

**Borough of Manasquan
County of Monmouth
July 1, 2020**

Midpoint Review Report

Purpose

The Borough of Manasquan is required to comply with the statutory midpoint review requirements of the Fair Housing Act (“FHA”) and specifically N.J.S.A. 52:27D-313, which provides in relevant part: “[t]he Council shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public.” Pursuant to the Settlement Agreement between Fair Share Housing Center (“FSHC”) and the Borough (hereinafter the “FSHC Settlement Agreement”), that review requires the Borough to post on its website on July 1, 2020, with a copy to FSHC, and an opportunity for comment, a status report regarding its compliance mechanisms and whether or not unbuilt sites/unfulfilled mechanisms continue to present a realistic opportunity. The Settlement also contemplates review of unmet need/deferred mechanisms, though the realistic opportunity for the construction of those mechanisms during the compliance period is not applicable.

Relevant Background

On July 2, 2015, the Borough filed a declaratory judgment action, seeking a determination of its Round Three affordable housing obligations and approval of its proposed Housing Element and Fair Share Plan to satisfy such obligations and, thereby, obtain a Judgment of Compliance and Repose from the Court, pursuant to the March 2015 New Jersey Supreme Court decision, In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015) (“Mount Laurel IV”). The Court appointed a Special Master, Michael P. Bolan, P.P., A.I.C.P., as is customary in Mount Laurel matters. The Special Master assisted the Borough in reaching a settlement agreement with FSHC, a non-profit organization dedicated to protecting the rights of low and moderate income households in New Jersey. The FSHC Settlement Agreement was entered into on July 3, 2018, and the settlement was approved by the Court via an Order entered on September 14, 2018, after a properly noticed Fairness Hearing was held. The Borough obtained a final Judgment of Compliance and Repose (“JOR”) approving the Borough’s Housing Element and Fair Share Plan on May 22, 2019, after a properly noticed Compliance Hearing was held, which secured immunity for the Borough from all Mount Laurel lawsuits, including but not limited to, Builders Remedy lawsuits, until July 2, 2025.

The Court approved FSHC Settlement Agreement, established the Borough’s Third Round Fair Share obligations as follows:

- Rehabilitation Obligation: Six (6)
- Prior Round Obligation (1987-1999): 149
- Third Round Gap and Prospective Need Obligation (1999-2025): 382

As part of the process described above, the Borough adopted all required resolutions and zoning ordinances.

Rehabilitation Program(s) Update

The Borough has a Rehabilitation Obligation of six (6), which was fully satisfied as of the date the Borough received its final JOR. In addition, the Borough has two (2) additional credits which it may use towards its Fourth Round Rehabilitation Obligation, should such credits be allowed and counted under applicable law in the future.

Realistic Opportunity Review

The realistic opportunity standard applies to all mechanisms for non-adjustment municipalities, and Realistic Development Potential (or “RDP”) mechanisms for Vacant Land Adjustment municipalities.

The Borough is a Vacant Land Adjustment municipality, and has a Court approved combined Prior Round (1999-2025) and Third Round (1999-2025) RDP of twelve (12).

The status of the Borough’s satisfaction of its RDP of twelve (12) is as follows:

| <u>Mechanism</u> | <u>Description</u> | <u>Ordinance Adopted (Yes/No)</u> | <u>Status</u> |
|--|---|--|--|
| Combined Broad Street and Union Avenue Inclusionary Project. | 9 affordable family rental units on Union Avenue. | Yes (May 6, 2019) | The developer filed for preliminary and final site plan approval and is currently in the process of obtaining its NJDEP approvals. |
| Rental Bonus Credits | Three approved rental bonus credits. | | |

The Borough entered into a Court approved Settlement Agreement with developer Broad Street 34, LLC and Union Avenue 33, LLC to construct two residential projects. The two projects will produce a combined total of 45 family rental units, which will consist of thirty-six (36) market rate family rental units and nine (9) rental units affordable to very low, low and moderate income households. The nine (9) affordable rental units are a twenty percent (20%) set-aside of the forty-five (45) total units in the two residential projects. The first residential project will be located at 34, 36, 40 and 44 Broad Street (Block 64, Lots 25.01, 25.02, 26 and 27), and will consist of twenty-two (22) market rate family rental units. No affordable units will be located on this site. The second site will be located on 33, 33.5 and 38 Union Avenue (Block 66.02, Lot 31.01), and will consist of twenty-three (23) total units, made up of fourteen (14) market rate family rental units and nine (9) family rental units affordable to very low, low and moderate income households. The developer filed for preliminary and final site plan approval, and is currently in the process of obtaining its NJDEP approvals.

Unmet Need

As contemplated in the FSHC Settlement Agreement, the Borough is in the process of addressing its remaining unmet need as follows:

| <u>Mechanism</u> | <u>Ordinance Adopted (Yes/No)</u> | <u>Status</u> |
|---|--|--|
| Accessory Apartment Program. | Yes (March 18, 2019) | No accessory apartment units have been created yet under the Borough's Accessory Apartment Program. |
| Affordable Housing Overlay Over The R-M Zone. | Yes (March 18, 2019) | No new affordable units approved or constructed in this zone since the finalization of the Borough's JOR. |
| Affordable Housing Overlay Over The B-1, BR-1, O and B-3 Zones. | Yes (March 18, 2019) | No new affordable units approved or constructed in any of these zones since the finalization of the Borough's JOR. |
| Borough-wide Mandatory Set-Aside Ordinance. | Yes (March 18, 2019) | No new affordable units approved or constructed under the MSO since the finalization of the Borough's JOR. |

Very Low Income Analysis

The inclusionary project on Union Avenue will produce one (1) very low income unit once it is constructed and occupied. Additional very low income units will be captured via the various compliance techniques addressing unmet need as described above.

Conclusion

The Borough's plan implementation continues to create a realistic opportunity where that standard is applicable, and the Borough maintains sufficient mechanisms for addressing unmet need.