

William B. Savo<sup>4</sup>  
Charles Z. Schalk<sup>3</sup>  
Ellen M. Gillespie  
Michael P. O'Grodnick<sup>4</sup>  
Alexander G. Fisher<sup>1</sup>  
Christopher M. Corsini<sup>1</sup>

Hyun J. Lee<sup>1</sup>

THE LAW OFFICES OF  
**SAVO SCHALK**  
GILLESPIE, O'GRODNICK & FISHER, P.A.

77 North Bridge Street  
Somerville, New Jersey 08876

(908) 526-0707

Fax (908) 725-8483

[www.centraljerseylaw.com](http://www.centraljerseylaw.com)

George A. Mauro, Jr. (1933-2006)  
Alan Bart Grant (1948-2015)

OF COUNSEL

Michael V. Camerino<sup>4</sup>  
Mark F. Strauss  
Arthur D. Fialk  
Michael G. Friedman<sup>2</sup>  
Edward A. Halpern  
Henry E. Rzemieniewski  
John F. Bracaglia, Jr.  
Harold L. Gechtman  
Monica D. Yates  
Raymond G. Tyburski, Jr.

1. Also NY Bar  
2. Also ME Bar  
3. Cert. Civil Trial Atty  
4. U.S. Supreme Court

February 10, 2017

**Via Email**

Kevin D. Walsh, Esq.  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, NJ 08002

Adam M. Gordon, Esq.  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, NJ 08002

**Re: In the Matter of the Township of Bridgewater, a municipal corporation of the State of New Jersey, and its Third Round Affordable Housing Element and Fair Share Plan  
Docket No.: SOM-L-934-15  
REVISED SETTLEMENT AGREEMENT**

Dear Messrs. Walsh and Gordon:

This letter memorializes the revised terms of the Settlement Agreement reached between the Declaratory Judgment Petitioner the Township of Bridgewater ("Bridgewater") and Fair Share Housing Center ("FSHC"), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) (Mount Laurel IV) and, through this settlement, a defendant in this proceeding. Petitioner and FSHC are collectively referred to as "the Parties."

**Background**

Bridgewater filed the above-captioned matter on July 6, 2015, seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Bridgewater received an initial grant of immunity from the Court which has since been extended and remains in place as of the date of this settlement. The Township and FSHC after a mediation process agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

### Settlement Terms

Bridgewater and FSHC hereby agree to the following terms:

1. FSHC agrees that Bridgewater, through the adoption of a revised Housing Element and Fair Share Plan ("the Plan"), a proposed version of which is attached as Exhibit "B" to this settlement, consistent with this agreement within 90 days of court approval of this agreement and through the actions specified in this agreement and the exhibits thereto and implementation process specified herein, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. In Morris County Fair Housing Council v. Boonton Township, 197 N.J. Super. 359 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986), Judge Skillman held that the most troublesome issue in Mount Laurel litigation is the determination of fair share. Furthermore, the Court expressed a desire to encourage voluntary compliance with the constitutional obligation by providing a realistic opportunity for housing and not litigation. 197 N.J. Super. at 366, 367. At this time and at this particular point in the process resulting from the Supreme Court's 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 Bridgewater's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.
3. For settlement purposes only, Bridgewater and FSHC hereby agree that Bridgewater's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report) <sup>1</sup>	115
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	713
Third Round New Construction Obligation (per Kinsey Report as revised per this settlement, covering present need for the period 1999-2015 pursuant to the Supreme Court's January 18, 2017, decision in <u>In re Declaratory Judgment Actions Filed by Various Municipalities</u> , ___ N.J. ___, 2017 WL 192895 (Jan. 18, 2017) and prospective need for 2015-2025)	1414

<sup>1</sup> David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, APRIL 6, 2015, REVISED JULY 2015 and MAY 2016.

Maximum Bonuses Third Round .25 x 1414 =	354
Maximum Bonuses Second Round .25 x 713	178

Bridgewater has and continues to act in good faith in order to comply with its constitutional obligation to provide a realistic opportunity for producing Bridgewater's fair share of the regional present and prospective need for housing low and moderate income families. Petitioner's efforts to meet its present need/rehabilitation share include the following: Bridgewater's program for addressing present need is identified and discussed in detail in the proposed Spending Plan attached as Exhibit A to this Agreement, which is specifically subject to such revisions or clarifications as are appropriate and/or necessary to receive court approval of this Settlement. This is sufficient to satisfy Petitioner's rehabilitation obligation of 115 units.

4. As noted above, Bridgewater has a Prior Round obligation of 713 units, which has been met and exceeded through the following compliance mechanisms. The Township received Second Round Substantive Certification on December 6, 1995, extended Second Round Substantive Certification on August 1, 2001, and further extended Second Round Substantive Certification on March 9, 2005. This Prior Round compliance is reflected in a proposed Housing Element and Fair Share Plan which is attached as Exhibit B to this Agreement and which shall be finalized and adopted no later than ninety (90) days from the date of court approval of this Settlement:

<b>PRIOR ROUND</b>			
<b>Project</b>	<b>Units</b>	<b>Bonuses</b>	<b>Total</b>
[FS] Crossroads	81	0	81
[FS] Bridgewater Oaks	26	0	26
[FS] Vanderhaven Farms	69	0	69
[FS] Beacon Hill	82	0	82
[FS] Bridle Club	70	0	70
[FS] Glenbrooke	86	0	86
[FS] Stratford Place	28	0	28
[FR] Meadowbrook Village/Mt. Pleasant Villas	80	80	160
[FR] Villages I (Collins)	8	8	16
[FR] Villages II (Collins)	16	16	32
[AR] Centerbridge I and II	240	18	258

[SN/GH] ARC – 4 <sup>th</sup> Avenue (a/k/a Passages)	10	10	20
[SN/GH] ARC- Finderne (now known as Advoserve III)	11	11	22
<b>Prior Round Total Units</b>	<b>807</b>	<b>143</b>	<b>950</b>

FS = Family For-Sale

FR = Family Rental

AR = Age-Restricted Rental

AL = Assisted Living

SN/GH = Special Needs/Group Home

5. Petitioner has implemented or will implement the following mechanisms to address its Third Round new construction obligation of 1414 units as is reflected in a revised Housing Element and Fair Share Plan which shall be finalized and adopted no later than ninety (90) days from the date of court approval of this Settlement, a proposed version of which is attached as Exhibit B to this Agreement:

<b>THIRD ROUND NEW CONSTRUCTION OBLIGATION</b>			
<b>Project</b>	<b>Units</b>	<b>Bonus</b>	<b>Status</b>
Surplus Carried Over from Second Round (950 credits -713 need)	237	0	Built
[AR] Centerbridge II – Phase II Expansion (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	45	0	Built
[AR] Kirkside Senior Housing (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	5	0	Built
[AR] Co-op Housing Corp I (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	5	0	Built
[FS] Stratton Meadows (Constructed during Second Round but Identified by COAH to be initially credited in Third Round)	97	0	Built
[FS] Loft Farms (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	17	0	Built
[SN/GH] ARC – Somerset County 2	26	26	Built
[SN/GH] Cambridge	1	1	Built
[SN/GH] Cerebral Palsy Property of Middlesex	6	6	Built
[SN/GH] Whitney House	3	3	Built
[SN/GH] Delta Comm. Supports 1	5	5	Built

Re: In the Matter of the Township of Bridgewater Complaint for Declaratory  
Judgment Demonstrating Municipal Compliance with Constitutional  
Mount Laurel Obligation  
Docket No. SOM-L-934-15  
SETTLEMENT AGREEMENT

Page 5

[SN/GH] ARC-Somerset County 1	22	22	Built
[SN/GH] Allies	4	4	Built
[SN/GH] Easter Seals	4	4	Built
[SN/GH] Pearl Street	4	4	Built
[AR] CHC 2-AWS Foundation	5	2	Built
[AR] CHC 3-AWS Foundation	5	2	Built
[AR] Coop Housing Corp 4	5	2	Built
[AL] Chelsea at Bridgewater-Assisted Living	12	3	Built
[AL] Brandywine-Assisted Living	13	0	Built
[AL] Arbor Glen Friends Holly Center Assisted Living	6	2	Built
[AL] Eastern Star Home Assisted Living	11	0	Built
[AL] Avalon at Bridgewater Assisted Living	11	0	Built
[SN/GH] ADTI 1	3	3	Built
[SN/GH] ADTI 2	16	16	Built
[SN/GH] Advoserve I-87	10	10	Built
[SN/GH] Advoserve II-Severin	10	10	Built
[SN/GH] Advoserve IV-685	5	5	Built
[SN/GH] Advoserve V-566	3	3	Built
[SN/GH] Advoserve VI-444	3	3	Built
[SN/GH] Somerset Homes – 3 <sup>rd</sup> Avenue	5	5	Built
[SN/GH] Alternatives	8	8	Built
[SN/GH] ARC-Somerset County 3	5	5	Built
[SN/GH] Federation MC of NJ	4	4	Built
[SN/GH] Delta Comm. Supports 2	5	5	Built
[SN/GH] Delta Comm. Supports 3	5	5	Built
[FS] Habitat for Humanity	9	0	Built
[SN/GH] Our House - 230 Helfred's Landing	4	4	Built
[SN/GH] Youth Consult - 694 Burning Bush	4	4	Built
[SN/GH] Stevens Land Group - 35 Stevens	2	2	Built
[FR] Woodmont Conversion	20	20	Built
[SN/GH] Somerset Homes 5 Stanford	1	1	Built
[SN/GH] Bridge House #8 3rd Ave	2	2	Built
[SN/GH] Bonnie Brae 453 Route 28	4	4	Built
[SN/GH] Somerset Homes-49 Brahma Ave	16	16	Built

[AL] Sunrise Assisted Living	8	0	Approved
[AL] Care One Assisted Living	7	0	Built
[SN/GH] Bridge House 2	10	10	Approved
[FR] Route 28 Assoc. Conversion	11	11	Built
[FR] Villages III. (Collins)	6	6	Approved
[FR] Eden Woods	44	44	Approved
[FR] Center of Excellence	40	40	Redev. Plan Approved
<b>Total</b>	<b>819</b>	<b>332*</b>	
<b>Voluntary Extensions of Affordability Controls</b>			
[FS] Vanderhaven Farms	23		
[FS] Beacon Hill	29		
[FS] Bridle Club	38		
[FS] Glen Brooke	46		
[FS] Stratford Place	20		
[FS] Bridgewater Oaks	19		
[FS] Stratton Meadows	97		
[FS] Crossroads	33		
<b>Total</b>	<b>305</b>		
<b>Round 3 Built + Approved + Voluntary Extensions</b>	<b>1124</b>		
<b>Total Credits (including Bonus Credits)</b>	<b>1456</b>		

\*Bonus credits were calculated as follows: The Township has a maximum of 354 potential credits ( $1414 \times 0.25 = 354$ ). Of the 354 creditable units, 321 are FR or SN/GH and therefore entitled to a 1:1 credit. The remaining 33 units are creditable as AL/AR and entitled to a 1:3 credit, for 11 additional bonus credits. Adding these together provides 332 total bonus credits.

- As an essential term of this settlement, in addition to the crediting discussed above, within ninety (90) days of Court Approval of this Settlement Agreement, the Township shall adopt an ordinance providing for the amendment of the Township's Housing Ordinance, in a form satisfactory to FSHC and the Special Master, so as to establish zoning standards that provide for an inclusionary zoning requirement on future multifamily development of five (5) or more units in the Township developed through

planning board approval, zoning board approval, redevelopment or rehabilitation plan requiring a set-aside of at least 15 percent of all units in rental developments as affordable, and 20 percent of all units in for-sale developments as affordable, with at least 50 percent of the units in each development being affordable to low-income households including 13 percent in rental developments affordable to very-low-income households, with all such affordable units including the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, and all other applicable law. Language shall be included in the Ordinance to explicitly address that developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold. The Township shall maintain this Ordinance as a part of its Code through at least July 7, 2025.

7. In accordance with the Fair Housing Act and pursuant to N.J.S.A. 52:27D-329.1, Bridgewater agrees to require 13% of all units developed since July 17, 2008, including but not limited to units subject to preliminary or final site plan approval, to be very low income units, with half of the very low income units being available to families. The municipality will comply with those requirements as detailed below and agreed to by the Township of Bridgewater and the FSHC in Exhibit B.

Bridgewater has developed 185 affordable units since July 17, 2008. Thus, the computation for the obligation to provide very low income units ( $185 \times 0.13$ ) yields a total of 24.05 very low income units (rounded up to 25). As a result, the portion of the affordable units that should be very low income family units equates to 6.5% of 185 or 13 units. Bridgewater complies with this requirement as illustrated below.

**Affordable Units Developed Post July 17, 2008**

<b>Project</b>	<b>Units</b>
[AL] Eastern Star Home Assisted Living	11
[SN/GH] Stevens Land Group – 35 Stevens	2
[FS] Habitat for Humanity	9
[SN/GH] Our House - 230 Helfred's Landing	4
[SN/GH] Youth Consult - 694 Burning Bush	4
[SN/GH] Pearl Street	4
[FR] Woodmont Conversion	20
[SN/GH] Somerset Homes - 5 Stanford	1
[SN/GH] Bonnie Brae 453 Route 28	4

[AL] Sunrise Assisted Living	8
[AL] Care One Assisted Living	7
[SN/GH] Bridge House 2	10
[FR] Route 28 Assoc. Conversion	11
[FR] Villages III (Collins)	6
[FR] Eden Woods	44
[FR] Center of Excellence	40
<b>TOTAL UNITS POST 7/31/2008</b>	<b>185</b>

<b>Very Low Income Project (Post-2008)</b>	<b>V.L.I. Units</b>
[SN/GH] Stevens Land Group – 35 Stevens	2
[SN/GH] Our House – 230 Helfred's Landing	4
[SN/GH] Youth Consult – 694 Burning Bush	4
[SN/GH] Somerset Homes – 5 Stanford	1
[SN/GH] Bonnie Brae – 453 Route 28	4
[AL] Sunrise Assisted Living	8
[AL] Care One Assisted Living	7
[SN/GH] Bridge House 2	10
[SN/GH] Pearl Street	4
[AL] Eastern Star Home Assisted Living	11
[FR] Woodmont Conversion	2
[FR] Route 28 Assoc. Conversion	6
[FR] Villages III. (Collins)	6
[FR] Eden Woods	6
[FR] Center of Excellence	6
<b>TOTAL V.L.I. UNITS PROVIDED (Post-2008)</b>	<b>81</b>



<b>Very Low Income Family Project</b>	<b>V.L.I. Family Units</b>
[FR] Woodmont Conversion	2
[FR] Route 28 Assoc. Conversion	6
[FR] Villages III. (Collins)	6
[FR] Eden Woods	6
[FR] Center of Excellence Redevelopment area	6
<b>TOTAL V.L.I. FAMILY UNITS PROVIDED (Post-2008)</b>	26

In addition, as noted in Paragraphs 6 and 11, Bridgewater will require all rental affordable developments going forward to include a minimum of 13% of the total affordable units as very low income units. FSHC and Bridgewater agree that Bridgewater has the legal authority to require that 13% of all units be affordable to very low income persons pursuant to N.J.S.A. 52:27D-329.1.

8. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93 (i.e. one bonus credit per family rental unit up to the 25 percent maximum). As reflected in Exhibit B, at least twenty-five percent of the Third Round New Construction obligation shall be met through rental units, including at least half in rental units available to families, and at least half of the units addressing the Third Round New Construction obligation in total shall be available to families. Bridgewater agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may Bridgewater claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation.
9. At least 50 percent of the units addressing the Third Round New Construction obligation shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
10. Bridgewater shall add 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), FSHC, the New Jersey State Conference of the NAACP, the Latino Action Network, and the Warren/Sussex County Branch of the NAACP and shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. Bridgewater also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.

11. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, and all other applicable law including N.J.S.A. 52:27D-329.1, with the exception to UHAC that 13 percent of affordable rental units in all projects shall be required to be at 30 percent of median income. Bridgewater, as part of its HEFSP 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. FSHC and the Township agree that such an ordinance requirement is lawful and not arbitrary, capricious or unreasonable.
12. As an essential term of this settlement, within one hundred twenty (120) days of a Court Order Granting Substantive Certification and a Judgment of Repose or at such other additional time as approved by the Court, Bridgewater shall take the steps necessary to amend and implement Bridgewater's Housing Element and Fair Share Plan in accordance with the terms of this settlement agreement and the zoning contemplated herein.<sup>2</sup>
13. The parties agree that if a decision of a court of competent jurisdiction in the Somerset/Hunterdon/Warren County vicinage, at the appellate level or the Supreme Court, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an obligation for Bridgewater for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total Third Round new construction obligation established in this agreement (i.e.: determined to be 1131 units or less), and if that calculation is memorialized in a non-appealable final judgment, Bridgewater may amend the judgment in this matter to reduce its fair share obligation accordingly, by formal request with notice to and opportunity to respond by FSHC and subject to approval of the court or an administrative agency responsible for implementing the Fair Housing Act with the authority to grant such an amendment. Notwithstanding any such reduction, Bridgewater shall be obligated to implement all compliance mechanisms referenced in Exhibit B attached hereto and otherwise referenced in 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 the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise fulfilling fully the fair share obligations as established herein. The parties agree that a reduction of Bridgewater's obligation does not provide a basis to amend any other portion of this agreement or any order or judgment associated with this agreement except as specifically permitted herein. The parties further

---

<sup>2</sup> The Bridgewater Planning Board and the Mayor and Township Council shall adopt Resolutions confirming that the Housing Element and Fair Share Plan and implementing Ordinances will be adopted if approved by the Court.

agree that the standards to be applied to any request for a reduction of obligation shall be those contained herein, and not the standards associated with R. 4:50-1.

The parties agree that under no circumstances will Bridgewater's Third Round new construction obligation be increased beyond 1414. If Bridgewater prevails in reducing its new construction obligation for the Third Round, Bridgewater may carryover any resulting extra credits to future rounds in conformance with the then-applicable law. Furthermore, nothing in this Agreement shall prejudice or limit Bridgewater's right to seek credit in the future for units/credits not specifically addressed or identified herein, so long as said credits meet all applicable legal standards and are approved by the court or an administrative agency responsible for implementing the Fair Housing Act with the requisite authority, with FSHC reserving its right to take any position it wishes as to the validity of said credits.

14. The Township has prepared a revised spending plan, which is attached hereto as Exhibit A, and which shall be implemented by the Township. The expenditures of funds under the revised spending plan constitute a "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3. The parties agree that any funds deemed "committed" by the Court shall have the four-year time period for expenditure designated pursuant to N.J.S.A. 52:27D-329.2 and -329.3 begin to run with the entry of a final judgment approving this settlement 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). On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of this agreement, Bridgewater agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to FSHC 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. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
15. On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of this agreement, Bridgewater 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 as approved by the Court.
16. The Fair Housing Act includes two provisions regarding action to be taken by Bridgewater during the ten-year period of protection provided in this agreement. Bridgewater 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, Bridgewater will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to Bridgewater, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether the mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.
- 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, Bridgewater will post on its municipal website, with a copy provided to FSHC, 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 Bridgewater and FSHC on the issue of whether Bridgewater has complied with its very low income housing obligation under the terms of this settlement.

FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.

- 
17. ~~Prior to becoming effective, this settlement agreement must be approved by the Court following a fairness hearing as required by 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. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Township shall present its planner as a witness at this hearing. FSHC shall support approval of this settlement agreement at the fairness hearing. The parties agree that if the Court approves this proposed Settlement, Bridgewater will be granted "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025. If an appeal is filed of the Court's approval of the Settlement Agreement, 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 before 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 rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.

18. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Somerset/Hunterdon/Warren vicinage.
  19. 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.
  20. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
  21. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
  22. 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.
  23. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
- 
24. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
  25. 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 Parties.

26. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
27. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
28. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties 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:**

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

---

Re: In the Matter of the Township of Bridgewater Complaint for Declaratory  
Judgment Demonstrating Municipal Compliance with Constitutional  
Mount Laurel Obligation  
Docket No. SOM-L-934-15  
SETTLEMENT AGREEMENT

Page 15

**TO BRIDGEWATER:** William B. Savo, Esq.  
Alexander G. Fisher, Esq.  
SAVO, SCHALK, GILLESPIE, O'GRODNICK & FISHER, P.A.  
77 North Bridge Street  
Somerville, NJ 08876  
Phone: 908.526.0707  
Telecopier: 908.725.8483  
E-mail: savo@centraljerseylaw.com  
fisher@centraljerseylaw.com

Thomas F. Collins, Jr., Esq.  
VOGEL, CHAIT, COLLINS & SCHNEIDER, P.C.  
25 Lindsley Drive, Suite 200  
Morristown, NJ 07960  
Phone: 973.538.3800  
Telecopier: 973.538.3002  
Email: tcollins@vccslaw.com


(Remainder of this page intentionally left blank)

---

Re: In the Matter of the Township of Bridgewater Complaint for Declaratory  
Judgment Demonstrating Municipal Compliance with Constitutional  
Mount Laurel Obligation  
Docket No. SOM-L-934-15  
SETTLEMENT AGREEMENT

Page 16

Please sign below if these terms are acceptable.

By:   
Alexander G. Fisher, Esq.  
SAVO, SCHALK, GILLESPIE,  
O'GRODNICK & FISHER, P.A.  
77 North Bridge Street  
Somerville, NJ 08876  
Attorneys for Petitioner,  
Township of Bridgewater

By: \_\_\_\_\_  
Thomas F. Collins, Jr., Esq.  
VOGEL, CHAIT, COLLINS &  
SCHNEIDER, P.C.  
25 Lindsley Drive, Suite 200  
Morristown, NJ 07960  
Attorneys for Petitioner,  
Township of Bridgewater

By: \_\_\_\_\_  
Adam M. Gordon, Esq.  
Counsel for Intervenor/Interested Party  
Fair Share Housing Center

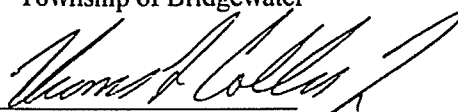


Re: In the Matter of the Township of Bridgewater Complaint for Declaratory  
Judgment Demonstrating Municipal Compliance with Constitutional  
Mount Laurel Obligation  
Docket No. SOM-L-934-15  
SETTLEMENT AGREEMENT

Page 16

Please sign below if these terms are acceptable.

By: \_\_\_\_\_  
Alexander G. Fisher, Esq.  
SAVO, SCHALK, GILLESPIE,  
O'GRODNICK & FISHER, P.A.  
77 North Bridge Street  
Somerville, NJ 08876  
Attorneys for Petitioner,  
Township of Bridgewater

By:  \_\_\_\_\_  
Thomas F. Collins, Jr., Esq.  
VOGEL, CHAIT, COLLINS &  
SCHNEIDER, P.C.  
25 Lindsley Drive, Suite 200  
Morristown, NJ 07960  
Attorneys for Petitioner,  
Township of Bridgewater

By: \_\_\_\_\_  
Adam M. Gordon, Esq.  
Counsel for Intervenor/Interested Party  
Fair Share Housing Center


Re: In the Matter of the Township of Bridgewater Complaint for Declaratory  
Judgment Demonstrating Municipal Compliance with Constitutional  
Mount Laurel Obligation  
Docket No. SOM-L-934-15  
SETTLEMENT AGREEMENT

Page 16

Please sign below if these terms are acceptable.

By: \_\_\_\_\_  
Alexander G. Fisher, Esq.  
SAVO, SCHALK, GILLESPIE,  
O'GRODNICK & FISHER, P.A.  
77 North Bridge Street  
Somerville, NJ 08876  
Attorneys for Petitioner,  
Township of Bridgewater

By: \_\_\_\_\_  
Thomas F. Collins, Jr., Esq.  
VOGEL, CHAIT, COLLINS &  
SCHNEIDER, P.C.  
25 Lindsley Drive, Suite 200  
Morristown, NJ 07960  
Attorneys for Petitioner,  
Township of Bridgewater

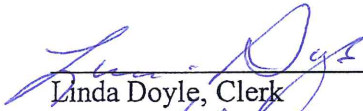
By:  \_\_\_\_\_  
Adam M. Gordon, Esq.  
Counsel for Intervenor/Interested Party  
Fair Share Housing Center

Re: In the Matter of the Township of Bridgewater Complaint for Declaratory  
Judgment Demonstrating Municipal Compliance with Constitutional  
Mount Laurel Obligation  
Docket No. SOM-L-934-15  
SETTLEMENT AGREEMENT

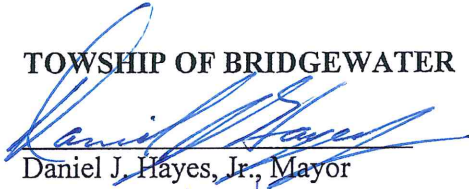
Page 17

On behalf of the Township of Bridgewater, with the Authorization of the Mayor and Township  
Council.

ATTEST:

  
\_\_\_\_\_  
Linda Doyle, Clerk  
Date: 2/22/2017

**TOWSHIP OF BRIDGEWATER**

  
\_\_\_\_\_  
Daniel J. Hayes, Jr., Mayor  
Date: 2/28/17

# **EXHIBIT A**

## **Proposed Spending Plan**

---

# Township of Bridgewater

Somerset County, New Jersey

---

## Proposed Affordable Housing Development Fee Spending Plan

---

February 13, 2017

## TABLE OF CONTENTS

INTRODUCTION	3
A. REVENUES FOR CERTIFICATION PERIOD	3
TABLE 1:	6
Table 2:	7
B. MECHANISM TO COLLECT AND DISTRIBUTE FUNDS	8
C. USE OF AFFORDABLE HOUSING TRUST FUNDS	8
Table 3: Requirements for usage of Trust Funds	8
D. ADMINISTRATIVE EXPENSES	16
E. EXCESS OR SHORTFALL OF UNITS AND FUNDS	16
F. BARRIER FREE ESCROW	17
G. IMPLEMENTATION AND PHASING	17
H. STATE PLAN ENDORSEMENT STATUS	17
I. SUMMARY CONCLUSION	17

no

# **Proposed Affordable Housing Development Fee Spending Plan Bridgewater Township, Somerset County**

February 13, 2017

## **INTRODUCTION**

Bridgewater Township, Somerset County, has prepared a development fee ordinance creating a dedicated revenue source for affordable housing which was adopted and approved by COAH on or about April 6, 1992. In addition, on December 7, 1994 COAH granted approval to retain \$282,438.93 which had been collected prior to 1990. On July 13, 1985 the Court granted interim Substantive Certification to Bridgewater and adopted by the municipality on September 19, 1985 by Ordinance 85-28, and on January 14, 1993 by Ordinance 93-3. The ordinance established the framework which the Bridgewater Township Spending Plan is prepared.

All development fees, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing Trust Fund in Provident Bank for the purpose of keeping affordable housing funds separated from other municipal monies. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow. As of December, 2016, Bridgewater has a Trust Fund in the amount of **\$2,556,615** and has provided a prospective estimate of collecting additional Trust Fund monies in the amount of **\$6,213,500** to the year 2027. After the deduction of 20% of Administrative costs associated with the estimated additional funds (\$1,242,700), the resulting total net amount which is estimated that will be available in the Trust Fund through 2027 is **\$ 7,527,415**.

Bridgewater Township petitioned COAH for substantive certification on March 1, 1995 and received prior approval to maintain an affordable housing Trust Fund on May 5, 1993 and on December 7, 1994. Bridgewater will continue to maintain an affordable housing Trust Fund as it did in previous rounds and will continue to do so within the process and procedures laid out under N.J.A.C. 5:94.

### **A. REVENUES FOR CERTIFICATION PERIOD**

As shown in Table 2 below, the township has conservatively projected that **\$7,527,415** to the year 2027. The basis for the estimate is the sum of the existing funds in the account plus the projection of revenue anticipated during the third round:

Estimate of development fees which will be secured from 2016 to 2027	\$6,213,500
Deduction for Administrative costs, which is 20% of these anticipated funds	-\$1,242,700

Net Funds after reduction of the Administration Costs	\$4,970,800
Current monies in Bridgewater Municipal Trust Fund	\$2,556.615
<b>Total Funds Available To Promote the Affordable Housing Program</b>	<b>\$7,5527,415</b>

The Township intends to spend funds acquired from the development fees to produce more affordable housing and to support the housing program. The development fees are imposed for residential and non-residential new construction. Payment in Lieu (PIL) has not been included in the estimate of funds to be secured through Development Fees. The interest rate may vary widely, so the interest rate has not been included in the anticipated revenue calculated for and presented in Table 1 below.

Note that projections of new projects and the associated affordable housing fees are only those known or reasonably assured at the time of December, 2016. Projected new construction projects for 2016 through 2027 are viewed as likely, but speculative as to the fees to be paid and therefore not provided here. Therefore, the NET TOTAL funds that will be available to the year 2027 may be greater than that shown below in Table 1.

Table 2 below describes the Spending Plan expenditures which are comprised of six programs that are part of Bridgewater's affordable housing initiative. The total amount to be spent on each of the six programs is provided. The subsets that make up the programs are noted, but are not identified as to the specific dedicated amount of funds.

Chapter 93 identifies a variety of affordable housing compliance techniques that are available for municipal Fair Share compliance. The list below is provided to identify the range of recommended and available affordable housing techniques to address the Fair Share obligation.

N.J.A.C. 5:93-5.2 – Rehabilitation of existing units – rehabilitation of substandard units;

N.J.A.C. 5:93-5.3 – New Construction - create new low and moderate income units within their borders by sponsoring their construction, with or without a non-profit corporation, or by zoning sites for inclusionary development.

N.J.A.C. 5:93-5.4(b) - New construction; conformance with the State Development and Redevelopment Plan (SDRP)

(b) In Planning Area 3, the Council shall encourage inclusionary development within centers. Where a municipality proposes an inclusionary site within Planning Area 3 outside of a center, the Council may permit such a site if infrastructure is available or can be easily extended from Planning Area 2.

--Multiple units per acre required.

N.J.A.C. 5:93-5.5 Municipally sponsored construction and gut rehabilitation

(a) A municipality shall document that there is municipal control of the site(s); an administrative mechanism to construct the proposed housing; a funding plan and evidence of adequate funding capacity; and timetables for construction of the units.



N.J.A.C. 5:93-5.6 Zoning for inclusionary development – generally, requires identification of sites with available water, sewer; regulations require presumptive densities of between 4 to 6 units per acre. This can be designated as an overlay zone.

Overlay zoning – 100% Municipally Sponsored Construction – This could involve designating overlay small overlay zones focused on redevelopment of parcels that are served by water and sewer. There may be certain and locations in the township where this approach could make sense with municipal sponsorship

N.J.A.C. 5:93-5.7 Regional contribution agreements (RCAs) – no longer authorized under the law.

N.J.A.C. 5:93-5.8 Alternative living arrangements – group homes, transitional facilities for the homeless, etc.

N.J.A.C. 5:93-5.9 Accessory apartments – apartments created within existing dwelling units; or as accessory to existing dwelling units.

N.J.A.C. 5:93-5.10 Purchase of housing units that have never been occupied and vacant housing units.

N.J.A.C. 5:93-5.11 Write-down/buy-down of previously owned units (Market to Affordable) – involves Writing-down or buying-down the cost of previously owned market rate units and offering them in sound condition at affordable prices to low and moderate income households.

N.J.A.C. 5:93-5.12 ECHO (elder cottage housing opportunities) housing units – This involves adding a small unit as an accessory unit on a lot with a detached single-family dwelling for an elderly family member. Credits are applied against the rehabilitation obligation.

N.J.A.C. 5:93-5.14 Age restricted housing – subject to a 25% cap.

N.J.A.C. 5:93-5.15 Rental housing – every municipality has to provide at least 25% of the obligation. The now invalidated Chapter 97 included requirements for “Family Rental” housing, and established a minimum percentage that has to be included in the Fair Share Plan. These requirements should be expected to resurface at some point in the future.

N.J.A.C. 5:93-5.16 Assisted living residence - Apartments in assisted living residences may address a municipal housing obligation if the private pay resident qualifies as low or moderate income or if the resident is the recipient of a Medicaid waiver.

Table 1 below is a summary estimate of fees that will be collected to July of 2025. Estimated fees were obtained from the Bridgewater Township Construction Code Official. Actual fees in the Trust account were obtained from the Bridgewater Township Chief Financial Officer.

**TABLE 1**  
\*ESTIMATED (IN DOLLARS)

DESCRIPTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	7/2025
Hampton Inn	-	150,000	150,000	-	-	-	-	-	-	-
<i>Center of Excellence</i>	-	300,000	300,000	150,000	150,000	110,500	-	-	-	-
Stavola West		265,000	265,000	-	-	-	-	-	-	-
Stavola East	-	420,000	420,000	-	-	-	-	-	-	-
Wawa-Union		18,750	18,750	-	-	-	-	-	-	-
TVC-ARC	-	125,000	125,000	-	-	-	-	-	-	-
Bwt. Chevrolet	-	20,000	20,000	-	-	-	-	-	-	-
Lang subdivision	-	-	55,250	55,250						
Non-Board Single family dwellings. Average is 17 units/ yr.@ \$6,500 ea.	-	110,500	110,500	110,500	110,500	110,500	110,500	110,500	110,500	55,500
<i>SJP Hotel/Restaurant</i>	-	300,000	300,000	-	-	-	-	-	-	-
<i>SJP Lifetime Fitness</i>	-	165,000	165,000	-	-	-	-	-	-	-
<i>TMI hotels (2) /Restaurants (3)</i>	-	300,000	315,000	285,000	-	-	-	-	-	-
PSE&G Office	-	127,000	-	-	-	-	-	-	-	-
Kanhaa	-	40,000	-	-	-	-	-	-	-	-
Karishma	-	35,000								
Rocket Sports	-	20,000								
Morano (1); Allen (3); Roecar (1); Salijai (1)	-	39,000	-	-	-	-	-	-	-	-
Papanastasiou (1); 12 <sup>th</sup> Street (1);So. Branch (1)	-	19,500	-	-	-	-	-	-	-	-
I & L Enterprises	-	45,000	-	-	-	-	-	-	-	-
EST. YEAR TOTAL	-	2,499,750	2,244,500	600,750	260,500	211,000	110,500	110,500	110,500	55,500
ESTIMATE TO 2027	6,213,500	-	-	-	-	-	-	-	-	-
ADMIN. DEDUCTION 20%.	-1,242,700	-	-	-	-	-	-	-	-	-
Net after 20% Administrative Deduct	<b>4,970,800</b>	-	-	-	-	-	-	-	-	-
Existing Trust Fund Amount =	2,556,615	-	-	-	-	-	-	-	-	-
(2025 Est. + Exist.) Gross Total	<b>8,770,115</b>									
Est. Net Total gft. Admin.	<b>7,527,415</b>	-	-	-	-	-	-	-	-	-

*\*Estimates of fees has been provided by the Bridgewater Township Construction Code Official*  
*Italics indicate that either site plan approval has not yet been granted or no application has been submitted; yet it is*  
*reasonable to include due to file activity which demonstrates that the project will commence during the timeframe identified.*

**Table 2**  
**Development Fee Spending Plan Through Year 2027**  
**Estimated Gross Funds through 2027: \$8,770,115**  
**Estimated Projected (Net) Funds through 2027: \$7,527,415**  
 (After Deduction of Administrative Costs)

	Description	<sup>1</sup> Round 3 – Projected Through 2027s
<b>1.</b>	<b>Municipal Housing Rehabilitation N.J.A.C. 5:97-8.7) 115 units</b>	<b>\$2,000,000</b>
<b>2.</b>	<b>Future New Construction - Municipally-Sponsored Affordable Housing</b>	<b>\$768,457</b>
	2a. For Senior Citizen Housing	
	2b. For Rental and For-Sale Housing	
	2c. For Special Needs Residences- Grants for Land or Partnering	
<b>3.</b>	<b>Rendering Units More Affordable (N.J.A.C. 5:97-8.7)</b>	<b>\$3,088,400</b>
	3a. Subsidies	
	3b. Emergency assistance: for minor repair and replacements that do not conform to minimums needed for enrollment in the rehabilitation program	
	3c. Write-Down/Buy-Down & Lease-Purchase/Mortgage	
	3d. Down Payment and Security Deposit Assistance	
	3e. Rental Assistance	
	3f. Assisting Non-Profits for Special Needs Housing	
	3g. Income-eligible Mortgage Assistance	
	3h. Condo Association Maintenance Fee Assistance	
	3i. Infrastructure improvements to support affordable housing communities and projects.	
<b>4.</b>	<b>Program: Extension of Controls which expire in Round 3 Recapture fund for Estimated 50 units. Signing Bonus.</b>	<b>\$500,000</b>
<b>5.</b>	<b>Purchase of Existing Units to Maintain Affordability. (Fund will be replenished on resale of the unit.)</b>	<b>\$550,000</b>
<b>6.</b>	<b>Future Purchase of Land: Encourage affordability and provide for additional affordable housing opportunities.</b>	<b>\$620,558</b>
	<b>Total</b>	<b>\$7,527,415</b>

<sup>1</sup> See C (4) *Extension of Controls Which Expire in Round 3 or 4: Fund to Recapture Units* in this plan.

**B. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Bridgewater Township:

1. Collection of development fee revenues:

Collection of development fee revenues is consistent with Bridgewater's development fee ordinance and COAH rules and P.L. 2008, c. 46, Section 8 (C.52:27D-329.2) and 32-38

(C.40:55D-8.1 through 8.7). Collection will continue to be consistent with what were the applicable COAH rules.

When a building permit is requested, the Construction Code Official will contact the Township tax Assessor in order to calculate the approximate value of the project and calculate a fee based on the equalized assessed value of both residential and non-residential developments. Fifty-percent of the fee will be paid at the time a building permit is issued and the balance will be paid upon the request for a certificate of occupancy (after the full assessed value of the project is assessed and the final fee is calculated.)

2. Distribution of development fee revenues:

The release of funds is authorized by the governing body in accordance with a duly-approved Spending Plan. Before any expenditure is made, a Trust Fund requisition is prepared and approved by the Purchasing Agent and Chief Financial Officer. Once a purchase order is prepared, it is forwarded to the vendor. After the product is delivered, the Department Head signs an approval for payment and, based on purchase order and in invoice, the payment is made. Expenditures that exceed state purchasing limits require a Resolution of the governing body.

**C. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING TRUST FUNDS**

Table 3 below describes the distribution of funds associated with the obligation to use Development Fees to Render Units More Affordable. This also includes a description regarding conformance with requirements to assist the very-low income families. Based on N.J.A.C. 5:97-8.8, at least 30% of the estimated gross funds will be set aside for the specific purpose of rendering units more affordable. Also, the regulation requires that 1/3 of the affordability funds must be dedicated to the direct support of very-low income families.

**Table 3**  
**Requirements for usage of Trust Funds**

Gross Development Fees Projected to be Collected through 2027 (including Administrative Fees)	From Table 1 \$6,213,000+\$2,556,615	\$8,770,115
<b>MINIMUM AFFORDABILITY ASSISTANCE</b> 30% of fees must be used to render units more affordable (Description is below in 3a through 3i)	0.30 X \$8,770,115 (Min. 30%) Required Dedicated	\$2,631,035
From Table 2: Total funds actually dedicated to Render Units More Affordable	Exceeded Minimum To Be Dedicated	\$3,088,400
<b>MINIMUM VERY LOW-INCOME AFFORDABILITY ASSISTANCE</b> 1/3 of fees must be used to render units more affordable for very low income families (earning 30% or less of the median income for the Region)	.	
	1/3 X \$2,631,035	\$868,421

Bridgewater Township will spend its affordable housing trust funds in the following six programs:

**1. Housing Rehabilitation Program** N.J.A.C. 5:93-5.2 – Rehabilitation of existing units – rehabilitation of substandard units.

Bridgewater Township has amended its targeted funding to dedicate the amount identified in Table 2 above to offer rehabilitation of an anticipated 115 dwellings. Upon authorization to commence spending from the Development Fee Trust Fund, Bridgewater Township will immediately implement its 3<sup>rd</sup> Round rehabilitation program. Bridgewater has eagerly awaited authority to use its available funds for rehabilitation. When COAH was requested for this approval several years ago, COAH only gave rights to use funding for emergency repairs. Due to the lack of authority, Bridgewater has not been able to notify its residents that help is available to them. It is hoped that court approval will be forthcoming so that long-awaited assistance can be made to those that truly need rehabilitation assistance.

The average capital costs of the rehabilitation units will be at least \$10,000.00 per unit. Bridgewater recognizes that the township may only receive credit for its required rehabilitation share (115 units for Round 3). It cannot receive unit compliance credit for rehabilitation units exceeding a township's required fair share. The township will apply any excessive rehabilitation units to the forthcoming Round 4 requirements for rehabilitations.

**2. Future New Construction Project(s)** N.J.A.C. 5:93-5.3 – New Construction - create new low and moderate income units within their borders by sponsoring their construction, with or without a non-profit corporation, or by zoning sites for inclusionary development; and N.J.A.C. 5:93-5.4(b) - New construction in conformance with the State Development and Redevelopment Plan (SDRP)

Bridgewater Township will dedicate the amount identified in Table 2 above for its new construction program. Bridgewater is willing to assist developers who have land, but do not have the resources to provide affordable housing. In the recent past, Bridgewater contributed funds to aid in the construction of rental housing. It also explored financial assistance for a home owner who was considering the market-to-affordable option for a duplex home. Unfortunately, because COAH had not authorized the use of Trust Funds (as noted above) the critical timeframe for action was not met and the dwelling was lost to foreclosure. Once Bridgewater is approved for expenditures, the township will be revitalized for participation in this program.

2a. Senior Citizen Housing. Bridgewater has met its Round 3 obligation, but as has been its policy throughout time, Bridgewater does not intend to curtail its commitment to providing affordable housing for all groups, including senior, age-restricted housing. Although there are no immediate plans for this program, Bridgewater may wish to participate in this program during Round 3. There is interest in this program. If the interest continues to develop, this program will be used. Bridgewater will apply any new construction for Senior, age-restricted housing to Round 4.

2b. Rental and For-Sale Housing. Similar policies for continuing in the effort to provide affordable housing, Trust Fund support will be offered to create rental and for-sale affordable units. Since Bridgewater has satisfied its Round 3 obligation, any new rental units created or for-sale units constructed will be applied to Round 4, particularly as it relates to the support of family units.

2c. Special Needs Residences- Grants for construction or renovation of already-developed properties for housing that supports those of special needs will be considered. Bridgewater is proud of the community support for residences that are devoted to those with special needs.

### **3. Render Units More Affordable**

This program will have a long-term benefit for all residents who may need affordable housing assistance throughout the period of Round 3. While willingly assisting these families, is an important component of this program to assure that the funds are well-spent for long-term affordability and stability stretching through years. This is why the strategies for *Rendering Units More Affordable* are broad. Bridgewater recognizes the need of the low and moderate community to have occasional financial help to purchase and reside in their homes. Bridgewater will assume the help needed by its citizenry. It has been noted that COAH did not approve the spending of funds to help families in their financial struggle. Spending funds were limited to emergencies. It is due to this delay that families were placed in a position that demanded legal intervention for such things as foreclosure, among other cases. From 2009, a total of 174 cases were opened, many of which could have been favorably addressed if funds in this category had been approved for use.

The following are nine programs to achieve the goal which is designed to focus on assistance which includes both short-term temporary circumstances as well as long-term affordability benefits:

3a. Subsidies. From time to time, residents and developers may need minor amounts of financial assistance to keep or offer affordable units. Bridgewater is willing to step up and help in such minor needs. This includes subsidies such as funds to construct units, provide improvements needed to address minor destruction due to natural disaster or utility costs, such as electric, sewer, garbage pickup or similar subsidies provided in order to render units affordable. The Township plans to provide a cash subsidy to reduce the cost of necessary construction elements to the residents and owners of an affordable unit. Necessary construction elements also include, but are not limited to windows, attic insulation, and thermostats. To receive this cash subsidy, the applicant must meet certain criteria:

1. The home provided must be in the affordable housing program
2. The unit must have at least one system below code
3. The capital costs of rehabilitation or other assistance must be between \$500 and \$9,999

3b. Emergency assistance: According to Bridgewater Township's Code Amendment to Section 126-321.4, residents who have lost their homes due to natural disaster are entitled to a housing subsidy for temporary shelter until the damaged unit has been repaired. Funds to support this program will be taken from the Development Fee Trust Fund. The right to expend Trust funds for emergency purposes is already offered, but this is a limited subsidy and will continue to be used as the need arises.

The restrictions on this program are as follows:

1. The applicant must be a resident of a low or moderate income house
2. The maximum subsidy will be \$6,000.00.
3. The applicant may get the subsidy once in a lifetime

3c. Write-Down/Buy-Down & Lease-Purchase/Mortgage. This program would allow people of low and moderate income to purchase a market-rate housing unit with a grant or loan from the Township. This option is considered to include the market to affordable option. Loans would be granted at one percent interest. The units would require a deed restriction of thirty years. Subsidy amounts would be based on market conditions, but no more than 10 units would be offered this program during the Round 3 period. At least 50% of buy-downs must be affordable to low income families and 13% must be for very low income families.

There have been applicants who expressed the need for these funds, however these circumstances could quickly become time-sensitive. Bridgewater wishes to include this in its plan so that it can quickly respond to the need, should it arise. This approach is particularly important since the possibility of prompt response to support quick sale purchases is found to exist in these economic times.

3d. Down Payment and Security Deposit Assistance. As was noted in Bridgewater Township's previous Housing Element and Fair Share Plan, the Township may consider offering a low-interest loan down payment and security deposit assistance in order to improve the ability to acquire low and moderate income housing. With the current economic climate, this is viewed as a critically important program that will be used extensively once the court approves the spending plan. The following criteria must be fulfilled in order to be eligible to receive down-payment assistance:

1. The maximum loan is \$10,000.00 for low and moderate income units and \$15,000 for very low-income units.
2. The purchaser must execute a second mortgage if the loan is approved.
3. The loan must be paid back to the Township when the unit is sold or thirty years after the execution of the second mortgage, whichever comes first.
4. The purchaser must maintain a homeowner's insurance policy, with Bridgewater Township included named as additionally insured.

These circumstances are anticipated to surface, and Bridgewater wishes to include this in its spending plan so that it can quickly respond to the need.

3e. Rental Assistance. Affordability assistance will be made available in the short and the long-term. It is the township preference to offer affordability assistance in such a manner as to reduce costs for all existing as well as future renters of the unit rather than to assist a single renter for a period of time. Bridgewater has come to find that groups or individuals have difficulties in making their Homeowner's dues payments, there can be a negative impact on the entire complex. The community could suffer difficulties in maintenance. Therefore, the Township believes that funding assistance to reduce the affordable housing dues for all affordable units may better serve the entire community. In addition, assistance for rentals would achieve its objective of rendering units more affordable for moderate, low, and very low rentals. Bridgewater also desires to be permitted to provide funds to subsidize rents for a low/moderate-income unit and particularly for a very low income unit, with the amount of subsidy dependent on the market prices or rents at the time.

3f. Assisting Non-Profits, Supportive and Special Needs Groups. The Township has worked aggressively to encourage non-profits within the township. The township will continue to work with a non-profit organization to encourage providing a group home created for supportive and special-needs adults. Unlike grants for new construction, financial assistance may be in the form of providing funds to upgrade building code systems for an existing dwelling. The upgrade costs may be greater or lower than the cost requirements for rehabilitation. Information regarding the details and requirements of the program are as follows:

(1) Supportive and special needs housing includes, but is not limited to: residential health care facilities as regulated by the New Jersey Department of Health and Senior Services or DCA; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; permanent supportive housing; and supportive shared living housing. Specifically excluded are long term health care facilities such as nursing homes. Class A, B, C, D, and E boarding homes do not qualify as supportive or special needs housing.

(2) The following provisions apply to supportive and special needs housing:

- i. The unit of credit for group homes, (residential health care facilities) and shared living housing shall be by the number of bedrooms.
- ii. The unit of credit for permanent supportive housing shall be by the unit.
- iii. Supportive and special needs housing that is age-restricted shall be included with the maximum number of units that are age-restricted.



- iv. All bedrooms and/or units shall be affordable to low-income households.
- v. Units shall serve an adult population age of 18 and over.
- vi. The municipality or developer/sponsor shall have control of the site(s) and is required to keep the site in a condition that is in conformance with all building and zoning codes.
- vii. The units and marketing of units shall comply with requirements of UHAC, and with the following conditions:
  - 1. Affirmative marketing (N.J.A.C. 5:80-26.15); however, group homes, permanent supportive housing and supportive shared living housing shall be affirmatively marketed to individuals with special needs in accordance with a plan approved by the Housing Officer and the Bridgewater Housing Advisory Board.
  - 2. Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3); and
  - 3. Occupancy standards (N.J.A.C. 5:80-26.4(c)) shall be limited to one person per bedroom for residential health care facilities, group homes, and supportive shared living housing.
- viii. The following minimum qualifying documentation has been endorsed by the municipality in accordance with Bridgewater's Implementation Schedule and documentation previously-submitted to the then-COAH. Below are the requirements.
  - 1. If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey.
  - 2. A description of the site, including the street location, block and lot, and acreage.
  - 3. A demonstration of the suitability of the site.
  - 4. A demonstration that the municipality or provider has control or has the ability to control the site(s); control may be in the form of outright ownership, a contract to purchase or an option on the property is offered will be offered at the time that there is certification of the grant.
  - 5. An executed agreement, including a schedule for the construction of the supportive and/or special needs housing, with the provider, sponsor or developer is offered in an Implementation (Phasing) Plan.
  - 6. A pro forma for the supportive and/or special needs housing.
  - 7. Documentation demonstrating the source(s) of funding.
  - 8. A municipal resolution referencing a recommendation from the Housing Officer and the Bridgewater Housing Advisory Board. The resolution must demonstrate the appropriation of funds or a resolution of approval of intent to bond in the event of a shortfall of funds.

3g. Affordability Assistance: Income-eligible Mortgage Assistance. Bridgewater Township will consider providing a once-in-a-lifetime assistance to a low or moderate income property holder to prevent foreclosure due to nonpayment of mortgage fees (including taxes). The requirements for obtaining this subsidy would be:

- (1) The property must be classified as affordable through the Round 3 period.

(2) The maximum assistance is \$3,000.00 for low and moderate units and \$5,000 for very low-income units.

(3) The circumstances must be provided which have made the owner unable to pay the mortgage which was unforeseen and temporary.

All applications will be reviewed individually by the Housing Office and the Housing Advisory Board. Although there are no applicants seeking this assistance at this time, it is anticipated that there may be some in the future. When the request is submitted, swift municipal a decision is required. Therefore, Bridgewater seeks approval of this option now, despite the fact that no specific circumstance is known at this time.

3h. Affordability Assistance: Condo Association Maintenance Fee Assistance. Bridgewater Township desires to be in a position to pursue this option in order to make living more affordable. Applicants must meet the following requirements in order to be eligible for this assistance:

(1) Only low, moderate and very low income households are eligible for the program.

(2) The applicant may receive assistance if the unit's expenses exceed 40% of the household gross income.

(3) The maximum loan or subsidy for maintenance fee assistance is \$5,000.00 per unit.

(4) The applicant must execute a second mortgage if the loan is granted.

(5) The loan must be repaid at the time of the sale of the unit or 30 years after the second mortgage is executed.

(6) The interest rate of the loan will be the rate at which the Township has most recently borrowed money for a capital project.

(7) The purchaser must maintain a homeowner's insurance policy during the course of the second mortgage and must include Bridgewater Township as the named insured.

All applications will be individually reviewed by the Housing Office and the Housing Advisory Board. No immediate application for these funds has presented itself, however these circumstances may arise, particularly due to the economy. Bridgewater wishes to include this in its plan so that it can quickly respond to such a request.

3i Affordability Assistance: Infrastructure improvements to support affordable housing communities and projects. Bridgewater will use revenues collected from development fees for infrastructure improvements for needed improvements. The funds from these fees will only be used in proportion to the number of affordable housing units within the development. In other words, the entire cost of the improvement will only be made from these funds if the project is 100% affordable. Bridgewater Township has projects which currently need and would be eligible for this level of infrastructure improvement.

In some cases, affordable projects will require drainage, roadway, sanitary, roadway and/or utility improvements. The cost for such improvements will be borne by the Development fee Trust Fund, but only to the proportion and extent that it directly supports affordable housing.

**4. Extension of Controls Which Expire in order to Recapture Units.** Bridgewater will address a portion of its obligation through the voluntary extension of affordability controls by means of voluntary extensions. The requests for voluntary extensions have been made during the course of several years. Some property owners have already agreed to the affordability extensions and some owners have declined to voluntarily extend controls. With families that could use funds that may help them do more than ‘just get by’, Bridgewater intends to offer an incentive opportunity that will give a small ‘thrust’ for these families. This plan would help meet our affordable housing program at the same time.

An incentive program of \$10,000 per unit will be launched to offer an extension of the controls which would otherwise expire during the period of Round 3. Bridgewater wishes to aggressively negotiate with current owners in the hope to capture those units at risk of having the affordability controls expire. Excess funds from any program identified in Table 2 will be placed in this effort which is to extend controls which expire in Round 3 to recapture existing units. In fact, Bridgewater may wish to infuse more funds into this category if it is successful.

**5. Purchase of Existing Units to Maintain Affordability.** (Fund will be replenished on resale of the unit and used as a revolving fund.) It has happened that owners of affordable units cannot keep up with the financial demands of home ownership for such costs as mortgage, taxes, maintenance fees, utilities, etc. the ownership has intervened legally in more than 174 cases from 2009. In these cases, bank foreclosure was often averted. It is the policy of Bridgewater that the affordable units at risk of foreclosure must not be lost. Funds must be held ready for use in reclaiming the dwelling if it is clear that help for the inhabitant would not prove successful. Once the township gains title of the dwelling, the unit will be resold and the money received from the sale of the unit will be returned to the fund for future use. Accounting will be managed by the Township Chief Financial Officer. There is a significant need to have these funds available because the township is frequently involved in the attempt to avert loss of dwellings due to foreclosure.

**6. Future Purchase of Land: Encourage affordability. Provide for additional opportunities.**

This program includes the purchase of land to be specifically reserved for assisting in making affordable units more feasible. Bridgewater Township will purchase vacant or underutilized sites for the future creation of moderate, low and very low family rental and special needs group homes for adults. Bridgewater intends to move forward toward on an *incremental* basis to meet its Round 4 obligation so that there will not be a housing shock when the Round 4 numbers come in. Since Bridgewater is a community that is approaching build-out, the township wants to assure that land in

suitable places for affordable housing can be secured now. Securing this land assures that Builder's Remedy conflicts will not consume the municipality in the future.

Properties due become available from time to time. Bridgewater intends to research and analyze the potential lots for purchase. A few lots have been purchased within the State-approved Regional Center-a particularly-suitable location for education, amenities and jobs. The purchase of land with Affordable Housing Trust funds will contain a restriction on affordability which will be recited in the deed.

#### **D. ADMINISTRATIVE EXPENSES**

Bridgewater acknowledges that it is permitted to use affordable housing Trust Fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated by the Township CFO on an ongoing basis using the CTM system and actual revenues acquired through the Development Fees collected for new construction.

1. The following documentation was submitted and approved by (then) COAH prior to marketing the completed units:
  - A. An Affirmative Marketing Plan.
  - B. Department of Human Services or another State agency in accordance with the requirements of COAH at that time.

Tracking of expenditures are documented and under the control of the Affordable Housing Coordinator, Patti Padovani. As required in the operation manual, approval of the Bridgewater Township Affordable Housing Board may be needed as well. Ms. Padovani is the individual authorized for updating the CTM, administering the rehabilitation program and qualifying families who wish to sell, buy and rent units within the COAH program.

#### **E. EXCESS OR SHORTFALL OF UNITS AND FUNDS**

Despite Bridgewater's success in meeting its housing obligation, the township intends to continue its efforts to provide new affordable housing and support for existing units. It is Bridgewater's intent to work toward the obligations of Round 4. The excess affordable units will be applied to Round 4 as credits for this future obligation.

Since the township has met its obligation, the governing body of Bridgewater Township is not required to adopt a resolution for bonding for shortfall of funds. Nevertheless, the Township Council previously adopted a resolution assuring bonding for shortfall of funds for Round 3, if this becomes

necessary. This resolution was submitted long ago to the (then) Council on Affordable Housing in its prior submission for Round 3 Substantive Certification.

#### **F. BARRIER FREE ESCROW**

Bridgewater Township does not collect funds for barrier-free construction, although all regulations controlling the construction of affordable housing are required and inspected for compliance.

#### **G. IMPLEMENTATION AND PHASING**

Since Bridgewater has constructed its obligation for low and moderate housing and the associated credits applicable to Round 3, there is no need for a Round 3 phasing plan. Yet, it is still appropriate to regularly monitor the need for units and plan ahead for the obligations that will be attributed to Round 4. Property will be acquired to assure that these lands will not be used for other development purposes.

#### **H. STATE PLAN ENDORSEMENT STATUS**

Bridgewater has participated in the Plan Endorsement process, along with its Regional Center partners of Somerville Borough and Raritan Borough. The Regional Center has been certified by New Jersey through the State Plan Endorsement process.

#### **I. SUMMARY CONCLUSION**

Bridgewater Township has managed the affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9. The township's plan includes six individual programs which will achieve compliance with the requirements for Round 3 (rehabilitation). As is historically evident, Bridgewater is proactive in meeting its obligation on an ongoing basis. Since Bridgewater chooses not to be in a position where an unexpected Round 4 obligation sets back the program, Bridgewater will plan for more units in an ongoing effort to meet its obligation in the future.

# **EXHIBIT B**

## **Proposed Housing Element & Fair Share Plan**

# Township of Bridgewater

Somerset County, New Jersey

---

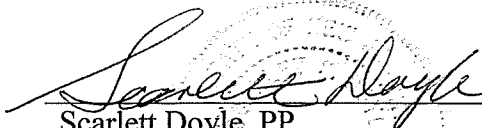

## Amended Housing Plan Element and Fair Share Plan

---

February 13, 2017  
Proposed

*Prepared by the  
Bridgewater Township Planning Board*

The original of this report was signed and sealed  
in accordance with N.J.A.C. 13:41-1.3

   
Scarlett Doyle, PP  
NJ Licensed Professional Planner No. 02364

---

## TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
BACKGROUND	4
HISTORY OF AFFORDABLE HOUSING	5
Exhibit 1: Prior Round	7
Exhibit 2: Prior and Third Round	8
FAIR SHARE COMPLIANCE	8
Exhibit 3: Third Round Construction	9
POLICIES AND STANDARDS	12
INITIATIVES TO CREATE AFFORDABLE HOUSING	15
1. Purchase and Reservation of Land	15
2. Extension of Affordability Controls	16
3. Market to Affordable	16
4. Additional Units Not Yet Documented	16
5. Approved Plans with Increased Density	18
6. Financial Assistance to Create New Affordable Units	18
7. Partnering to Convert Homes to Affordable Units	18
8. Redevelopment Projects which Created Affordable Units	18
9. Supported Creation of New Affordable Units	19
10. Litigated to Protect Affordable Units from Loss	19
a. Category 1: Mortgage and Tax Lien Foreclosures	20
b. Category 2: Condominium Lien Foreclosures	21
c. Category 3: Extending 2 <sup>nd</sup> Mortgages to owners	21
d. Category 4: Enforcement of Deed Restrictions	21
e. Category 5: Administration of COAH Regulations	21
f. Category 6 Sale or Lease to other individuals	21
ASSISTED/ALTERNATIVE LIVING PROJECTS	28
CHAPTER 93 MIX REQUIREMENTS	31
Table 1: Units in Structure	32
Table 2: Year Structure Built	33
Table 3: Comparison of Year Constructed to Twp., County, State	33



## TABLE OF CONTENTS (continued)

Table 4: Certificates of Occupancy and Demolitions	34
Table 5: Number of Bedrooms per Unit	34
Table 6: Percentage of all Units by Number of Bedrooms	35
Table 7: Housing Quality by Twp., County and State	36
Table 8: Median Gross Monthly Rent	36
Table 9: Avg. Household Size for Occ.Units by Twp. County, State	36
Table 10: Occupied Housing Units per Tenure	37
Table 11: Population	37
Table 12: Population Percentages	38
Table 13: Population by Age	38
Table 14: Comparison of Age Distribution by Twp., County, State	39
Table 15: Year Householder Moved into Unit	39
Table 16: Occupants per Room	40
Table 17: Persons by Household Type and Relationships	40
Table 18: 2013 Inflation Adjusted Income by Twp., County, State	41
Table 19: Poverty Status by Persons and Families for Township	41
Table 20: Educational Attainment by Twp., County, State	41
Table 21: Means of Transportation to Work by Twp., County, State	42
Table 22: Income Eligibility	42
REHABILITATION IN THE THIRD ROUND FAIR SHRE PLAN	42
STRATEGIES FOR COMPLIANCE PROGRAM S	43
1. New Construction	43
2. New Construction: conformance with SDRP	44
3. Municipally Sponsored Construction and Rehabilitation	44
4. Zoning for Inclusionary Developments	45
5. Alternative Living Arrangements	45
6. Infrastructure Improvements	45
SHORTFALL FUNDING	45

# **Bridgewater Township Master Plan Amended Housing Plan Element and Fair Share Plan**

## **EXECUTIVE SUMMARY**

*Bridgewater has compiled data which confirms that it has met its affordable housing obligation. As a leader in the Affordable Housing program, Bridgewater has asked that it be immunized and be granted an immediate judgment of compliance. This request is supported by factual information in the Amended Housing Plan Element and Fair Share Plan (hereinafter referred to as Housing Plan) which demonstrates this compliance. Additionally, the Township asked for authority from the Court to finalize and submit its Affordable Housing Trust Fund Spending Plan for approval.*

Throughout the years between 1999 through 2014, neither the Council on Affordable Housing nor the Court provided municipalities with standards for compliance or precise methodology for allocation of fair share. Even though there have been no adopted rules or definitive guidance, Bridgewater did not consider this hiatus as a reason to slow the pace of providing affordable units. The township maintained its trajectory and continued efforts toward increasing its stock of affordable units. In addition to having an open-door policy to support persons with special needs, Bridgewater has approved plans for increased affordable units, both on a Planning Board level and on a Zoning Board level for use variances. Bridgewater has financially assisted the creation of more new affordable units within existing private residential developments, has partnered with the State of New Jersey to convert homes from market-rate dwellings to affordable units, has purchased privately-owned lands in suitable locations for the construction of new affordable units, has dedicated its own land for the construction of affordable units, and has designated a redevelopment area with a 20% set-aside obligation which assures the further support of the program. In addition, the township has extensively litigated to protect affordable units from being lost to foreclosure and has litigated rental units that were not being rented in compliance with affordability controls. These positive steps have been made on a continual basis, without any prodding from a governmental agency. These steps were done successfully, gradually and in concert with the vision of prior rulings which discouraged a ‘radical transformation’ of the character of a community.

## **BACKGROUND**

New Jersey has determined that it faces a shortage of affordable housing, thereby stalling stimulation of communities and hindering economic growth. Such a housing shortfall has led to numerous court cases, including appeals. In response to the Mt. Laurel decision, the New Jersey legislature created The Council on Affordable Housing, COAH, to implement sweeping changes in the manner that requires municipalities to provide housing for families of low and moderate incomes (LMI). Affordable housing regulations aimed to integrate affordable housing into a municipality’s planned growth, thereby providing people with an increasing opportunity, over time, to live and work in the same community without creating a radical transformation.

On April 9, 2015, the Superior Court, Appellate Division, issued an Opinion in the matter entitled, *In re Failure of the Council on Affordable Housing to Adopt Trust Fund Commitment Regulations*, 440 N.J. Super. 220 (App. Div. 2015) instructing municipalities to seek approval of the use and disposition of affordable housing trust funds (i.e. Affordable Housing Trust Fund/Development Fee Spending Plan) in the same declaratory judgment action in which they sought a determination regarding compliance with their affordable housing obligations.

Bridgewater filed a Complaint for declaratory Judgment seeking:

(i) a determination that it has met its affordable housing obligations through the end of third round (1999-2024) and for associated protections; and

(ii) the opportunity to finalize and submit its Affordable Housing Trust Fund Spending Plan to the court for approval after a final determination of affordable housing obligation compliance and for associated protections.

### **HISTORY OF AFFORDABLE HOUSING IN BRIDGEWATER**

Bridgewater, a Somerset County community of 32.04 square miles, has at all times maintained a proactive approach to meeting its fair share affordable housing obligations and been at the forefront of the campaign to provide affordable housing, providing over 1,200 units of affordable housing from 1987-1999. An account of Bridgewater's involvement demonstrates the continuous participation in the affordable housing program, and the account below is incorporated by reference.

1. On February 14, 1995, the Bridgewater Township Planning Board adopted its Housing Element and Fair Share Plan.
2. On December 6, 1995, Bridgewater received substantive certification from the Council on Affordable Housing ("COAH") for its second round fair share housing obligation ("Round Two").
3. On August 1, 2001, COAH granted extended substantive certification to Bridgewater for Round Two.
4. On December 8, 2004, Bridgewater again applied to COAH for extended substantive certification for Round Two.
5. On February 23, 2005, COAH recommended that Bridgewater be granted extended substantive certification for Round Two and further determined that Bridgewater had addressed its entire new construction obligation and was entitled to carry over excess credits toward its third round fair share housing obligation.
6. On March 9, 2005 COAH again granted Bridgewater Township extended substantive certification for Round Two.
7. On November 21, 2005, Bridgewater adopted an amended Housing Element and Fair Share Plan to comply with its affordable housing obligations.
8. On December 7, 2005, Bridgewater petitioned COAH for substantive certification for Round Three.
9. On November 11, 2008, the Bridgewater Township Planning Board adopted an amended

Housing Element and Fair Share Plan and Land Use Element of the Master Plan and Development Fee Spending Plan in a further effort to comply with its affordable housing obligations.

10. After the existing Third Round Rules were struck down by the Courts, Bridgewater submitted a petition to COAH for substantive certification and approval of its Affordable Housing Trust Fund/Development Fee Spending Plan for Round Three on December 30, 2008.
11. On October 8, 2010, the Appellate Division invalidated substantial portions of Chapter 97 resting principally on the growth share concept for calculating affordable housing obligations and remanded to COAH the adoption of new third round rules.
12. On March 22, 2011, Bridgewater was granted a waiver by COAH pursuant to N.J.S.A.52:270-329.2 and N.J.A.C. 5:97-8.1 to spend affordable housing trust funds in the amount of \$2,165,000.00 on its municipal rehabilitation program, its market to affordable program, two municipally sponsored affordable housing projects, special needs housing, and future housing opportunities.
13. Bridgewater did spend the aforementioned funds on the above-identified projects pursuant to the waiver granted by COAH.
14. As a result of the Third Round Rules being struck down by the Appellate Division on October 8, 2010, COAH never reached a final determination on Bridgewater's petition for substantive certification for Round Three.
15. On September 26, 2013 the Supreme Court ruled that revised third round rule-making was necessary, again. COAH prepared new revised rules third round in 2014 (proposed Chapter 99), published the rules in May, accepted public comment through August and voted on the rules in October, however, the rule adoption process stalled on October 20, 2014 when COAH's vote to adopt the rules deadlocked in a tie vote of its membership. The tie vote resulted in COAH's failure to adopt the third iteration of third round rules, which led to the Court's March 10, 2015 decision and order. Nevertheless, proposed Chapter 99 was prepared in response to the Supreme Court's directives to COAH.
16. As of March 10, 2015 Bridgewater remained a "participating" municipality before COAH, with its petition for substantive certification is still pending.
17. On June 2, 2014 COAH proposed new Third Round Rules in the New Jersey Register, 46 N.J.R. 924, pursuant to Court Order. These *unadopted* Third Round Rules stated that Bridgewater had a 1999-2024 affordable housing obligation of 565 units and a rehabilitation share of 233 units.
18. On March 10, 2015, the New Jersey Supreme Court issued an Order eliminating the FHA's exhaustion of administrative remedies requirement, vesting authority in the Superior Court to hear and decide actions and instructing municipalities to file declaratory judgment actions in the Superior Court for a determination regarding compliance with their affordable housing obligations.
19. In October 2014, COAH's tie vote on rule adoption stalled the process which left the development of the Housing Plan uncertain.
20. July 6, 2015, Bridgewater Township sought a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re

Housing Element and Fair Share Plan and Land Use Element of the Master Plan and Development Fee Spending Plan in a further effort to comply with its affordable housing obligations.

10. After the existing Third Round Rules were struck down by the Courts, Bridgewater submitted a petition to COAH for substantive certification and approval of its Affordable Housing Trust Fund/Development Fee Spending Plan for Round Three on December 30, 2008.
11. On October 8, 2010, the Appellate Division invalidated substantial portions of Chapter 97 resting principally on the growth share concept for calculating affordable housing obligations and remanded to COAH the adoption of new third round rules.
12. On March 22, 2011, Bridgewater was granted a waiver by COAH pursuant to N.J.S.A.52:270-329.2 and N.J.A.C. 5:97-8.1 to spend affordable housing trust funds in the amount of \$2,165,000.00 on its municipal rehabilitation program, its market to affordable program, two municipally sponsored affordable housing projects, special needs housing, and future housing opportunities.
13. Bridgewater did spend the aforementioned funds on the above-identified projects pursuant to the waiver granted by COAH.
14. As a result of the Third Round Rules being struck down by the Appellate Division on October 8, 2010, COAH never reached a final determination on Bridgewater's petition for substantive certification for Round Three.
15. On September 26, 2013 the Supreme Court ruled that revised third round rule-making was necessary, again. COAH prepared new revised rules third round in 2014 (proposed Chapter 99), published the rules in May, accepted public comment through August and voted on the rules in October, however, the rule adoption process stalled on October 20, 2014 when COAH's vote to adopt the rules deadlocked in a tie vote of its membership. The tie vote resulted in COAH's failure to adopt the third iteration of third round rules, which led to the Court's March 10, 2015 decision and order. Nevertheless, proposed Chapter 99 was prepared in response to the Supreme Court's directives to COAH.
16. As of March 10, 2015 Bridgewater remained a "participating" municipality before COAH, with its petition for substantive certification is still pending.
17. On June 2, 2014 COAH proposed new Third Round Rules in the New Jersey Register, 46 N.J.R. 924, pursuant to Court Order. These *unadopted* Third Round Rules stated that Bridgewater had a 1999-2024 affordable housing obligation of 565 units and a rehabilitation share of 233 units.
18. On March 10, 2015, the New Jersey Supreme Court issued an Order eliminating the FHA's exhaustion of administrative remedies requirement, vesting authority in the Superior Court to hear and decide actions and instructing municipalities to file declaratory judgment actions in the Superior Court for a determination regarding compliance with their affordable housing obligations.
19. In October 2014, COAH's tie vote on rule adoption stalled the process which left the development of the Housing Plan uncertain.
20. July 6, 2015, Bridgewater Township sought a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re

N.J.A.C. 5:96 and 5:97, supra. Bridgewater received an initial grant of immunity from the Court which was since extended and remains in place.

21. After a mediation process, the Township and FSHC agreed to settle the litigation with the foundation being the Kinsey report and to present that settlement to the trial court with jurisdiction. On November 10, 2016, the Township Council adopted a Resolution, confirming its willingness to enter into a Stipulation of Settlement with the Fair Share Housing Center for total obligation of 1414 affordable units. This settlement provides a protection period of ten years from the date of Court confirmation of the terms of the settlement.
22. On February 13, 2017, the Township submitted a revised Stipulation of Settlement along with this proposed Housing Element & Fair Share Plan and a proposed Spending Plan to the Court for review at a Fairness Hearing.

### EXHIBIT 1:

Bridgewater had a Prior Round obligation of 713 units, which was met and exceeded:

<b>PRIOR ROUND</b>			
<b>Project</b>	<b>Units</b>	<b>Bonuses</b>	<b>Total</b>
[FS] Crossroads	81	0	81
[FS] Bridgewater Oaks	26	0	26
[FS] Vanderhaven Farms	69	0	69
[FS] Beacon Hill	82	0	82
[FS] Bridle Club	70	0	70
[FS] Glenbrooke	86	0	86
[FS] Stratford Place	28	0	28
[FR] Meadowbrook Village/Mt. Pleasant Villas	80	80	160
[FR] Villages I (Collins)	8	8	16
[FR] Villages II (Collins)	16	16	32
[AR] Centerbridge I and II	240	18	258
[SN/GH] ARC – 4 <sup>th</sup> Avenue (a/k/a Passages)	10	10	20
[SN/GH] ARC- Finderne (now known as Advoserve III)	11	11	22
<b>Prior Round Total Units</b>	<b>807</b>	<b>143</b>	<b>950</b>

FS = Family For-Sale; FR = Family Rental; AR = Age-Restricted Rental; AL=Assisted Living Rental;  
SN/GH = Special Needs/Group Home

A summary of the affordable housing obligation, rehabilitation share, and bonuses are provided in Exhibit 2 below.

## **EXHIBIT 2:**

Rehabilitation Share (per Kinsey Report) <sup>1</sup>	115
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	713
Third Round New Construction Obligation (per Kinsey Report as revised per this settlement, covering present need for the period 1999-2015 pursuant to the Supreme Court's January 18, 2017, decision in In re Declaratory Judgment Actions Filed by Various Municipalities, ___N.J.___, 2017 WL 192895 (Jan. 18, 2017) and prospective need for 2015-2025)	1414
Maximum Bonuses Third Round .25 x 1414 =	354
Maximum Bonuses Second Round .25 x 713	178

<sup>1</sup> David N. Kinsey, PhD, PP, FAICP, New Jersey Low and Moderate Income Housing Obligations For 1999-2025 Calculated Using The NJ COAH Prior Round (1987-1999) Methodology, April 6, 2015, Revised July 2015 and May 2016.

## **FAIR SHARE COMPLIANCE TECHNIQUES FOR ROUND 3**

Chapter 93 identifies a variety of affordable housing compliance techniques that are available for municipal Fair Share compliance. The list below is provided to identify the range of recommended and available affordable housing techniques to address the Fair Share obligation. An asterisk (\*) is used where this technique has been used to satisfy Round 3.

\*N.J.A.C. 5:93-5.2 – Rehabilitation of existing units – rehabilitation of substandard units;

\*N.J.A.C. 5:93-5.3 – New Construction - create new low and moderate income units within their borders by sponsoring their construction, with or without a non-profit corporation, or by zoning sites for inclusionary development.

N.J.A.C. 5:93-5.4(b) - New construction; conformance with the State Development and Redevelopment Plan (SDRP)

(b) In Planning Area 3, the Council shall encourage inclusionary development within centers. Where a municipality proposes an inclusionary site within Planning Area 3 outside of a center, the Council may permit such a site if infrastructure is available or can be easily extended from Planning Area 2. --Multiple units per acre required.

\*N.J.A.C. 5:93-5.6 Zoning for inclusionary development – generally, requires identification of sites with available water, sewer; regulations require presumptive densities of between 4 to 6 units per acre. This can be designated as an overlay zone.

Overlay zoning – 100% Municipally Sponsored Construction – This could involve designating overlay small overlay zones focused on redevelopment of parcels that are served by water and sewer. There

may be certain and locations in the township where this approach could make sense with municipal sponsorship.

N.J.A.C. 5:93-5.7 Regional contribution agreements (RCAs) – no longer authorized under the law.

\*N.J.A.C. 5:93-5.8 Alternative living arrangements – group homes, transitional facilities for the homeless, etc.

N.J.A.C. 5:93-5.9 Accessory apartments – apartments created within existing dwelling units; or as accessory to existing dwelling units.

N.J.A.C. 5:93-5.10 Purchase of housing units that have never been occupied and vacant housing units.

N.J.A.C. 5:93-5.11 Write-down/buy-down of previously owned units (Market to Affordable) – involves Writing-down or buying-down the cost of previously owned market rate units and offering them in sound condition at affordable prices to low and moderate income households.

N.J.A.C. 5:93-5.12 ECHO (elder cottage housing opportunities) housing units – This involves adding a small unit as an accessory unit on a lot with a detached single-family dwelling for an elderly family member. Credits are applied against the rehabilitation obligation.

\*N.J.A.C. 5:93-5.14 Age restricted housing – subject to a 25% cap.

\*N.J.A.C. 5:93-5.15 Rental housing – every municipality has to provide at least 25% of the obligation. The now invalidated Chapter 97 included requirements for “Family Rental” housing, and established a minimum percentage that has to be included in the Fair Share Plan. These requirements should be expected to resurface at some point in the future.

\*N.J.A.C. 5:93-5.16 Assisted living residence - Apartments in assisted living residences may address a municipal housing obligation if the private pay resident qualifies as low or moderate income or if the resident is the recipient of a Medicaid waiver.

Bridgewater has implemented, or will implement, the following projects to address its Third Round Obligations and Third Round Obligation is described below and demonstrates compliance with the requirements that were incorporated in a Settlement Agreement with the Fair Share Housing Center. Below are noted bonus credits which were calculated as follows: The Township has a maximum of 354 potential credits ( $1414 \times 0.25 = 354$ ). Of the 354 creditable units, 321 are FR or SN/GH and therefore entitled to a 1:1 credit. The remaining 33 units are creditable as ALR/AR and entitled to a 1:3 credit, for 11 additional bonus credits. Adding these together provides 332 total bonus credits.

The following exhibit, entitled, *Third Round New Construction Obligation*, addresses mechanisms by which Bridgewater will address the third round new construction obligation:



### EXHIBIT 3

<b>THIRD ROUND NEW CONSTRUCTION OBLIGATION</b>			
<b>Project</b>	<b>Units</b>	<b>Bonus</b>	<b>Status</b>
Surplus Carried Over from Second Round (950 credits -713 need)	237	0	Built
[AR] Centerbridge II – Phase II Expansion (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	45	0	Built
[AR] Kirkside Senior Housing (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	5	0	Built
[AR] Co-op Housing Corp I (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	5	0	Built
[FS] Stratton Meadows (Constructed during Second Round but Identified by COAH to be initially credited in Third Round)	97	0	Built
[FS] Loft Farms (Constructed during Second Round but identified by COAH to be initially credited in Third Round)	17	0	Built
[SN/GH] ARC – Somerset County 2	26	26	Built
[SN/GH] Cambridge	1	1	Built
[SN/GH] Cerebral Palsy Property of Middlesex	6	6	Built
[SN/GH] Whitney House	3	3	Built
[SN/GH] Delta Comm. Supports 1	5	5	Built
[SN/GH] ARC-Somerset County 1	22	22	Built
[SN/GH] Allies	4	4	Built
[SN/GH] Easter Seals	4	4	Built
[SN/GH] Pearl Street	4	4	Built
[AR] CHC 2-AWS Foundation	5	2	Built
[AR] CHC 3-AWS Foundation	5	2	Built
[AR] Coop Housing Corp 4	5	2	Built
[ALR] Chelsea at Bridgewater-Assisted Living	12	3	Built
[ALR] Brandywine-Assisted Living	13	0	Built
[ALR] Arbor Glen Friends Holly Center Assisted Living	6	2	Built
[ALR] Eastern Star Home Assisted Living	11	0	Built
[ALR] Avalon at Bridgewater Assisted Living	11	0	Built
[SN/GH] ADTI 1	3	3	Built
[SN/GH] ADTI 2	16	16	Built
[SN/GH] Advoserve I-87	10	10	Built
[SN/GH] Advoserve II-Severin	10	10	Built
[SN/GH] Advoserve IV-685	5	5	Built
[SN/GH] Advoserve V-566	3	3	Built
[SN/GH] Advoserve VI-444	3	3	Built
[SN/GH] Somerset Homes – 3 <sup>rd</sup> Avenue	5	5	Built

<b>THIRD ROUND NEW CONSTRUCTION OBLIGATION</b>			
<b>Project</b>	<b>Units</b>	<b>Bonus</b>	<b>Status</b>
[SN/GH] Alternatives	8	8	Built
[SN/GH] ARC-Somerset County 3	5	5	Built
[SN/GH] Federation MC of NJ	4	4	Built
[SN/GH] Delta Comm. Supports 2	5	5	Built
[SN/GH] Delta Comm. Supports 3	5	5	Built
[FS] Habitat for Humanity	9	0	Built
[SN/GH] Our House - 230 Helfred's Landing	4	4	Built
[SN/GH] Youth Consult - 694 Burning Bush	4	4	Built
[SN/GH] Stevens Land Group - 35 Stevens	2	2	Built
[FR] Woodmont Conversion	20	20	Built
[SN/GH] Somerset Homes 5 Stanford	1	1	Built
[SN/GH] Bridge House #8 3rd Ave	2	2	Built
[SN/GH] Bonnie Brae 453 Route 28	4	4	Built
[SN/GH] Somerset Homes-49 Brahma Ave	16	16	Built
[ALR] Sunrise Assisted Living	8	0	Approved
[ALR] Care One Assisted Living	7	0	Built
[SN/GH] Bridge House 2	10	10	Approved
[FR] Route 28 Assoc. Conversion	11	11	Built
[FR] Villages III. (Collins)	6	6	Approved
[FR] Eden Woods	44	44	Approved
[FR] Center of Excellence	40	40	Redev. Plan Approved
<b>Total</b>	<b>819</b>	<b>332*</b>	
<b>Voluntary Extensions of Affordability Controls</b>	<b>Units</b>		
[FS] Vanderhaven Farms	23		
[FS] Beacon Hill	29		
[FS] Bridle Club	38		
[FS] Glen Brooke	46		
[FS] Stratford Place	20		
[FS] Bridgewater Oaks	19		
[FS] Stratton Meadows	97		
[FS] Crossroads	33		
<b>Total</b>	<b>305</b>		
<b>Round 3 Built + Approved + Voluntary Extensions</b>	<b>1124</b>		
<b>Total Credits (including Bonus Credits)</b>	<b>1456</b>		

FS = Family For-Sale; FR = Family Rental; AR = Age-Restricted Rental; ALR=Assisted Living Rental;  
SN/GH = Special Needs/Group Home

## **POLICIES AND STANDARDS TO MEET THE HOUSING REQUIREMENTS**

1. At least 50 percent of the units addressing the Third Round development shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
2. In accordance with the Fair Housing Act and pursuant to N.J.S.A. 52:27D-329.1, Bridgewater agrees to require 13% of all units developed since July 17, 2008, including but not limited to units subject to preliminary or final site plan approval, to be very low income units, with half of the very low income units being available to families. The municipality has and will continue to comply with those requirements as shown.

Bridgewater has developed 185 low and moderate income units since July 17, 2008. Thus, the computation for the obligation to provide very low income units ( $185 \times .13$ ) yields a total of 24.05 very low income units (rounded up to 25). As a result, the portion of the affordable units that should be very low income family units equates to 6.5% of 185 or 13 units. Bridgewater complies with this requirement.

### **EXHIBIT 4**

#### **Affordable Units Developed Post July 17, 2008**

<b>Project</b>	<b>Units</b>
[ALR] Eastern Star Home Assisted Living	11
[SN/GH] Stevens Land Group – 35 Stevens	2
[FS] Habitat for Humanity	9
[SN/GH] Our House - 230 Helfred's Landing	4
[SN/GH] Youth Consult - 694 Burning Bush	4
[SN/GH] Pearl Street	4
[FR] Woodmont Conversion	20
[SN/GH] Somerset Homes - 5 Stanford	1
[SN/GH] Bonnie Brae 453 Route 28	4
[ALR] Sunrise Assisted Living	8
[ALR] Care One Assisted Living	7
[SN/GH] Bridge House 2	10
[FR] Route 28 Assoc. Conversion	11
[FR] Villages III (Collins)	6
[FR] Eden Woods	44
[FR] Center of Excellence	40
<b>TOTAL UNITS POST 7/31/2008</b>	<b>185</b>

FS = Family For-Sale; FR = Family Rental; AR = Age-Restricted Rental; AL=Assisted Living Rental;  
SN/GH = Special Needs/Group Home

<b>Name of Very Low Income Family Project</b>	<b>V.L.I. Family Units</b>
[FR] Woodmont Conversion	2
[FR] Route 28 Assoc. Conversion	6
[FR] Villages III. (Collins)	6
[FR] Eden Woods	6
[FR] Center of Excellence Redevelopment area	6
<b>TOTAL V.L.I. FAMILY UNITS PROVIDED</b>	<b>26</b>

FS = Family For-Sale; FR = Family Rental; AR = Age-Restricted Rental; AL=Assisted Living Rental;  
SN/GH = Special Needs/Group Home

3. Third Round bonuses have been applied in accordance with N.J.A.C. 5:93 (i.e. one bonus credit per family rental unit up to the 25 percent maximum). At least twenty-five percent of the Third Round obligation is to be met through rental units, including at least half in rental units available to families. At least half of the units addressing the Third Round obligation in total are to be available to families. Bridgewater will comply with an age-restricted cap of 25%.
4. Bridgewater will be certain to continue to include community and regional organizations in its affirmative marketing plan, as part of its regional affirmative marketing strategies during its implementation of its plan, provide notice to those organizations of all available affordable housing units. Bridgewater will require that any other entities, including developers or persons or companies retained to do affirmative marketing, comply with this policy.
5. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, and all other applicable law including N.J.S.A. 52:27D-329.1, with the exception to UHAC that 13 percent of affordable rental units in all projects shall be required to be at 30 percent of median income. Bridgewater is encouraged to adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this policy is fully satisfied.
6. If there is a finding that the affordable housing obligation is less than 1414, Bridgewater will conform to the lower number, with the excess being applied to the next Round obligation.

### **RECOMMENDED REPORTING GOING FORWARD**

In the 1990s, Bridgewater Township zoned for inclusionary development as a component of the affordable housing. The following zones were created and included a 20% set-aside: R-MDU-10.5, R-MDU-8, R-MDU-6 and R-MDU-5 and a longer term inclusionary area, known as the Sixth Avenue Redevelopment area, is still an active affordable housing area.

For compliance with Round 3, additional zoning provisions have been made for increased affordable housing opportunities. Zoning to implement the plan has already been adopted by the Bridgewater

Township Council. One new inclusionary zone is in the Finderne section of the town. The non-age restricted rental community (Eden Woods of 220 units) has received site plan approval and is an inclusionary project for affordable housing. The second project is known as the Center of Excellence (which will have 400 rental units) and is also an inclusionary project. The township is willing to adopt inclusionary ordinances which will assure a set aside component for new units that are approved after settlement.

1. The Township shall adopt an ordinance providing for the amendment of the Township's Housing Ordinance so as to establish zoning standards that provide for an inclusionary zoning requirement on future multifamily development of five (5) or more units in the Township developed through planning board approval, zoning board approval, redevelopment or rehabilitation plan requiring a set-aside of at least 15 percent of all units in rental developments as affordable, and 20 percent of all units in for-sale developments as affordable, with at least 50 percent of the units in each development being affordable to low-income households including 13 percent in rental developments affordable to very-low-income households, with all such affordable units including the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, and all other applicable law. Language should be included in the Ordinance to explicitly address that developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.
2. The Fair Housing Act includes two provisions regarding action to be taken by Bridgewater during the ten-year period of protection provided in this agreement. Bridgewater will address these provisions as were negotiated with the Fair Share Housing Center (FSHC):
  - A. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, Bridgewater will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan. This will include an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting will invite any interested party to submit comments to Bridgewater, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether the mechanisms to meet unmet need should be revised or supplemented. Any interested party may, by motion, request a hearing before the court regarding these issues.
  - 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 execution of the agreement with the Fair Share Housing Center, and every third year thereafter, Bridgewater will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very low income requirements. The status will include the family, very low income

requirements. Such posting will also invite any interested party to submit comments to Bridgewater and to the Fair Share Housing Center on the issue of whether Bridgewater has complied with its very low income housing obligations.

### **INITIATIVES TO CREATE AND MAINTAIN AFFORDABLE HOUSING AND ADDITIONAL OPTIONS TO MEET OBLIGATION**

COAH correspondence has confirmed that Bridgewater had substantial surplus credits which are to be applied to Round Three. However, that did not quell Bridgewater's determination to provide even more affordable units. While other municipalities 'slept' during the 'Gap' period rather than pursuing progress, which was not the ethic of Bridgewater. Year after year during this 'Gap' period, Bridgewater plowed ahead and continued to increase its progress to provide affordable housing accommodations utilizing a variety of mechanisms. While the township has met its Round 3 obligation, the township has additional options which might be employed in order to increase its standing in Round 3, if needed.

1. PURCHASE AND RESERVATION OF LAND. Several Bridgewater Township properties in private ownership were purchased with Trust funds and are specifically reserved for future affordable housing to be used as the need for additional dwellings is demonstrated. Some properties were already owned by Bridgewater. The benefit of holding onto these lands is that Bridgewater will be in position to evaluate the need (demand) relative to family size and income levels that may be skewed from the reserved percentages provided in the law. This affords an opportunity to address shortfalls of unit types (e.g. bedrooms, incomes) that should be constructed in order to serve unmet needs of households. Specific properties that have been purchased by or were previously owned by Bridgewater are:

<b>Project</b>	<b>Block / Lot No:</b>	<b>Zone</b>
*Whitney Court lot	Block 511 Lot 3	R-10A
*Faircloth	Block 364 Lots 2,2,6	R-40
*Route 202/206N.	Block 477 Lot 15	R-40
'Hobbsdown'	Block 519/ Lot 29	R-10
'Hobbsdown'	Block 519/ Lot 30	R-10
'Hobbsdown'	Block 519/ Lot 31	R-10
'Hobbsdown'	Block 519/ Lot 32	R-10
'Hobbsdown'	Block 519/ Lot 33	R-10
'Hobbsdown'	Block 519/ Lot 34	R-10
'Hobbsdown'	Block 519/ Lot 35	R-10
'Hobbsdown'	Block 519/ Lot 36	R-10
'Hobbsdown'	Block 519/ Lot 41	R-10
'Hobbsdown'	Block 519/ Lot 42	R-10
'Hobbsdown'	Vacate Essex St.	R-10
'Hobbsdown'	Block 517/ Lot 1	R-10
'Hobbsdown'	Block 517/ Lot 2	R-10
'Hobbsdown'	Block 517/ Lot 3	R-10

\*Purchased with Affordable Housing Trust Funds

Block 511 Lot 3 is located on Whitney Court within the 6<sup>th</sup> Avenue Redevelopment area. These premises were purchased with Affordable Housing Trust funds and are restricted to affordable housing purposes. It is located within walking distance to employment, education and recreational facilities.

Block 364 Lots 2, 2, 6 is located on Somerville Road which is in walking distance to Vocational Technical education, library, recreational facilities and the Bridgewater Senior Citizens Center. These premises were purchased with Affordable Housing Trust funds and are restricted to affordable housing purposes.

Block 477 Lot 15, located Route 202/206 North is adjacent to an inclusionary affordable housing rental project of 100 total units. This tract was purchased for the purpose of supplying future affordable housing. These premises were purchased with Affordable Housing Trust funds and are restricted to affordable housing purposes.

Hobbs town lands, found in Blocks 519 and 517 above, are owned by Bridgewater Township and are not restricted as to use.

2. EXTENSION OF AFFORDABILITY CONTROLS. Bridgewater has reserved funds in its Spending Plan to offer to purchase extensions of existing affordable units. The funds are viewed as sufficient to secure extensions for an additional 50 family, for sale units. The rationale for success is that Bridgewater has a large affordable housing stock, primarily because Bridgewater did not send out 50% of its requirement to other municipalities under the option of Regional Contribution Agreement. Bridgewater eagerly accepted and required that all of the units be constructed within its own borders. The result of purchasing the extension of controls for 50 family, for sale units would result in 50 credits.

3. PURCHASES FOR MARKET TO AFFORDABLE UNITS. Bridgewater has the option of purchasing market units for conversion to affordable units. In fact, Bridgewater entered into a market to affordable agreement with a property owner in Finnerne (Bendetti). Unfortunately, this agreement did not proceed to finality due to circumstances which resulted in the owner removing himself from consideration. The point of this discussion is to highlight the fact that Bridgewater aggressively seeks to employ a variety of options to provide affordable housing.

4. ADDITIONAL UNITS AND CREDITS, NOT YET DOCUMENTED, THAT MAY BE APPLIED TO ROUND 3 Center of Excellence. Of the total of 400 rental units in the Center of Excellence, Bridgewater has assigned 40 affordable rental units (10%) as a set aside to the Center of Excellence for addressing its Round 3 obligation. This is based on a Redevelopment Plan adopted for the 62 acres located on Route 202/206 North. The Redevelopment Plan addresses the requirement to provide affordable rental housing to be dispersed throughout the project by stating that, *Up to 20% of all dwelling units shall be deed-restricted for occupancy as regulated by the Council on Affordable Housing and the affordable housing units shall be dispersed among the residential buildings rather than concentrated in a few*

*buildings.* The township has not assigned the full 20% set aside for Round 3. If the full 20% were desired to address a deficit in Round 3 or for application to Round 4 in the future, an additional 40 rental units plus applicable rental credits would be able to be applied. The township reserves the right to apply this project, as described above, to Round 3 or a future round.

Somerset Homes. Somerset Homes purchased Block 507 Lots 3 and 4 in 2004 from a private entity, Relocation Advantage. The township partnered Somerset Homes in this purchase and acquired a deed restriction for the amount of \$90,000 (one half of \$180,000) for the property located at 5 Third Avenue. This deed restriction was recorded in Book OPR 6533 at Page 2440 on 7/2/2012. (one deed with two properties listed. See below.) There are 3 bedrooms in this dwelling. The premises are entitled to 3 special needs units, plus bonus credits, as applicable. The township reserves the right to apply this project, as described above, to Round 3 or a future round.

Somerset Homes. Somerset Homes purchased Block 509 Lot 1 in 2006 from a private entity, the Lambinos. The township partnered with Somerset Homes again and acquired a deed restriction for the amount of \$90,000 (one half of \$180,000) for this lot known at the address of 2 Whitney Court. This deed restriction was also recorded in Book OPR 6533 at Page 2440 on 7/2/2012. There are 3 bedrooms in this dwelling. The premises are entitled to 3 special needs units, plus bonus credits, as applicable. The township reserves the right to apply this project, as described above, to Round 3 or a future round.

416 Route 28, Inc. 416 Route 28, Inc. purchased Block 171 Lot 3 in 2000. The township acquired a deed restriction for affordable housing on Block 171 Lot 3 in the amount of \$120. This deed restriction was recorded in Book OPR 6530 at Page 3315 on 6/22/2012. There are 3 bedrooms in this dwelling. The premises are entitled to 3 special needs units, plus bonus credits, as applicable. The township reserves the right to apply this project, as described above, to Round 3 or a future round.

Keystone Community Living, Inc. Keystone Community Living, Inc purchased Block 242 Lot 11 and applied to the township for an exemption status for property at 44 Fairmount Avenue. This property was purchased by Rachel Fiore, single. The status of this property has not been researched because the application was filed beyond the deadline date. This description is being provided as a place holder of properties that require vetting in the future.

LCS Development, LLC. LCS Development, LLC has submitted an application to the Zoning Board of Adjustment for use variances in connection with development of Block 711 Lot 13. The application proposes 87 assisted living and memory care units (a permitted use in the zone) and 137 rental apartments and villas (a non-permitted use in the zone). This application has not gone to a public hearing, but if it is approved, 9 assisted living units would be attributed to the assisted living facility and as many as 20% of the rental units may be imposed. Bonus credits would be applied, as applicable. It is premature to speculate on the impact to Round 3 since the Board has not begun the public hearing process.



Extension of Affordability Controls. Bridgewater has reserved funds sufficient to secure affordability extensions for an additional 50 family, for sale units. The result of purchasing the extension of controls for 50 family, for sale units would result in 50 additional credits.

5. APPROVED PLANS WITH INCREASED DENSITY TO PROMOTE AFFORDABLE UNITS. PROJECTS GRANTED INCREASED DENSITY OR USE VARIANCES WITH A REQUIRED AFFORDABLE HOUSING COMPONENT.

Villages III (Collins) is more specifically known as Block 520 Lot 17; Block 526 Lot 16 and is located on Griggs Drive and other roads. The property was approved for greater density by the Zoning Board of Adjustment with the condition that the project includes 6 low income affordable units.

Route 28 Associates. The site plan for Block 400 lot 23 was granted approval of a USE VARIANCE for a multifamily dwelling complex for which 11 units were required to be affordable units. Six units were required to be for very low income families.

6. FINANCIAL ASSISTANCE GIVEN TO CREATE NEW AFFORDABLE UNITS WITHIN AN EXISTING PRIVATE RESIDENTIAL DEVELOPMENT

a. Villages III. Bridgewater provided construction funds to an existing rental apartment community, Villages III, to increase the number of affordable units– 6 units total, in part municipally funded. A total of 6 units are reserved for very low income families.

7. PARTNERED WITH THE STATE OF NEW JERSEY TO CONVERT HOMES FROM MARKET-RATE DWELLINGS TO AFFORDABLE UNITS WITHIN SINGLE-FAMILY NEIGHBORHOODS.

Bridgewater was contacted by the State of New Jersey to assist in placing special needs persons through the purchase of these homes within the township.

- a. Burning Bush. The township provided financial assistance in the amount of \$250,000 for the purchase of Block 255 Lot 16, 694 Burning Bush Rd. This was approved by the township on 7/11/2012.
- b. Pearl Street. The township provided financial assistance in the amount of \$250,000 for the purchase of 132 Pearl Street. This was approved by the township on 7/11/2012.
- c. Helfred's Landing. The township provided financial assistance in the amount of \$250,000 for the purchase of Block 429 Lot 37, 230 Helfred's Lane. This was approved by the township on 7/11/2012.

8. REDEVELOPMENT PROJECTS WHICH CREATED AFFORDABLE UNITS

- a. Eden Woods Redevelopment Area is more specifically known as Block 329 Lots 3.01, 13.01, 14 and is located on Union Avenue. The Eden Woods –220 rental apartments with 44 affordable units (a 20% set-aside). In letter dated January 30, 2014, the DCA gave site endorsement for this Metropolitan Planning Area (PA1) project. The project also includes a clubhouse, pool, vest-pocket park and is within walking distance to many public facilities.

- b. Center of Excellence is a Redevelopment Area more specifically known as Block 483 Lots 17, 18, 19 and is located on Route 202/206. The Center of Excellence has been designated for 400 apartment units which include 40 affordable dwellings. The details of the affordable units will be formalized when the project is submitted for site plan approval.

9. FINANCIALLY SUPPORTED THE CREATION OR CONTINUED SUPPORT OF NEW AFFORDABLE UNITS.

- a. Habitat for Humanity. Bridgewater has set aside and dedicated \$150,000 in funds for continual maintenance of a detention basin that served the above 9-unit Habitat for Humanity community. This property is already listed in the Round 3 tabulation.
- b. Stevens Lane. The township provided financial assistance in the amount of \$15,000 which was used to pay off a second mortgage on Block 802.01 Lot 134, 29 Stevens Lane, thereby relieving the owner of possible foreclosure. This property is already listed in the Round 3 tabulation.
- c. 416 Route 28, Inc. The township acquired a deed restriction for affordable housing on Block 171 Lot 3 in the amount of \$120,000 for 416 Route 28. This deed restriction was recorded in Book OPR 6530 at Page 3315 on 6/22/2012.
- d. Alternatives Homes, 2005, Inc. The township acquired a deed restriction for the amount of \$120,000 for 293 Grove Street. This deed restriction was recorded in Book OPR 6530 at Page 3305 on 6/22/2012. This property is already listed in the Round 3 tabulation.
- e. Brahma Avenue. The township acquired a deed restriction for the amount of \$120,000 for 76 Brahma Avenue. This deed restriction was recorded in Book OPR 6530 at Page 3310 on 6/22/2012. This property is already listed in the Round 3 tabulation.
- f. Somerset Homes. The township acquired a deed restriction for the amount of \$90,000 (one half of \$180,000) for Block 507 Lots 3 and 4. This deed restriction was recorded in Book OPR 6533 at Page 2440 on 7/2/2012. This property is located at 5 Third Avenue and is not listed in the Round 3 tabulation
- g. Somerset Homes. The township acquired a deed restriction for the amount of \$90,000 (one half of \$180,000) for Block 509 Lot 1. This deed restriction was also recorded in Book OPR 6533 at Page 2440 on 7/2/2012. This property is not listed in the Round 3 tabulation.

10. LITIGATION TO PROTECT AGAINST LOSS OF AFFORDABLE UNITS

The designation of an affordable unit does not relieve a municipality from monitoring its stock to assure that people do not attempt to subvert the system or lose the unit due to foreclosure. Bridgewater has been watchful and has aggressively litigated when it finds that the potential exists to lose these units.

Generally, there are six (6) distinct events that triggered involvement from the Bridgewater Township Attorney. These are given six Categories, as follows:

- Category 1: Mortgage and tax lien foreclosures
- Category 2: Condo lien foreclosures
- Category 3: Extending 2<sup>nd</sup> mortgages to owners of units
- Category 4: Enforcement of the deed restrictions, Township Ordinances and the Uniform Housing Affordability Controls (collectively “Controls”)
- Category 5: Administration of COAH Regulations; including, COAH land use applications, expiration of controls, objections, discharges of deed restrictions, recapture of units, extensions of affordability controls, and general forms and questions.
- Category 6: Sale or Lease to other individuals

Since November 2004, there have been approximately 255 files that have been opened by the Township regarding administration of the COAH Units. Accounting indicates that the Township has incurred 3144.6 hours devoted to preservation of these affordable units. Three COAH Units necessitated substantial litigation and are detailed below by property address. A spreadsheet and discussion is provided by the Bridgewater Township Attorney’s office. This data details the matter, description of dispute, file open date, and the applicable category (1-6 as set forth above).

#### Category 1. Mortgage Foreclosures

The vast majority (estimated around 65%) of the files were predicated by the serving of a summons and complaint in foreclosure and served upon the Township Clerk naming the Township as a Defendant. Municipalities were generally named in foreclosure Complaints due to the potential tax liens or; as here, due to the existence of a deed restriction(s) for COAH Units. When pressed, the Courts have consistently ruled that Bridgewater is a “real party in interest” due to the deed restrictions and their statutory right of redemption; thus, requiring notice and an opportunity to be heard in the foreclosure suit as a party.

Generally, after receipt of the Complaint in Foreclosure, the Township files an Answer asserting their rights under the deed restrictions which include the ability to (a) satisfy the mortgage; or, (b) to require the bank to sell the Unit to another income qualified purchaser as approved by the Township Welfare Coordinator, Patricia Padovani (“Relief”). The filing of an Answer transfers the foreclosure lawsuit out of the foreclosure unit in Trenton to the local Superior Court Chancery Division.

Since the filing of an Answer technically deems the foreclosure “contested” the Township through counsel generally negotiates a consent order that requires compliance with the foregoing relief and deems the Answer uncontested, which transfers the foreclosure suit back to the foreclosure unit.

Since November 2004, the office of the Township Attorney has opened approximately 166 files in which the units were being foreclosed.

Category 2. Condo Lien Foreclosures

The second instance that the Township would participate in any litigation is the result of a condo lien foreclosure. Often times when owners of COAH Units default on their mortgage they are also in default of the condominium dues. The condo associations (“Associations”) have the right to foreclosure on the delinquent property dues; however, the Association cannot foreclose out the mortgagor and cannot extinguish the deed restrictions and other Controls.

Since November 2004, the office of the Township Attorney has opened approximately 11 files in which the units were being foreclosed for condo dues.

Category 3. 2<sup>nd</sup> Mortgages to COAH Unit Owners

Under certain circumstances the Township agreed to loan COAH Unit owners money under a repayment mortgage, which is generally a 2<sup>nd</sup> Mortgage on the COAH unit. Counsel for Bridgewater then drafts, negotiates, and executes the 2<sup>nd</sup> Mortgage to be paid from the Affordable Housing Trust Fund. These mortgages are used to pay costs such as housing rehabilitation, payment of condo dues, or payment of taxes.

Since November 2004, the office of the Township Attorney has opened approximately 5 files in which the units were the Township extended fee assistance.

Category 4. Enforcement of Deed Restrictions

In several circumstances, the owners of the COAH Units violate the Controls. Generally, these fall into three categories: (1) leasing the unit at market rate to a non-income qualified tenant, (2) failing to personally occupy the unit; or, (3) mortgaging the property above the maximum allowable resale price.

Category 5: Administration of COAH Regulation

This includes COAH land use applications, expiration of controls, objections, discharges of deed restrictions, recapture of units, extensions of affordability controls, and general forms and questions. Since November 2004, the office of the Township Attorney has opened approximately 27 files in which the units were being foreclosed.

Category 6: Sale or Lease to other individuals.

During the same period, the office of the Township Attorney has opened 10 files in which the units were being sold or leased.

Below is a summary of legal efforts that were part of the commitment to maintain affordable units. The category noted in the final column is to be cross-referenced to the categories described above.

Matter	Description	Category
8890-102	Foreclosure - Block 164.06, Lot 807	1
8890-103	Foreclosure Block 164.06, Lot 807	1
8890-104	Foreclosure- Block 175 Lot 1.083	1
8890-105	Block 802.01, Lot 35	1
8890-106	Foreclosure- Block 530.01 Lot 191	1
8890-107	(Inactive) Foreclosure Block 174, Lot 5.166	1
8890-110	(Inactive) Foreclosure- Bl. 402.02, Lot 61	1
8890-111	Block 168, Lot 1.042	1
8890-112	Block 164, Lot 2506 2	1
8890-113	(Inactive) Bl. 402.02, Lot 61	1
8890-114	Foreclosure- Blk 164.05, Lot 3622	1
8890-116	(Inactive) - Block 402.02, Lot 69	1
8890-117	Block 164.05, Lot 3401	1
8890-118	Block 164.06, Lot 3508	1
8890-119	(Inactive) Foreclosure	1
8890-120	Block 164.06, Lot 607	1
8890-121	Block, 164.06, Lot 6	1
8890-122	Block 2413, Lot 164 2	1
8890-123	Block 168, Lot 1.	1
8890-124	(Inactive) Block 164.04, Lot 113	1
8890-125	Block 164.06, Lot 2605	1
8890-126	Block 164.05, Lot 3403	1
8890-127	Block 2402.10, Lot 5.181	1
8890-128	Block 164.06, Lot 3506	1
8890-129	Block 802.01, Lot 127	1
8890-130	Block 164.05, Lot 3410	1
8890-131	Block 164.05, Lot 3609	1
8890-132	Block 164.05, Lot 33	1
8890-133	Foreclosure - Block 164.05, Lot 3412	1
8890-134	Block 3805, Lot 1	1
8890-135	Block 164, Lot 23	1
8890-136	Block 718, Lot 70	1
8890-138	Foreclosure -, Bl.164.06,Lot 806	1
8890-139	Block 164.06, Lot 608	1
8890-140	Block 164.05, Lot 3204	1
8890-141	Foreclosure-, Block 164.05, Lot 3204	1

Matter	Description	Category
8890-142	Block 402.02, Lot 77	1
8890-143	Block 366, Lot 1	1
8890-144	Block 530.01, Lot 127	1
8890-146	Foreclosure – Block 174, Lot 5.165	1
8890-147	Block 164.05, Lot 3305	1
8890-148	Block 164, Lot 2507	1
8890-149	Foreclosure Block 530.01, Lot 107	1
8890-150	Violations & Abandonment	1
8890-152	Block 174, Lot 5	1
8890-155	Block 164.05, Lot 3905	1
8890-156	Block 402.2, Lot 57	1
8890-157	Foreclosure Block 164.06, Lot 3313	1
8890-158	Block 164, Lot 2508	1
8890-159	Block 164.05, Lot 3304	1
8890-160	(Condo. Fee Assistance)	3
8890-162	Foreclosure -. Bl.164.06 Lot 615	1
8890-163	(Inactive) Block 402.02, Lot 56	1
8890-164	(Inactive) Foreclosure-, Block 164.06, Lot 3313	1
8890-166	(Inactive) Block 164.05, Lot 3622	1
8890-167	Block 164.05, Lot 3401	1
8890-169	Block 164.05, Lot 3	1
8890-170	Block 164.05, Lot 4112	1
8890-171	(Inactive) Block 530.01, Lot 191	1
8890-173	Block 164.05, Lot 108	1
8890-177	Block 199, Lot 112	1
8890-178	Block 174, Lot 5.162	1
8890-180	Block 357, Lot 618	1
8890-181	Block 164.05, Lot 107	1
8890-182	Foreclosure - Block 164.06, Lot 3514	1
8890-183	Foreclosure - Block 164.06, Lot 2005	1
8890-185	Block 175, Lot 2.108	1
8890-186	Foreclosure - Block 175, Lot 2.090	1
8890-187	Foreclosure - Block 164.05, Lot 113	1
8890-190	(Inactive) Block 164, Lot 2616	1
8890-191	(Inactive) Foreclosure	1
8890-192	Foreclosure - Bwt.Twp.	1
8890-193	Foreclosure -	1
8890-194	Violation of Requirements & Sale	1
8890-196	Block 2301, Lot 2405	1
8890-197	Blk 199, Lot 4409	1
8890-198	Foreclosure - Block 164, Lot 2902	1

Matter	Description	Category
8890-199	Block 199, Lot 3902	1
8890-300	Blk 530.01, Lot 102	1
8890-302	Block 530.01, Lot 107	1
8890-303	Block 530.01, Lot 10	1
8890-304	Block 530.01, Lot 10	1
8890-305	Block 530.01, Lot 111	1
8890-306	Block 530.01, Lot 117	1
8890-307	Block 530.01, Lot 131	1
8890-308	Block 530.01, Lot 118	1
8890-309	Block 530.01, Lot 13	1
8890-310	Block 530.01, Lot 122	1
8890-311	Block 530.01, Lot 147	1
8890-312	Block 530.01, Lot 15	1
8890-313	Block 530.01, Lot 130	1
8890-314	Block 530.01, Lot 157	1
8890-316	Block 530.01, Lot 163	1
8890-317	Block 530.01, Lot 161	1
8890-318	Block 530.01, Lot 169	1
8890-319	Block 530.01, Lot 173	1
8890-320	Block 530.01, Lot 179	1
8890-321	Block 530.01, Lot 189	1
8890-322	Block 530.01, Lot 199	1
8890-323	Block 402.02 Lot 67	1
8890-324	Block 402.02 Lot 65	1
8890-325	Block 402.02 Lot 69	1
8890-326	Block 402.02 Lot 73	1
8890-327	Block 402.02 Lot 74	1
8890-328	Block 402.02 Lot 75	1
8890-329	Block 402.02 Lot 56	1
8890-330	Block 402.02 Lot 57	1
8890-331	Block 402.02 Lot 58	1
8890-332	Block 164, Lot 1204	1
8890-333	Block 164, Lot 2207	1
8890-334	Block 164, Lot 2415	1
8890-335	(Inactive) , Block 164, Lot 2416	1
8890-336	Block 164, Lot 2609	1
8890-337	(Tax Lien Foreclosure) B	1
8890-338	Block 164, Lot 2705	1
8890-339	Block 164, Lot 2707	1
8890-341	Block 164.05, Lot 40.11	1
8890-342	Foreclosure - Block 164.05, Lot 3914	1

Matter	Description	Category
8890-343	Block 164.05, Lot 3915	1
8890-344	Block 164.05, Lot 3914	1
8890-345	Block 164.05, Lot 106	1
8890-346	Block 164.05, Lot 108	1
8890-347	Block 164.05, Lot 113	1
8890-348	Adam Block 164.06, Lot 615	1
8890-349	Block 164.06, Lot 807	1
8890-350	Block 164.06, Lot 3313	1
8890-351	Block 175, Lot 1.083	1
8890-352	Block 174, Lot 5.178	1
8890-353	Block 174, Lot 5.181	1
8890-354	Foreclosure -, Block 175, Lot 2.090	1
8890-355	Block 175, Lot 2.108	1
8890-356	Block 168, Lot 1.025	1
8890-357	Block 174, Lot 5.162	1
8890-358	Block 357, Lot 105	1
8890-359	Block 357, Lot 122	1
8890-360	Block 357, Lot 605	1
8890-361	Block 357, Lot 618	1
8890-362	Block 357, Lot 619	1
8890-366	Foreclosure - Block 164.06, Lot 614	1
8890-368	(39 Duval Street)	1
8890-369	Papavero	1
8890-370	Block 164.05, Lot 3906	1
8890-374	Foreclosure - Block 3807, Lot 199	1
8890-375	Block 164.05, Lot 104	1
8890-378	Block 164, Lot 2408	1
8890-379	Block 164, Lot 2301	1
8890-385	Violations	1
8890-389	(Inactive) Foreclosure - 174 (f/k/a 2402.10 )Lot 5.162	1
8890-394	Foreclosure - Aurora Loan Services, LL	1
8890-401	Foreclosure by Wells	1
8890-404	Block 550.01, Lot 205	1
8890-421	Foreclosure Block 530.01, Lot 131	1
8890-506	(Inactive) Violation, Block 530.01, Lot 131	1
8890-509	Foreclosure- Newland - Block 357, Lot 620	1
8890-510	Foreclosure - William L. Getz Blk 164.01, Lot 2915	1
8890-511	Foreclosure - Karen Choy Block 199, Lot 110	1
8890-512	Sharonview Federal Credit Union v. B	1
8890-513	Foreclosure - Catipon, John R. and K	1
8890-515	Foreclosure/ Nationstar Mortgage, LLC	1



Matter	Description	Category
8890-520	Block 802, Lot 51	1
8890-522	Foreclosure -, Block 402.02, Lot 69	1
8890-523	Foreclosure:, Block 530.01, Lot 131	1
8890-524	Block 199, Lot 4310	1
8890-602	Zolcinski	1
8890-603	Foreclosure -, Block 164.06, L06 607	1
8890-189	(Condo Fees) Blk 164, Lot 2707	2
8890-200	Foreclosure of Homeowners Asociation Liens	2
8890-396	Subordination Agree	2
8890-397	Postponement of Mortgage	2
8890-402	Postponement of Mortgage	2
8890-405	Condominium Fee Assisist	2
8890-406	Deo	2
8890-413	Subordination of Mortgage	2
8890-109	Blk. 168, Lot 1.028 Postponement of Mortgage	3
8890-340	Condominium Fee Assistance	3
8890-363	Downpayment Assistance Programs a	3
8890-364	(Condominium Fee Assistance)Blk. 530.01, Lot 147	3
8890-367	Condominium Fee Assistance Program -	3
8890-145	Agreement Violations	4
8890-161	Random List Application Lottery Program	4
8890-165	Vanderhaven Farms Condominium Association	4
8890-172	Enforcement Provisions for Affordable	4
8890-315	Block 530.01, Lot 1	4
8890-365	Violation	4
8890-380	Preservation of A	4
8890-381	Violations of Agreement	4
8890-382	Violations of Agreement	4
8890-383	Violations of Agreement	4
8890-384	Violations of Agreement	4
8890-386	Violations of AAgreement	4
8890-387	Violation of Agreement	4
8890-390	Violation - Block 530.01, Lot 113	4
8890-414	Violations of Agreement	4
8890-418	Violation of Agreement	4
8890-419	Violation of Agreement	4
8890-507	(Inactive) Violations -	4
8890-508	Violations - Block 2301.02, Lot 4012	4
8890-525	Bridgewater Township, et al. adv.	4
8890-100	Retaining Units	5
8890-101	Assistance Program	5

Matter	Description	Category
8890-108	Extended Certification	5
8890-137	Interlocal Agreement with Borough of Raritan	5
8890-151	Discharges	5
8890-153	Mount Laurel Housing	5
8890-154	Inactive--- **CLOSED - USE 8890-133** Affordable House	5
8890-174	A-500 Effect on Redevelopment	5
8890-175	Chapter 5.07: Third Round Substantive	5
8890-176	Uniform Housing Affordability Control	5
8890-179	2009 Discharges	5
8890-184	Title Insurance Underwriting Require	5
8890-372	Raritan Valley Habitat for Humanity	5
8890-373	Raritan Valley Habitat for Humanity	5
8890-391	Raritan Valley Habitat for Humanity	5
8890-392	Raritan Valley Habitat for Humanity	5
8890-393	Condominium Developments Losing FHA	5
8890-398	Crossroads Condominium Association	5
8890-399	- Expiration of COAH Controls	5
8890-407	Crossroads at Bridgewater Delinquency	5
8890-408	Forms & Documents	5
8890-409	Stratford Place Condominium Assoc.	5
8890-415	Revised COAH Spending Plan	5
8890-416	Raritan Valley Habitat for Humanity	5
8890-417	Crossroads Condominium Association, Inc. - Resolution App	5
8890-420	---Inactive--- Raritan Valley Habitat for Humanity	5
8890-504	RPM Development Group Proposal for	5
8890-514	Third Round COAH Rules 2014	5
8890-516	Subordination & Discharges 2012	5
8890-517	Subordination & Discharges 2013	5
8890-518	Subordination & Discharges 2014	5
8890-519	Subordination & Discharges 2015	5
8890-601	Recapture COAH Units	5
8890-115	Retaining Affordable	6
8990-602	Zolcinski and PannymacLo	6
8890-195	Lease of Affordable	6
8890-371	Preserving Affordable	6
8890-377	Sale Bl. 357, Lot 106	6
8890-388	(Deceased) Retain	6
8890-400	Tarae from Raritan	6
8890-403	Transfer of Title	6
8890-410	Shariff	6
8890-411	Latecia from Raritan Valley Habitat	6
8890-412	Sandy from Raritan Valley Habitat	6

**ASSISTED LIVING/ALTERNATIVE LIVING PROJECTS THAT CONTRIBUTE TO SATISFACTION OF BRIDGEWATER TOWNSHIP'S NEED**

Kirkside Senior Housing was granted a carry-over of 5 surplus units from Round 2 by COAH. The age-restricted rental is known as Block 415 Lot 3. The site is located at 209 Route 28.

Centerbridge II has a total of 172 units which were improved and rented on a floor-by-floor basis. COAH authorized a carryover of some credits to Round 3. The balance of credits developed after the certification (45) was applied to Round 3. The property is known as Block 514 Lot 7 and the site is located at 459 Shasta Drive. This is a unique age-restricted community.

Stratton Meadows was granted a carry-over of surplus units from Round 2 by COAH. The property is known as Block 174 Lot 2001 and the site is located at 1 Meghan Lane. Stratton Meadows has 97 for sale family units.

Loft Farms was granted a carry-over for surplus units from Round 2 by COAH. The property is known as Block 802.02 Lot 2000 and the site is located at 740 Chimney Rock Road. Loft Farms has 17 for sale family units.

Cambridge is more specifically known as Block 618 Lot 80 and is located at 1159 Cambridge Lane. The property has a special needs home.

Cerebral Palsy Property of Middlesex is more specifically known as Block 418 Lot 67 and is located at 529 Stony Brook Lane. The property supports a special needs group home which has 6 affordable unit bedrooms.

Allies is more specifically known as Block 152 Lot 18 and is located at 30 Perry Drive. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Easter Seals is more specifically known as Block 416 Lot 28 and is located at 279 Route 28. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Pearl Street is more specifically known as Block 255 Lot 16 and located at 132 Pearl Street. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Coop Housing Corp 1 is more specifically known as Block 515 Lot 2 and is located at 1404 Prince Rodgers Road. The property has 5 affordable unit bedrooms and is an age-restricted rental group home.

Whitney House, located within the 6<sup>th</sup> Avenue Redevelopment Area, was originally created by a land donation by Bridgewater Township to the Habitat for Humanity. This is a special needs group home that has 3 affordable unit bedrooms.

CHC 2-AWS Foundation is more specifically known as Block 515 Lot 3 and is located at

1402 Prince Rodgers Road. The property has 5 affordable unit bedrooms and is an age-restricted rental group home.

CHC 3-AWS Foundation is more specifically known as Block 512 Lot 3 and is located at 946 Seventh Avenue. The property has 5 affordable unit bedrooms and is an age-restricted rental group home.

Coop Housing Corp 4 is more specifically known as Block 512 Lot 1 and is located at 950 Seventh Avenue. The property has 5 affordable units and is an age-restricted rental group home.

Arbor Glen Friends Retirement/Holly Center –Assisted Living facility is more specifically known as Block 206 Lot 5 and is located at 100 Monroe Street. According to the facility director, the assisted living component of ‘Friends/Holly Center’ has 64 resident beds in the assisted living facility. The license number for this assisted living facility is 80a000.

Chelsea at Bridgewater-Assisted Living is more specifically known as Block 532 Lot 28 and is located at 680 Route 202/206. The property has 115 resident units and states 12 Medicaid affordable resident units within the assisted living facility. The license number for this assisted living facility is 80A007.

Brandywine-Assisted Living is more specifically known as Block 821 Lot 24 and is located at 2005 Route 22. The property has 128 units and states more than 13 resident Medicaid affordable units within the assisted living facility. The license number for this assisted living facility is 80A004.

Sunrise Assisted Living is more specifically known as Block 400 Lot 5.04 and is located at 390 Route 22. The project has been approved by the Planning Board and is currently in the municipal permitting stage of construction. The assisted living facility will have 8 affordable units.

Care One Assisted Living is more specifically known as Block 800 Lot 8 and is located at 1621 Route 22. The facility has 72 assisted living units and the facility has 7 affordable assisted living units. The license number for this assisted living facility is 18A105.

N.J. Eastern Star Home is more specifically known as Block 252 Lot2-ex and is located on Finderne Avenue. The Residential Health care facility addition was recently added to the building. Eastern Star Home has 11 affordable assisted living beds. The license number for this facility is 031804.

Avalon at Bridgewater is more specifically known as Block 400 Lot24 and is located on Route 28. The assisted living facility has 74 units and has 7 affordable assisted living beds. The license number for this facility is 80A006.

ADTI 2 is more specifically known as Block 141 Lot 11 and is located at 76 Brahma Avenue. The property furnishes support for special needs in a group home setting. The building has 16 affordable unit bedrooms.

Advoserve I-87 is more specifically known as Block 249 Lot 19 and is located at 87

Finderne Avenue. The property furnishes support for special needs in a group home setting. The building has 10 affordable unit bedrooms.

Advoserve II-Severin is more specifically known as Block 720 Lot 1 and is located at 993 Severin Drive. The property furnishes support for special needs in a group home setting. The building has 10 affordable unit bedrooms.

Advoserve IV-685 is more specifically known as Block 549 Lot 23 and is located at 685 Foothill Road. The property furnishes support for special needs in a group home setting. The building has 5 affordable unit bedrooms.

Advoserve V-566 is more specifically known as Block 718 Lot 210 and is located at 566 Foothill Road. The property furnishes support for special needs in a group home setting. The building has 3 affordable unit bedrooms.

Advoserve VI-444 is more specifically known as Block 411 Lot 33.02 and is located at 444 Country Club Road. The property furnishes support for special needs in a group home setting. The building has 3 affordable unit bedrooms.

Somerset Homes -3<sup>rd</sup> Ave. is more specifically known as Block 507 Lot 4 and is located at #5 Third Avenue. The property furnishes support for special needs in a group home setting. The building has 5 affordable unit bedrooms.

Alternatives is more specifically known as Block 201 Lot 4 and the property is located at 293 Grove Street. The property furnishes support for special needs in a group home setting. The building has 8 affordable unit bedrooms.

ARC-Somerset County 3 (formerly known as United Cerebral Palsy) is more specifically known as Block 164 Lot 2711 and is located at 2711 Lindsley Road. The property furnishes support for special needs in a group home setting. The building has 5 affordable unit bedrooms.

Federation MC of NJ is more specifically known as Block 374 Lot 18 and is located at 845 Hawthorne Avenue. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Delta Comm. Supports 2 is more specifically known as Block 442 Lot 15 and is located at 208 Reynard Road. The property furnishes support for special needs in a group home setting. The building has 5 affordable unit bedrooms.

Delta Comm. Supports 3 is more specifically known as Block 163 Lot 1.01 and is located at 731 Route 202. The property furnishes support for special needs in a group home setting. The building has 5 affordable unit bedrooms.

Habitat for Humanity is a family for-sale community of 9 independent homes. Bridgewater has supported the development of the community by contributing to the infrastructure costs and continues to underwrite the cost for maintenance of the detention basin.

Our House is more specifically known as Block 429 Lot 37 and is located at 230 Helfred's Landing. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Burning Bush is more specifically known as Block 463 Lot 7 and is located at 694 Burning Bush Road. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Stevens Land Group is more specifically known as Block 802.01 Lot 142 and is located at 39 Stevens Lane. The property furnishes support for special needs in a group home setting. The building has 2 affordable unit bedrooms.

Woodmont Conversion is more specifically known as Block 477 Lots 10-14, 16 and is an apartment complex located at Route 202/206. The property has 20 affordable family rental units.

Somerset Homes (another) is more specifically known as Block 222 Lot 15 and is located at 5 Stanford Drive. The property has is a special needs home with 1 affordable unit.

Bridge House #8 is more specifically known as Block 508 Lot 18 and is located at #8 Third Avenue. The property furnishes support for special needs in a group home setting. The building has 2 affordable unit bedrooms.

Bonnie Brae Home is more specifically known as Block 400 Lot 39 and is located at 453 Route 28. The property furnishes support for special needs in a group home setting. The building has 4 affordable unit bedrooms.

Somerset Homes is more specifically known as Block 142 Lot 30 and is located at 49 Brahma Avenue. The property furnishes support for special needs in a group home setting. The building has 16 affordable unit bedrooms.

Bridge House 2 is more specifically known as Block 508 Lot 4.01 and is located at #8 Fourth Avenue. The property furnishes support for special needs in a group home setting. The building has 10 affordable unit bedrooms.

**CHAPTER 93 MIX REQUIREMENTS.** The following parameters and requirements are established in Chapter 93 as minimum and maximum allowable components are recognized in the Housing Element and Fair Share Plan.

- Rental unit obligation (min.): 25% (N.J.A.C. 5:93-5.15(a))
- Age-restricted unit (max.): 25% (N.J.A.C. 5:93-5.14(a))
- RCA (max.): 50% (N.J.A.C. 5:93-5-6.1(a)1.) [THIS IS NOT APPLICBLE]
- Rental Bonus (max.): Up to 25% min. requirement (N.J.A.C. 5:93-5.15):
  - Two (2.0) units of credit for units available to the general public N.J.A.C. 5:93-5.15(d)1; and
  - 1.33 units of credit for age-restricted rental units; up to 50% of the minimum rental obligation as per N.J.A.C. 5:93-5.15(a), above (N.J.A.C. 5:93-5.15(d)2).

Rental bonuses shall be granted for rental units constructed or units that have received a firm commitment for construction, provided that the units conform to the following standards (N.J.A.C. 5:93-5.15(d)):

- N.J.A.C. 5:93-5.8(d) – If alternative living arrangement, affordability controls shall remain in effect for 30 years (COAH’s policy has been that it will honor restrictions with Div. Developmental Disabilities for periods less than 30 years)
- N.J.A.C. 5:93-5.9(d) – If accessory apartment, affordability controls shall be for 30 years; [THIS IS NOT APPLICABLE]
- N.J.A.C. 5:93-7 – These are the “Inclusionary zoning” standards in the regulations that require a minimum of one-half of the units be affordable to low-income households, a bedroom mix (1-BR/efficiency units: 20% max; at least 30% 2-BR units; at least 20% 3-BR units, except for age-restricted units provided that the number of units equals the number of bedrooms), and that affordable units must conform to affordability controls and pricing (rents or sales prices):

## **CONTENTS OF THE HOUSING PLAN**

The Municipal Land Use Law and the FHA identify requirements for preparation of a Housing Plan. Section 10 of P.L.1985, c.222 (C.52:27D-310 and N.J.S.A. 40:55D-28.b(3) identifies contents of a Housing Plan:

- Include residential standards and*
- Proposals for the construction and improvement of housing.*

The FHA content of a Housing Plan is prepared pursuant to aspects of N.J.S.A. 52:27D as follows:  
AN INVENTORY OF THE MUNICIPALITY'S HOUSING *stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated.*

TABLE 1 identifies the units in a structure. According to the 2010 Census, the Township had 15,994 housing units. The Township consists primarily of one-family, detached dwellings (67.7% of the total, compared to 58.9% in the County).

**TABLE 1: Units in Structure**

<b>Units in Structure</b>	<b>Total</b>	<b>Percent</b>
1, detached units	10,831	67.7
1, attached units	2,043	12.8
2 units	282	1.8
3 or 4 units	588	3.7
5-9 units	903	5.6
10-19 units	484	3.0
20 or more units	830	5.2
Mobile homes	33	0.2
<b>Total</b>	<b>15,994</b>	<b>100</b>

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 2 presents the data concerning the year housing units were built 1980-1999 were the most transformative years for the Township. During that 20-year period, 6,682 units, or 41.4% of all housing units the Township were constructed. Between 1960 and 1979, 4,633 units were built in the township, which accounts for 28.9% of all housing unit in the Township. Therefore, over 70% of the housing units in Bridgewater were constructed between 1960 and 1999.

**TABLE 2: Year Structure Built**

<b>Year Structure Built</b>	<b>Total</b>	<b>Percentage</b>
TOTAL	15,994	
2010 later	34	0.2
2000-2009	867	5.4
1990-1999	3853	24.1
1980-1989	2829	17.7
1970-1979	1638	10.2
1960-1969	2995	18.7
1950-1959	2337	14.6
1940-1949	583	3.6
Pre-1940	858	5.4

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 3 compares the year of construction for all dwelling units in the Township to Somerset County and the State. The Township has a much larger percentage of units built between 1990 and 1999 than does the County or State, and a smaller percentage of units built for all previous years. Other years also showed increases, but the county showed extraordinary growth during the years of 1980 and 1989.

**TABLE 3: Comparison of Year of Construction for Township, County, and State**

<b>Year Built</b>	<b>%</b>		
	<b>Bridgewater Township</b>	<b>Somerset County</b>	<b>New Jersey</b>
2010 and later	0.2	-	-
2000 – 2010	5.4	3.5	8.4
1990 – 1999	24.1	7.0	8.9
1980 – 1989	17.7	70.1	11.6
1970 – 1979	10.2	4.1	13.0
1960 – 1969	18.7	5.0	14.2
1950 – 1959	14.6	4.4	16.1
1940 – 1949	3.6	1.9	8.9
Pre-1940	5.4	4.1	18.9

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*



TABLE 4 provides a historical account of certificates of occupancies and demolitions permits that have been issued in Bridgewater over the course of several years. The historical trend demonstrates that the 2004-2015 round of construction activity is ¼ of the construction timeframe of 1995-2003. The steep downward trend for a lackluster building economy validates the several rounds of the legislature's extension of the Permit Extension Act.

**TABLE 4**  
**Certificates of Occupancy 1995 - 2015) and Demolitions (1997 - 2016)**

Units Description	1995	1996	1997	1998	1999	2000	2001	2002	2003	Avg per Year
Demolitions	-	-	19	18	18	26	16	25	14	19.4 /yr
Total non-age restricted market CO's Issued	298	424	468	283	106	66	71	28	50	199/yr.

*Source: Bridgewater Township Construction Code Official*

Units Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Avg per Year
Demolitions	12	24	37	16	8	11	10	10	8	11	7	18	17	14.5 /yr
Total non-age restricted market CO's Issued	7	36	82	69	66	43	30	10	112	22	23	17	-	40/yr.

*Source: Bridgewater Township Construction Code Official's Office*

TABLE 5 provides a window into the bedroom mix which is available in the Bridgewater housing stock. Approximately 74% of the dwellings have three or more bedrooms. The balance 25.9% is constituted by efficiency (zero bedrooms), one and two bedroom units. Although small by actual numbers, the two-bedroom units are almost three times that of the one bedroom units. Efficiency apartments are very scarce.

**TABLE 5: Number of Bedrooms per Unit**

Number of Bedrooms	Total Units	(%)
No bedroom	208	1.3
1 bedroom	994	6.2
2 bedrooms	2,956	18.5
3 bedrooms	5,431	34.0
4 bedrooms	5,195	32.5
5+ bedrooms	1,210	7.6

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 6 shows the distribution of bedrooms per unit. Table 6, indicates that the Township contains dramatically more four or more bedroom units than the County or State and fewer of the zero to three bedroom units than either the County or State.

**TABLE 6: Percentage of All Units by Number of Bedrooms**

<b>Jurisdiction</b>	<b>None or one</b>	<b>Two or Three</b>	<b>Four or More</b>
Bridgewater Township	7.5	52.5	40.1
Somerset County	11.6	54.3	34.1
New Jersey	17.1	58.4	24.4

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

In addition to data concerning occupancy characteristics, the 2010 Census includes a number of indicators, or surrogates, which relate to the condition of the housing stock. These indicators are used in calculating a municipality's deteriorated units and indigenous need. In the first Two Rounds of COAH's fair share allocations (1987-1999), COAH used seven indicators to calculate indigenous need: age of dwelling; plumbing facilities; kitchen facilities; persons per room; heating fuel; sewer; and, water. In the proposed Round Three rules, not adopted, these indicators have been reduced to three indicators, which in addition to age of unit (Pre-1940 units), are the following. It is important to note that all existing affordable units in Rounds 1 and 2 and all proposed affordable units in Round 3 are to be served by public water and public sewers.

*Plumbing Facilities:* Inadequate plumbing is indicated by either a lack of exclusive use of plumbing or incomplete plumbing facilities.

*Kitchen Facilities:* Inadequate kitchen facilities are indicated by shared use of a kitchen or the non-presence of a sink with piped water, a stove, or a refrigerator.

*Overcrowding:* The overcrowding number is offered by the author with a data source noted below.

TABLE 7 compares the Township, County, and State for the above indicators of housing quality. The Township has fewer units with inadequate kitchen or plumbing and fewer overcrowded units than the County or State.

**TABLE 7: Housing Quality for Township, County, and State**

Condition	%		
	Bridgewater Township	Somerset County	New Jersey
Overcrowding <sup>2</sup>	0.3	1.5	3.2
Inadequate plumbing <sup>1</sup>	0.0	0.3	0.5
Inadequate kitchen <sup>1</sup>	1.1	0.8	0.7

Notes: <sup>1</sup>The universe for these factors is all housing units.

<sup>2</sup>The overcrowding condition is noted here as 1.51 persons per room in a housing unit

Source: 2010 U.S. Census, for Township, ACS 5-year estimates

TABLE 8. The data in Table 8 indicate the median gross rental units form the 2010 Census.

**TABLE 8: Median Gross Monthly Rent**

Median Gross Monthly Rent	Median Gross Monthly Rent
Bridgewater	\$1,675.00

Source: 2010 U.S. Census, for Bridgewater Township

TABLE 9 compares the Township's average household size for all occupied units, owner-occupied units, and renter-occupied units to those of the County and State. The Township's average household size for owner-occupied and renter-occupied units is lower than those of the State and County.

**TABLE 9: Average Household Size for Occupied Units for Township, County, and State**

Jurisdiction	All Occupied Units
Bridgewater Township	2.86
Somerset County	2.71
New Jersey	2.68

Source: 2000 U.S. Census, SF-1 for Township, County, and State, ACS DP-1.

TABLE 10 provides information reported in the 2010 Census concerning occupancy characteristics. The data include the unoccupied and occupied housing units by tenure. Owner-occupied units are clearly dominant over renter-occupied units. This speaks to the overall nature of ownership in Bridgewater, but does not necessarily address the matter of ownership vs. renters for those of low and moderate incomes. The regulations spread the availability across renter and owner, and income levels. Bridgewater has funds it intends to use if there is shown a need for a different proportion of housing stock that is unmet by the factors in the current regulations.

**TABLE 10: Occupied Housing Units by Tenure**

Households	Percentage
Occupied Housing Units	96.7%
Owner Occupied Units	84.1%
Renter Occupied Units	15.9%

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 11 below shows the population growth since 1980 and a comparison to Somerset County growth. The county growth (estimated by the American Community Survey (ACS) is very gradual. Bridgewater's growth, however, does not exhibit an upswing. The population exhibit a slight decline since 2012.

**TABLE 11: Population**

Year	Bridgewater Population	% Change	Somerset County Population	% Change
1980	29,275		-	
1990	32,509	11.0%	-	
2000	42,940	32%	-	
2010	44,717	0.0%	8,803, 580	
*2011	44,722	0.0%	8,842,614	0.4%
*2012	45,121	0.9%	8,876,000	0.4%
*2013	45,079	-0.1%	8,911,502	0.4%
*2014	44,903	-0.4%	8,938,175	0.3%

*\*Source: U.S. Census Bureau, Population Division, Release Date 5/ 21, 2015*

TABLE 12. As characterized in percentages, the population projections show an increase in population from 1980 through 2012; Bridgewater is shown to lose population since then.

**TABLE 12: Population Percentages**

Year	Bridgewater Percentage Population Increase	Somerset County Percentage Population Increase
1980	-	-
1990	11.05	-
2000	32.09	-
2010	4.14	-
*2011	0.01	0.44
*2012	0.89	0.38
*2013	-0.09	0.4
*2014	-0.39	0.3

*\*Source: U.S. Census Bureau, Population Division, Release Date 5/ 21, 2015*

TABLE 13. The sex and age distribution of the Township's residents are shown in Table 13. The Township's female population is predominant in adult age groups in all categories of age.

**TABLE 13: Population by Age**

<b>Sex and Age</b>	<b>Total Persons</b>	<b>Percent</b>
Total Male	21,238	47.5
Total Female	23,479	52.5
For persons 18 years and older		
Male 18 years and older	15,590	46.3
Sex and Age	Total Persons	Percent
Female 18 years and older	18,091	53.7
For persons 65 years and older		
Male 65 years and older	2,465	38.1
Female 65 years and older	4,010	61.9
<b>Total Population</b>	<b>44,717</b>	

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 14: Age distribution data is shown on Table 14 for the Township, the County and the State. The principal differences among the Township, County, and State occur in the 5-19 and 35-54 where the Township has more population than the County or State. However the Township has a fewer percentage of persons in the 20-34 age groups than are attributed to the County or State. Bridgewater has a higher percentage of seniors as compared to the County and the state, which speaks to the potential for the need to offer housing and amenities geared to seniors.

**TABLE 14: Comparison of Age Distribution for Township, County, and State  
(% of persons)**

<b>Age</b>	<b>Bridgewater Township</b>	<b>Somerset County</b>	<b>New Jersey</b>
0-4	5.0	6.3	6.3
5 – 19	22.1	21.1	20.1
20 – 34	12.5	15.8	18.6
35 – 54	34.2	33.7	30.3
55 – 69	13.7	14.7	15.1
70 +	12.5	8.6	9.5
Median Age	42.1	39.7	38.5

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 15 highlights the new resident profile of the township. Approximately 65.8% of householders moved into their unit between 1990 and after 2010. Only 23.6% of the resident community moved into their unit before 1990. This does not account for relocations within the Township.

**TABLE 15 Year Householder Moved into Unit**

<b>Description</b>	<b>Estimate</b>	<b>Percentage</b>
Occupied units	15,381	100
Moved in 2010 or later	1,619	10.5
Moved in 2000 to 2009	6,351	41.3
Moved in 1990 to 1999	3,763	24.5
Moved in 1980 to 1989	1,790	11.6
Moved in 1970 to 1979	930	6.0
Moved in 1969 or earlier	928	6.0

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates DP-04*

TABLE 16 below provides the Census data on persons per room. This speaks to the issue of overcrowding which is a component related to the need for affordable housing units and is ultimately reflected in the required obligation of 1414 units.

**TABLE 16: Occupants Per Room**

<b>Occupants Per Room</b>	<b>Number of Units</b>	<b>Percent</b>
Occupied Housing Units	15, 381	
1.00 or less	15,114	98.3
1.01 to 1.5 persons	223	1.4
1.51 or more	44	0.3

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

TABLE 17 provides the demographic which shows that married couples are the major component of township housing needs; however, almost one-quarter of the households in Bridgewater are non-family, which demonstrates the potential for smaller unit sizes.

**TABLE 17: Persons by Household Type and Relationship**

	<b>Estimate Total</b>	<b>Percent</b>
<b>Family Households:</b>	<b>15831</b>	
<i>Married Couples</i>	9827	63.9
<b>In Non-Family Households:</b>	<b>3808</b>	<b>24.8</b>
<b>Male householder:</b>		
Living without spouse	334	2.2
Living with children<18 yrs,	202	1.3
<b>Female householder:</b>		
Living without spouse	1412	9.2
Living with children<18 yrs	615	4.0

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

TABLE 18 provides 2010 income data for the Township, County, and State. The Township's per capita and median incomes are higher than those of the State and County for household income.

**TABLE 18: 2013 Inflation Adjusted Income for Township, County, and State**

<b>Jurisdiction</b>	<b>Per Capita Income (Dollars)</b>	<b>Median Income (Dollars)</b>	
		<b>Households (Dollars)</b>	<b>Families (Dollars)</b>
Bridgewater Township	48,121	113,654	130,704
Somerset County	47,067	97,440	115,214
New Jersey	34,858	69,811	84,904

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

TABLE 19 addresses the lower end of the income spectrum by providing data on poverty levels for persons and families. According to the data, the Township has significantly less persons and fewer families that qualify for poverty status than do those in the County or State.

**TABLE 19: Poverty Status for Persons and Families for Township**

<b>Jurisdiction</b>	<b>Persons (%)</b>	<b>Families (%)</b>
Bridgewater Township	3.9	2.8
Somerset County	34.1	31.1
New Jersey	27	30.5

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

TABLE 20 compares the educational attainment for Township, County, and State residents. The data indicates that the educational attainment for Township residents exceeds the County and State. The level of education often, but not always, is reflected in income levels. Bridgewater has a bachelor's degree or higher educational level that is almost 50% higher than that of the state.

**TABLE 20: Educational Attainment for Township, County, and State Residents  
(Persons 25 years and over)**

<b>Jurisdiction</b>	<b>Percent (%) high school graduates or higher</b>	<b>Percent (%) with bachelor's degree or higher</b>
Bridgewater Township	95.2	56.1
Somerset County	94.7	53.8
New Jersey	90.1	37.8

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

TABLE 21: The 2010 Census also provides data on the means of transportation which people use to reach their place of work. The Table compares the Census data for the Township, County, and State relative to driving alone, carpooling, using public transit, and using other means of transportation. The Township has a relatively high percentage of those who drive alone, and a relatively low percentage of workers who carpool or use public transit. Of the workers who reside in the Township, 5.7% of these workers work at home and 1.5% of these workers walk to their place of work.

**TABLE 21: Means of Transportation to Work for Township, County and State Residents  
(Workers 16 years old and over)**

<b>Jurisdiction</b>	<b>Percent who drive alone</b>	<b>Percent who ride in carpools</b>	<b>Percent who use public transit</b>	<b>Percent who use other means</b>
Bridgewater Twp	82.6	5.8	3.7	2.3
Somerset County	78.1	9.3	5.4	7.1
New Jersey	71.6	9	10.6	8.8

*Source: 2010 U.S. Census, for Township, ACS 5-year estimates*

TABLE 22: Eligibility for affordable housing units is based on income and the number of persons in the household. The chart below is for the year 2015 because COAH has not been functional and no amended income levels have been adopted. Below are the incomes for the most recent timeframe available:



**TABLE 22: Income Eligibility Requirements**

No. of persons in household	Maximum Annual Income Very Low-Income Units	Maximum Annual Income Low-Income Units	Maximum Annual Income Moderate-Income Units
1	22,050	36,750	58,800
2	25,200	42,000	67,200
3	28,350	47,250	75,600
4	31,500	52,500	84,000
5	34,020	56,700	90,720
6	36,540	60,900	97,440

B. A PROJECTION OF THE MUNICIPALITY'S HOUSING STOCK, *including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands.*

Bridgewater's Construction Code Official has a long-standing history with the township and estimates that there will be approximately 200 single family dwellings and 620 to 800 multifamily dwellings constructed to the end of 2025. His personal knowledge and background is viewed as a reliable projection over applying mathematical multipliers. Projections of low and moderate income units has a direct relationship to the township's diligence in requiring affordable units for multifamily projects, particularly focused on increasing density proportions for low income units when use variances are sought. Most multifamily dwelling applications are projected to be use variance applications.

Bridgewater has already built or has approved sufficient units to meet the required affordable housing obligation in Round 3. Already approved is the Eden Woods project of 220 rental units. The Center of Excellence is a Redevelopment project which authorizes another 400 rental units. Currently before the Zoning Board of Adjustment is an application for a broad range of services in an age-restricted rental housing community of approximately 220 units.

### **REHABILITATION IN THE THIRD ROUND FAIR SHARE PLAN - N.J.A.C. 5:93-5.2**

Bridgewater Township completed Rehabilitation Obligation in 2004 which were applicable to Round 3. In order to rehabilitate housing units, Bridgewater was required to secure approval to spend funds from the *Affordable Housing Trust Fund*. Bridgewater had does its best to offer needed rehabilitation. The impediment to performing these services has been that our request for approval of the *Affordable Housing Trust Fund Spending Plan* which was not responded to by COAH. COAH released funds for the limited purpose of emergency repairs. Therefore, Bridgewater is confined in its effort to have a robust outreach for rehabilitation project. Without full release approval, Bridgewater is

currently barred from spending from the *Affordable Housing Trust Fund*. Bridgewater has sufficient funds set aside to provide rehabilitation, and will be able to process applications for Round 3 if the Court permits the township to apply for release of these funds for that purpose. To reiterate Bridgewater's plea to the Court: *The Township asks for authority from the Court to finalize and submit its Affordable Housing Trust Fund Spending Plan for approval to rehabilitate at least 115 dwellings for Round 3, in accordance with the Township's Spending Plan.*

Bridgewater conformed to the requirements of N.J.A.C. 5:94-4 for its Rounds 1 and 2. The average capital costs of the rehabilitation units are at least \$10,000.00 per unit, and \$8,000 has been expended for improvement hard-costs. It is understood that according to N.J.A.C. 5:94-3.2, Bridgewater Township may only receive affordable housing credit for its rehabilitation share, but not for rehabilitation units exceeding a township's required share. Bridgewater will advertise and publish to alert residents of the availability of funds to provide rehabilitation construction work on dwellings in strict conformance with COAH guidelines. Bridgewater will budget at least \$2,000,000 from its Funding Trust to the rehabilitation program which is sufficient to rehabilitate 115 units.

### **STRATEGIES FOR A COMPLIANCE PROGRAM FOR AFFORDABLE UNITS**

There are several programs which will secure, enhance and support Bridgewater's affordable housing program. Although not all of these measures are discussed in the context of satisfying the needs Round 3, all measures may be initiated during Round 3 if an opportunity arises to add yet more units to its affordable housing inventory for the period of Round 4.

#### **1. NEW CONSTRUCTION- N.J.A.C. 5:93-5.3**

Create new low and moderate income units within their borders by sponsoring their construction, with or without a non-profit corporation, or by zoning sites for inclusionary development if the opportunity arises.

This strategy has been used principally in conjunction with redevelopment; however, Bridgewater has purchased land for the expressed purpose of providing affordable housing, to be used when the need for additional units arises. A listing of these sites is provided for the purpose of demonstrating that Bridgewater is prepared to provide even more affordable housing units as the need or demand presents itself.

#### **2. CONSTRUCTION IN CONFORMANCE WITH THE STATE DEVELOPMENT AND REDEVELOPMENT PLAN (SDRP)- N.J.A.C. 5:93-5.4(B)**

Bridgewater has four redevelopment areas. These are the 6<sup>th</sup> Avenue Redevelopment Tract, the commercial area known as the Bridgewater Commons, the Eden Woods/Weyerhaeuser tract and a portion of the former sanofi-aventis R&D site (known as the Center of Excellence) for which a Redevelopment Plan was prepared and a companion zoning ordinance has been adopted by the Township Council.

The Bridgewater Commons redevelopment does not include a residential component.

The 6<sup>th</sup> Avenue Redevelopment Tract was developed as a mixed use project that included commercial areas, market units as well as income affordable age restricted rental units and group and supportive homes.

As encouraged for Planning Area 1 areas, the Council encouraged inclusionary development within centers. The Eden Woods site is within the Regional Center which is comprised of Bridgewater Township, Somerville Borough and Raritan Borough. Bridgewater has designated the Eden Woods site as a redevelopment area and adopted ordinance restrictions which included an inclusionary of 20% for affordable housing. The 220 unit project will provide a total of 44 very low, low and moderate income rental units.

Another redevelopment area has been designated. The Bridgewater Township Council adopted a Resolution designating a portion of Block 483/Lots 17, 18 and 19, commonly referred to as the 'sanofi-aventis' property or the Center of Excellence, as an *area in need of redevelopment*. This designation was given in accordance with criteria set forth in N.J.S.A. 40A:12A-1, et seq., The portion of the three lots that make up approximately 61.95 acres. This development opportunity will also aid in satisfying any unmet need for the Third Round. The project is required to provide a total of 40 very low, low and moderate income rental units.

### 3. MUNICIPALLY SPONSORED CONSTRUCTION AND REHABILITATION- N.J.A.C. 5:93-5.5(A)

The Villages III Project is within an existing inclusionary zone within the Regional Center and has been developed in full conformance with the requirements of COAH. This land supports an area which is vacant and eligible for the construction of additional housing. The owner has constructed 6 affordable with municipal-sponsored support. 6 units are for very low income families. Funds were provided by the township to support this construction.

### 4. ZONING FOR INCLUSIONARY DEVELOPMENT – N.J.A.C. 5:93-5.6

The 18.48 acre Eden Woods/Weyerhaeuser site is located in the Finderne section of the township and currently contains an industrial building, which was used for warehousing, and also contains an office building which has not been occupied for several years. The property is in the Regional Center and was also designated as an 'area in need of redevelopment' and the resulting Redevelopment Plan was adopted for 220 rental apartments, of which there was a 20% set aside for affordable rentals. The resulting density is 12 dwelling units per acre.

Future development should be consistent with a negotiated agreement for the obligation to provide affordable housing. Some language, that is also the subject of a Fair Share Housing Committee agreement, is offered for consideration here.

The township shall consider an adoption of an ordinance providing for the amendment of the Township's Affordable Housing Ordinance so as to establish zoning standards that provide for future inclusionary zoning.

*The zoning standards that provide for an inclusionary zoning requirement on future multifamily development of five (5) or more units in the Township developed through planning board or zoning board approval, redevelopment or rehabilitation plan should provide a set-aside of at least 15 percent for all units in rental developments as affordable, and 20 percent of all units in for-sale developments as affordable, with at least 50% of the units in each development being affordable to low-income households including 13 percent in rental developments affordable to very-low income households, with all such affordable units including the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, and all other applicable law.*

Further recommended is that there be language in the ordinance that would make it not possible to subdivide the land into smaller parcels in order to avoid the threshold for providing these affordable units.

#### 5. ALTERNATIVE LIVING ARRANGEMENTS –N.J.A.C. 5:93-5.8

Group homes, supportive housing and transitional facilities for the homeless have been incorporated into the Housing Element and Fair Share Plan. Active alternative living arrangement dwellings may also be a subject of future development for affordable housing, if the opportunity arises. As a New Jersey State and Bridgewater partnership agreement, there are three properties that were purchased for affordable housing, but purchase of more units may be explored for this purpose in the future.

#### 6. INFRASTRUCTURE IMPROVEMENTS

Bridgewater may seek to improve the roadways within affordable housing communities to bring the access roads to RSIS standards. The funds would be used to support a 100% affordable project, which is an eligible activity for the use of Development fees. This would be done if there is need expressed for an affordable housing community.

### **SHORTFALL OF FUNDING**

In compliance with N.J.A.C. 5:94-4.2, Bridgewater Township must submit to COAH a municipal resolution that appropriates funds for affordable housing from a general reserve should there be an unexpected shortfall of funds from the developer fees. With the rehabilitation projects completed and those that will be authorized by the court to get underway, Bridgewater Township will meet its rehabilitation requirement. Bridgewater has adequate funds to rehabilitate the required 115 dwellings. These facts indicate that Bridgewater Township is not likely to suffer a shortfall of funds in meeting its 3<sup>rd</sup> Round Housing requirement. Should such an instance occur, however, the Township will bond to meet the expenses necessary to meet its affordable housing obligation.