non Profit corporation of the State of New Jersey

whose post office address is

1322 Route 31 North, Annandale, New Jersey 08801

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of ONE HUNDRED AND TEN THOUSAND and 00/100 (\$110,000.00) DOLLARS. The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15.i.1) Municipality of TOWNSHIP OF READINGTON
Block No. 95 Lot No. 12.211 Qualifier No. Account No.
 No property tax identification number is available on the date of this Deed. (Check Box if Applicable.)

3. **Property.** The Property consists of the land and all the buildings and structures on the land in the TOWNSHIP of READINGTON County of HUNTERDON and State of New Jersey. The legal description is:
 Please see attached Legal Description annexed hereto and made a part hereof. (Check Box if Applicable.)
The within conveyance is subject to the following:

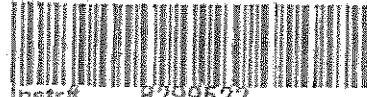
- (a) All ordinances and regulations of local, municipal and other governmental authorities;
- (b) All utility easements of record, or easements and restrictions of record, if any, granted or to be granted, any state of facts which an accurate survey or inspection of the premises would disclose.

Bruce Fleming, one of the Grantors, has executed and delivered this Deed with the sole intention and purpose of conveying all of his right, title and interest in and to the above-described premises to the Grantee and to extinguish any right, title or interest (whether present or future) which he may have in and to the above described premises including rights as a tenant by the entirety or other joint tenant; inchoate curtesy or dower; possible future estate, curtesy or dower; and any rights of equitable distribution or other distributive share of the property in the event of a separation or divorce of the Grantor. This conveyance is made pursuant to and in accordance with N.J.S.A. 37:2-18.1 and specifically waives, transfers and surrenders any rights which the Grantor may have in and to the above-described lands and premises including any rights which may hereafter exist by way of equitable distribution pursuant to N.J.S.A. 2A:34-1, et seq.

Being the same lands and premises conveyed to Laurene L. Lillie, by deed from Mark Malfatone and Dorothy Chalker Malfatone, his wife, dated 7/5/95, recorded 8/7/95 in the Hunterdon County Clerk's Office in Deed Book 1131, Page 78.

Prepared by: (print signer's name below signature)


JOHN W. THATCHER, ESQ. (Lillie)



Instr# 8299522

Dorothy K. Tirpok
ASB Hunterdon County Clerk
DEED

Recorded/Filed
12/05/2000 14:19

782-2600

Handwritten initials

Handwritten initials

108U - Deed - Bargain and Sale
Gov. to Grantor's Act - Ind. to Ind. or Corp.
Plain Language Rev. 10/99 Print date 11/99

Consideration:	110000.00
Realty Tax:	385.00 R
Fees:	22.00

*Transfer to Grantor
Per 2004*

BARGAIN & SALE DEED

THIS DEED is made on FEBRUARY 21, 2003

BETWEEN WALTER BOLTE, JR. and CELINE T. BOLTE, husband and wife,
whose post office address is 371 Burdock Court, Three Bridges, New Jersey 08887

referred to as the GRANTOR,

AND THE ARC OF HUNTERDON COUNTY, whose post office address is 1322 Route 31,
Suite 5, Annandale, New Jersey 08801

referred to as the GRANTEE.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. **Transfer of Ownership.** The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of ONE HUNDRED SIXTY-NINE THOUSAND NINE HUNDRED and 00/100 ~~(\$169,900.00)~~ DOLLARS.

The Grantor acknowledges receipt of this money.

2. **Tax Map Reference.** (N.J.S.A. 46:15-1.1) Municipality of Readington Township
Block No. 95, Lot No. 12.371

3. **Property.** The Property consists of the land and all the buildings and structures on the land in the Township of Readington, County of Hunterdon and State of New Jersey. The legal description is:


Please see attached Legal Description annexed hereto and made a part hereof.

BEING the same lands and premises conveyed to Walter Bolte, Jr. and Celine T. Bolte, his wife, by Deed from HC Associates, A Co-Venture of the State of New Jersey, dated October 6, 1986 and recorded at the Hunterdon County Clerk's Office in Deed Book 972, page 646.



Consideration: 169900.00
Realty Tax: 625.00 R
Fees: 40.00

Inst# 8413645 Dorothy K. Tirpek
Recorded/Filed ASB Hunterdon County Clerk
02/27/2003 08:57 Bk 2068 Pg 906 #Pg 3 DEED

Prepared by: (print signer's name below signature)  GEORGE M. DILTS, ESQUIRE	(For Recorder's Use Only)
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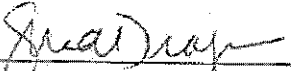
7. ALLIES INC. – 62 JUNCO COURT





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05/18/2007 02:47:11 PM E
Bk: 2184 Pg: 315
Mary H. Malli
Hunterdon County Clerk

Prepared by:


Sharon A. Dragon

**DEED OF EASEMENT AND RESTRICTIVE COVENANT
FOR EXTENDED LOW AND MODERATE INCOME OCCUPANCY**

THIS DEED OF EASEMENT and RESTRICTIVE COVENANT shall run with the land and is granted by **ALLIES, INC.**, a Non-profit corporation of the State of New Jersey, having its address at **1262 Whitehorse-Hamilton Square Road, Building A, Suite 101, Hamilton Square, N.J. 08690** their successors and assigns (referred to as the "Owner") to **The Township of Readington**, having its offices at the **509 Route 523, Whitehouse Station, N.J. 08889** (referred to as the "Authority") and to income eligible members of the public as defined below. As conditioned below this Deed of Easement and Restrictive Covenant restricts occupancy of the described premises to income eligible occupants and controls the rent for a specified period of time. This Deed of Easement and Restrictive Covenant is made in satisfaction of the requirements of the Fair Housing Act, *N.J.S.A. 52:27D-301 et seq.*, as amended ("the Act").

WHEREAS, pursuant to the Act, the housing unit (units) located on the property as further described on the attached EXHIBIT A of this Agreement (the "Property") has (have) been designated as low and moderate income housing as defined by the Act; and

WHEREAS, in conjunction with the recording of this Deed of Easement and Restrictive Covenant an Affordable Housing Agreement, Declaration of Covenants, Conditions and Restrictions is being recorded in the Recorder's or County Clerk's Office of the County of Hunterdon in the State of New Jersey, the purpose of this Agreement is to ensure that the described rental units(unit) remain(s) affordable to low and moderate income eligible households for that period of time described herein and in the Affordable Housing Agreement, Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, it is the intent of this Agreement to ensure that the affordability controls are contained directly in the property deed for the premises and incorporated into and recorded with the property deed so as to bind the owner of the described premises and notify all future purchasers of the rental unit that the rental unit is encumbered within the property deed for the premises and incorporated into and recorded with the property deed so as to bind the owner of the described premises and notify all future purchasers of the housing unit that the housing unit is encumbered with affordability controls as contained in the Affordable Housing Agreement, Declaration of Covenants, Conditions and Restrictions between the Owner and the Authority; and by entering into this Agreement, the Owner of the described premises agrees to restrict the rental of the housing unit(s) to low and moderate income eligible households at a maximum adjusted rent as set forth in the Affordable Housing Agreement, Declaration of Covenants, Conditions and Restrictions for the specified period of time.

This Deed of Easement and Restrictive Covenant is binding on all successors in interest to the Building and Project (or applicable portion of the Project) and shall run with the land until the end of the Affordability Control Period which is defined in the Affordable Housing Agreement as a period for 30 years beginning on *April 16, 2007* and ending on *April 16, 2037*, when any Affordable Housing rental

EXHIBIT A

This Deed of Easement and Restrictive Covenant applies to the owner's interest in the real property as further described below:

PROPERTY DESCRIPTION

Block 95 Lot 12.062 Municipality READINGTON TOWNSHIP

County: HUNTERDON # of units = 1 (2 BR), both low income

Complete Street Address and Unit # 62 JUNCO COURT

City: THREE BRIDGES State: New Jersey Zip 08887

The restrictions contained herein shall be imposed on the Affordable Housing units as listed below for a period of 30 years beginning on *April 16, 2007*, and ending on *December 16, 2037*.

Please add a legal property description as required including individual building or individual rental unit identification numbers. SEE SCHEDULE I ATTACHED.

SCHEDULE A – LEGAL DESCRIPTION

Commitment No. L07-40117

All the real property located in the Township of Readington, County of Hunterdon, State of New Jersey and more particularly described as follows:

Being known and designated as Unit 62 in Building 11, situate in the Hunters Crossing North Condominium, said unit being more specifically defined in the Master Deed for Master Deed for Hunters Crossing North Condominium, dated October 15, 1984 and recorded July 9, 1985 in Deed Book 923 page 97, and as amended by Deed Book 923 page 249, Deed Book 956 page 14, Deed Book 964 page 227 and Deed Book 974 page 574 and which unit includes the fee in an undivided .42735 percentage interest in the common elements of the Condominium set forth in said Master Deed, as the same may now or hereafter be lawfully amended.

NOTE FOR INFORMATION: The land referred to in this Commitment is commonly known as Lot 12.062 in Block 95, on the official Tax Map of the Township of Readington, County of Hunterdon.

SCHEDULE I

unit that continues to be occupied by an income-eligible household shall become vacant.

This Deed of Easement and Restrictive Covenant is given in satisfaction of the requirements of the Act and the terms of this Deed of Easement and Restrictive Covenant, including those set forth in the recitals, shall be interpreted, conditioned and supplemented in accordance with regulations promulgated thereunder, all of which are incorporated herein by reference, whether or not such provisions of the Act or regulations are expressed or referenced herein. In the event of a conflict between the terms of this Deed of Easement and Restrictive Covenant and the Act or regulations, the Act and the regulations shall govern.

The Owner's right, title and interest in the Property and the use, sale, resale and rental of this property are subject to the terms, conditions, restrictions, limitations and provisions as set forth in the AFFORDABLE HOUSING AGREEMENT, DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS between the Owner and the Authority dated even date and which is about to be filed in the Office of the Clerk of Hunterdon County in conjunction with this Deed of Easement and Restrictive Covenant, and prior thereto. The Owner acknowledges that all of the terms, conditions, restrictions, limitations and provisions set forth in said AFFORDABLE HOUSING AGREEMENT, DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS between the Owner and the Authority are incorporated herein in their entirety. Reference is made to that documentation for the definitions of various terms incorporated in this Deed of Easement and Restrictive Covenant.

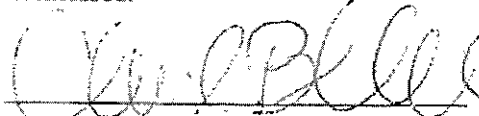
This Deed of Easement and Restrictive Covenant shall constitute an agreement between the Authority and the Owner and is enforceable in the courts of the State of New Jersey by the Authority, its successors or assigns, or by an individual or individuals whether prospective, present or former occupants of the Project said individual(s) being beneficiaries of the agreement which is expressed herein between the Authority and the Owner.

This Deed of Easement and Restrictive Covenant and the Affordable Housing Agreement Declaration of Covenants, Conditions and Restrictions may be amended with the prior written approval of the Authority to reflect changes in the Act and the regulations thereunder. No amendment to this Deed of Easement and Restrictive Covenant may be made without the prior written approval of the Authority. The Owner hereby expressly agrees to enter into all amendments hereto which, in the opinion of the Authority, are reasonably necessary or desirable for maintaining compliance with the Act.

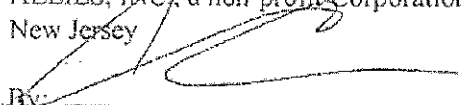
The invalidity of any clause, part or provision of this Deed of Easement and Restrictive Agreement shall not affect the validity of the remaining portions thereof or the validity of all or any portion of the Affordable Housing Agreement Declaration of Covenants, Conditions and Restrictions.

Signatures: This Deed of Easement and Restrictive Covenant is granted by the undersigned whose duly authorized signature(s) appears below. If the undersigned is a corporation its corporate seal is affixed

Witnessed:


CHERYL BLAKE, Ass't Secretary

ALLIES, INC. a non-profit Corporation of the State of New Jersey


By: ELISE GAMBINO, Vice President

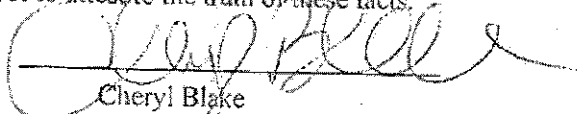
ACKNOWLEDGMENTS

STATE OF NEW JERSEY


SS:

COUNTY OF Mercur

I CERTIFY that on April 16, 2007, *Elise Gambino* personally came before me, the subscriber, an attorney at law of the State of New Jersey, who I am satisfied: (a) is President and CEO of Allies, Inc., the non-profit corporation named in this document; and (b) that she signed, sealed and delivered this document on behalf of the non-profit corporation under authority of its Board; and (c) this person, being the Assistant Secretary, signed this proof to attest to the truth of these facts.


Cheryl Blake

Signed and sworn to before me
on the 16 day of April, 2007.


David A. Schweizer, an Attorney
at Law of New Jersey

file

BALLARD & DRAGAN
ATTORNEYS AT LAW
LIBERTY COURT, SUITE 1200
260 HIGHWAY 202/31
SPRINGINGTON, NJ 08822

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05/18/2007 02:47:11 PM E
Recording Fee: \$80.00
Tax Fee: \$.00
Consideration: \$.00
Buyers Fee: \$.00
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Bk: 2184 Pg: 320
Mary H. Meffi
Hunterdon County Clerk

Prepared by: Sharon A. Dragan, Esq.

**AFFORDABLE HOUSING AGREEMENT,
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

This AGREEMENT is entered into on this 30 day of April, 2007

between **ALLIES, INC.**, a non-profit corporation of the State of New Jersey, having its address at **1262 Whitehorse-Hamilton Square Road, Building A, Suite 101, Hamilton Square, N.J. 08690**, owner of the properties designated in **Section II PROPERTY DESCRIPTION**, hereafter "OWNER", and **The Township of Readington**, a municipal corporation and body politic whose offices are located at the Municipal Building, 509 Route 523, Whitehouse Station, N.J. 08889, hereafter, "AUTHORITY" and/or "MUNICIPALITY", both parties having agreed that the covenants, conditions and restrictions contained herein shall be imposed on the Affordable Housing unit(s) described in **Section II PROPERTY DESCRIPTION** for a period of at least THIRTY (30) years beginning on *April 16, 2007*, and ending after *April 16, 2037* when any Affordable Housing rental unit that continues to be occupied by an income-eligible household shall become vacant.

WHEREAS, pursuant to the Fair Housing Act, (P.L. 1985 c. 222) hereinafter the "Act," the housing unit (units) described in **Section II PROPERTY DESCRIPTION** hereafter and/or an attached **EXHIBIT A** of this Agreement has(have) been designated as low and moderate income rental housing as defined by the Act; and

WHEREAS, municipalities within the State of New Jersey are required by the Act, to provide for their fair share of housing that is affordable to households with low or moderate incomes in accordance with provisions of the Act; and

WHEREAS, the Act requires that municipalities ensure that such designated housing remains affordable to low and moderate income households for a minimum period of years; and

WHEREAS, the Act establishes the Council on Affordable Housing (hereinafter "Council") to assist municipalities in determining a realistic opportunity for the planning and development of such affordable housing; and

WHEREAS, the purpose of this Agreement is to ensure that the described rental units (unit) remain(s) affordable to low and moderate income eligible households for that period of time described in **Section III TERMS OF RESTRICTION**.

NOW, THEREFORE, it is the intent of this Agreement to ensure that the affordability controls are contained directly in the property deed for the premises and incorporated into and recorded with the property deed so as to bind the owner of the described premises and notify all future purchasers of the