

AMENDED

HOUSING ELEMENT AND

FAIR SHARE PLAN

Town of Harrison
Hudson County, New Jersey

July 2017

Adopted December 14, 2017

Amended December 2019 and Adopted December 17, 2019

Amended April 2020 and Adopted May 11, 2020

Amended May 10, 2021 and Adopted May 26, 2021

Prepared by:



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

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The original of this report was signed and
Sealed in accordance with N.J.S.A. 45:14A-12.

A handwritten signature in black ink that reads "Susan S. Gruel". Below the signature, the name "Susan S. Gruel, P.P. #1955" is printed in a smaller, sans-serif font.

A handwritten signature in black ink that reads "M. McKinley Mertz". Below the signature, the name "M. McKinley Mertz A.I.C.P., P.P. #6368" is printed in a smaller, sans-serif font.

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Appendix E	ASH Affordable Senior Housing Zone Documentation <ul style="list-style-type: none">• Ordinance #1404 amending Land Development Ordinance to include provisions for the ASH Affordable Senior Housing Zone
Appendix F	Waterfront Redevelopment Area Documentation <ul style="list-style-type: none">• Ordinance #1414 amending Waterfront Redevelopment Plan
Appendix G	100% Affordable Development Documentation <ul style="list-style-type: none">• Ordinance #1429 providing funding for the purchase of Lots 6 and 10 in Block 196 for the purpose of developing 100% affordable housing (Adopted December 15, 2020)• Resolution #2021-56 appropriating funds in the event of a shortfall in funding for the Town's affordable housing programs (Adopted March 16, 2021)
Appendix H	2021 Adopted and Court-Approved Spending Plan

PART 1: HOUSING ELEMENT

INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's densest state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel, (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that municipalities in New Jersey have a constitutional obligation to zone for a variety and choice of housing types that would be affordable to low- and moderate-income households. In its Mount Laurel II decision, decided on January 20, 1983 (Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by determining that each New Jersey municipality was required to create a realistic opportunity for the construction of housing affordable to low- and moderate-income households sufficient to meet its "fair share" of the need for housing. Developing municipalities were required to address a fair share of the regional need for affordable housing.

In response to the threat of "builder's remedy" lawsuits endorsed by the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222, Laws Of New Jersey, 1985). The New Jersey Fair Housing Act (FHA) established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

In 2008, the Legislature amended the Fair Housing Act to add requirements for very-low-income housing. Very-low-income households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50 percent of the region's median household income. Moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

This Housing Element and Fair Share Plan for the Town of Harrison has been prepared in accordance with applicable law. Moreover, the Borough filed a declaratory judgment action pursuant to In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) ("Mount Laurel IV"). In this decision (decided March 10, 2015), the Supreme Court held that since COAH was moribund, trial courts were to resume their role as the forum of first

instance for evaluating municipal compliance with Mount Laurel obligations, and also established a transitional process for municipalities to seek temporary immunity and ultimately a Judgment of Compliance and Repose ("JOR") or the "judicial equivalent" of Substantive Certification from COAH.

Harrison's History of Affordable Housing

The Harrison Planning Board adopted a Round 3 Housing Element and Fair Share Plan on December 11, 2008 ("2008 Plan"), and on December 30, 2008 petitioned COAH for substantive certification. The Town was deemed complete on February 19, 2009. Harrison then adopted an amended Round 3 Housing Element and Fair Share Plan on October 21, 2009 ("2009 Plan") under the revised COAH Third Round methodology. Harrison, however, did not receive Third Round substantive certification as a large majority of COAH's Third Round regulations were invalidated by the Appellate Division on October 10, 2010.

In response to Mount Laurel IV, Harrison filed a Declaratory Judgment action, along with a motion for temporary immunity, on July 8, 2015. The Court appointed Christine A. Nazzaro-Coffone, A.I.C.P., P.P., to serve as the Court's Special Master.

Due to the current uncertainty in the appropriate manner by which to calculate municipal obligations throughout New Jersey, the Town determined that a settlement with Fair Share Housing Center ("FSHC") was in the best interest of the Town and its residents. Under the supervision of the Special Master, the Town and its professionals entered into negotiations with representatives of FSHC to settle the Town's Declaratory Judgment action and seek Court approval for an accepted fair share obligation for the Town. A Fairness Hearing was held on August 23, 2017, at which time the Court approved a draft settlement agreement between the Town and FSHC. The Harrison Planning Board adopted a Housing Element and Fair Share Plan on December 14, 2017 ("2017 Plan"). The Town and FSHC executed a settlement agreement dated November 2, 2018 on November 26, 2018.

Subsequent to the Fairness Hearing and prior to a Compliance Hearing, the Town determined that it would like to amend its Housing Element and Fair Share Plan to include additional provisions for age-restricted affordable housing opportunities. The Town did not "max-out" its age-restricted units in the 2017 Plan and now wished to do so. The Town and FSHC amended the settlement agreement to represent these changes. The amended settlement agreement, dated November 12, 2019, was approved by the Town Council and signed by the Mayor on November 12, 2019 and was signed by Adam Gordon of Fair Share Housing Center at a later date (undated). The amended 2019 settlement agreement can be found in Appendix A. As a result of the amended

settlement agreement, the Town adopted an Amended Housing Element and Fair Share Plan on December 17, 2019 and again on May 11, 2020.

A combined Fairness and Compliance hearing was held on May 29, 2020 and the Town received a JOR via court order that was issued on June 4, 2020 (see Appendix B).

In the previous Housing Element and Fair Share Plan, a property owned by the Catholic Church known as the “Holy Cross site” was included as an additional affirmative measure to meet the Town’s obligation. However, the Holy Cross project has stalled, and the Town ultimately determined that it would like to instead pursue an opportunity to develop a 100% affordable development. The Town proposes to acquire five properties along Harrison Avenue to create a 100% affordable development with 25 to 40 family rental units. The Town recently closed on two of the properties (Block 196 Lots 6 and 10). This Amended Housing Element and Fair Share Plan has been prepared to account for that proposed development as an additional affirmative measure. The Town is in the process of amending its settlement agreement with FSHC and will seek an amended JOR from the Court. The Town recently received approval from the Court via consent order dated April 15, 2021 (see Appendix B) for its amended Spending Plan to spend trust fund monies on the acquisition of the properties.

An Amended Fairness and Final Compliance Hearing is scheduled for July 13, 2021 (see Appendix B for order).

This Amended Housing Element and Fair Share Plan is being prepared to implement the provisions of the Court-approved 2021 Spending Plan and provide for the development of the proposed 100% affordable development.

Planning for Affordable Housing

Pursuant to both the Fair Housing Act and the Municipal Land Use Law (MLUL), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low and moderate income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. 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;
- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
- f. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

Municipal Summary

The Town of Harrison is 1.22 square miles in size and is located in the northeastern part of New Jersey in Hudson County. The Town had a population of 13,620 in 2010 and is bounded by the Borough of East Newark in the north along the Passaic River, Town of Kearny also to the north, and the City of Newark to the south as well as the east and across the Passaic River.

According to the 2010 Census, the population of Harrison was 13,620, which represents a 5.6 percent decrease from 2000. The US Census Bureau 2013-2017 American Community Survey estimates a total population of 14,025. The 2010 median age in Harrison was 34 years, which was similar to that of Hudson County's median age of 34.2 years. The median household size in 2010 was 2.8 persons, almost exactly the same as the 2.81 persons in 2000.

The housing stock of the Town is predominantly two-family dwelling units, and a majority of the housing stock (52.4%) was built before 1960. According to the guidelines established by COAH, the Town of Harrison is located in Housing Region 1, a region that consists of Sussex, Bergen, Hudson, and Passaic counties. Income limits are based on median income within each COAH region. Based on the 2021 Regional Income Limits¹, the median income in Region 1 for a four-person household is \$104,066, the moderate-income limit for a four-person household is \$83,253, the low-income limit for a four-person household is \$52,033, and the very-low-income limit for a four-person household is \$31,220.

The Court-approved amended settlement agreement between the Town of Harrison and the FSHC, dated November 12, 2019, assigns a Present Need obligation of 155 units, a Prior Round obligation of 30 units, and a Prospective Need obligation of 429 units.

The Town proposes to address its obligation through the following:

- A Rehabilitation Program
- Inclusionary Zoning
- Developer Fee Ordinance
- Additional affirmative measures, including a 100% affordable development

¹ Prepared by the Affordable Housing Professionals of New Jersey

DEMOGRAPHIC CHARACTERISTICS

Population

The population trends experienced in Harrison, Hudson County, and the State of New Jersey from 1930 through 2017 are shown below. There were 13,620 residents in Harrison in 2010, which was a decrease of 804 people, or 5.6 percent, from the 2000 population but an increase in population has been seen since 2010. From 1930 to 1960 Harrison experienced a decline in population. This trend reversed, however, in the 1960s and from then until 2000, the population saw a steady increase. Between 2000 and 2010, the Town experienced its first decline in population in 50 years. The population regained approximately half of the population that was lost between 2000 and 2010, rising by 3% in 2013. The population rose again in 2015 by 4.3%. According to the 2013-2017 American Community Survey 5-Year Estimates, the Town experienced an 8.7% percent increase in population between 2015 and 2017. The County experienced a continued decline until the 1990s where from 1990 to 2000 the County experienced its largest growth (10.1%) in 60 years. The State, on the other hand, has continued to grow over the last 80 years.

Year	Population Trends								
	Harrison Town		Hudson County		New Jersey				
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	15,601	-	-	690,730	-	-	4,041,334	-	-
1940	14,171	-1,430	-9.2%	652,040	-38,690	-5.6%	4,160,165	118,831	2.9%
1950	13,490	-681	-4.8%	647,437	-4,603	-0.7%	4,835,329	675,164	16.2%
1960	11,743	-1,747	-13.0%	610,734	-36,703	-5.7%	6,066,782	1,231,453	25.5%
1970	11,811	68	0.6%	607,839	-2,895	-0.5%	7,171,112	1,104,330	18.2%
1980	12,242	431	3.6%	556,972	-50,867	-8.4%	7,365,011	193,899	2.7%
1990	13,425	1,183	9.7%	553,099	-3,873	-0.7%	7,730,188	365,177	5.0%
2000	14,424	999	7.4%	608,975	55,876	10.1%	8,414,350	684,162	8.9%
2010	13,620	-804	-5.6%	634,277	25,302	4.2%	8,791,894	377,544	4.5%
2013 Estimates	14,025	405	3.0%	644,605	10,328	1.6%	8,832,406	40,512	0.5%
2015 Estimates	14,629	604	4.3%	662,619	28,342	4.4%	8,904,413	112,519	1.3%
2017 Estimates	15,898	1,269	8.7%	679,756	35,151	5.3%	8,960,161	127,755	1.4%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Population Composition by Age

The median age of the residents in Harrison in 2010 was 34 years. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining impacts these changes have on housing needs, community facilities and services for the municipality. The composition of Harrison has shifted somewhat since 2000. Every age group saw a decrease except for the 55 to 64 age cohort, which increased by 22.9 percent. The most significant decrease was experienced in the 35 to 44 age cohort, which decreased by 18.1 percent, followed by the 65 and over cohort, which declined by 14.8 percent.

Population by Age 2000 and 2010, Town of Harrison						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percent	Number	Percent	Number	Percent
Total population	14,424	100.0%	13,620	100.0%	-804	-5.6%
Under 5 years	931	6.5%	858	6.3%	-73	-7.8%
5 to 14	1,626	11.3%	1,506	11.1%	-120	-7.4%
15 to 24	2,072	14.4%	1,954	14.3%	-118	-5.7%
25 to 34	2,810	19.5%	2,729	20.0%	-81	-2.9%
35 to 44	2,492	17.3%	2,042	15.0%	-450	-18.1%
45 to 54	1,840	12.8%	1,829	13.4%	-11	-0.6%
55 to 64	1,172	8.1%	1,440	10.6%	268	22.9%
65 and over	1,481	10.3%	1,262	9.3%	-219	-14.8%

Source: U.S. Census Bureau

Hudson County similarly saw its greatest increase in the 55 to 64 age cohort (25.2%) but also experienced moderate increases in the 45 to 54 cohort (14.7%), the 25 to 34 cohort (10.4%) and in those under 5 years (9.9%). The largest decrease (13.2%) was seen in the 5 to 14 age cohort.

Population by Age 2000 and 2010, Hudson County						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percent	Number	Percent	Number	Percent
Total population	609,975	100.0%	634,277	100.0%	24,302	4.0%
Under 5 years	38,756	6.4%	42,586	6.7%	3,830	9.9%
5 to 14	76,700	12.6%	66,584	10.5%	-10,116	-13.2%
15 to 24	85,412	14.0%	85,641	13.5%	229	0.3%
25 to 34	119,073	19.5%	131,508	20.7%	12,435	10.4%
35 to 44	97,727	16.0%	96,716	15.2%	-1,011	-1.0%
45 to 54	72,379	11.9%	82,985	13.1%	10,606	14.7%
55 to 64	49,657	8.1%	62,180	9.8%	12,523	25.2%
65 and over	69,271	11.4%	63,085	9.9%	-6,186	-8.9%

Source: U.S. Census Bureau

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2010 there was a total of 4,869 households in Harrison. A little less than half (48.9%) were occupied by two persons or less. The average household size of the Town in 2010 was 2.8, slightly higher than that of the County's average of 2.54. While the Town's largest percentage of households was a two-person household (26.8%), the County's largest percentage of household size was a one-person household at 29.9 percent.

Household Size: Occupied Housing Units Town of Harrison and Hudson County, 2010				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Households	4,869	100.0%	246,437	100.0%
1-person household	1,078	22.1%	73,741	29.9%
2-person household	1,304	26.8%	71,762	29.1%
3-person household	1,052	21.6%	42,935	17.4%
4-person household	808	16.6%	31,581	12.8%
5-person household	380	7.8%	15,098	6.1%
6-person household	159	3.3%	6,401	2.6%
7-or-more-person household	88	1.8%	4,919	2.0%
Average Household Size	2.8		2.54	

Source: U.S. Census Bureau

Family households are defined as two or more persons living in the same household, related by blood, marriage or adoption. They do not include same-sex married couples. Most households in the Town in 2010 were family households, comprising 67 percent of all households. The average family size was 3.23. The majority of family households (66%) were married-couple families, of which a little less than half had children under the age of 18. Approximately 22 percent of all households were one-person households, of which 49.9 percent were male householders and 50.1 percent were female householders.

In providing more detail of American households, the 2010 Census included the sub-groups of non-traditional households: Other family and Non-family households. "Other" family households made up 22.8 percent of all households, of which 731, roughly 66 percent, were female householders with no husband present. Non-family households are defined as households that consist of a householder living alone or sharing the home exclusively with people whom he/she is not related. Non-family households comprised approximately 11 percent of all households in the Town.

Household Size and Type, 2010 Town of Harrison		
	Total	Percent
Total Households	4,869	100.0%
1 person household	1,078	22.1%
Male householder	538	49.9%
Female householder	540	50.1%
2 or more person household	3,791	77.9%
Family households	3,260	67.0%
Married Couple Family	2,151	66.0%
With own children under 18 years	1,030	47.9%
No children under 18 years	1,121	52.1%
Other Family	1,109	22.8%
Male householder, no wife present	378	34.1%
With own children under 18 years	163	43.1%
No own children under 18 year	215	56.9%
Female householder, no husband present	731	65.9%
With own children under 18 years	355	48.6%
No own children under 18 year	376	51.4%
Nonfamily Households	531	10.9%
Male householder	353	66.5%
Female householder	178	33.5%
Average Family Size		3.23

Source: U.S. Census Bureau

Income

As measured in 2017, the Town of Harrison had a median household income was \$61,168, \$15,307 less than that of the State, and only \$1,513 less that of Hudson County. In 2017, the per capita income was \$28,892, which is \$10,177 less than the State's and \$7,018 less than the County's.

Per Capita and Household Income		
	2017 Per Capita Income	2017 Median Household Income
Harrison	\$28,892	\$61,168
Hudson County	\$35,910	\$62,681
New Jersey	\$39,069	\$76,475

Source: 2013-2017 American Community Survey 5-Year Estimates

In 2017, nearly 60 percent of all households in the Town earned \$50,000 or more, with the largest percentage of households in the \$50,000 to \$74,999 range (22%). This percentage was followed by those households that earned \$75,000 to \$99,999 (20.2%) and finally by those who earned between \$100,000 and \$149,999 at 14.6%. About 26 percent of households earned less than

\$35,000. The income distribution in Hudson County was similar to that of Harrison with the most common income bracket also being the \$50,000 to \$74,999 range (15.8%).

Household Income Harrison and Hudson County, 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Households	5,622	100.0%	252,352	100.0%
Less than \$10,000	330	5.9%	20,235	8.0%
\$10,000 to \$14,999	186	3.3%	11,847	4.7%
\$15,000 to \$24,999	434	7.7%	23,857	9.5%
\$25,000 to \$34,999	493	8.8%	20,472	8.1%
\$35,000 to \$49,999	544	9.7%	19,001	7.5%
\$50,000 to \$74,999	1,238	22.0%	39,790	15.8%
\$75,000 to \$99,999	1,134	20.2%	27,354	10.8%
\$100,000 to \$149,999	822	14.6%	36,680	14.5%
\$150,000 to \$199,999	381	6.8%	19,131	7.6%
\$200,000 or more	297	5.3%	25,429	10.1%
Median Household Income	\$61,168		\$62,681	

Source: 2013-2017 American Community Survey 5-Year Estimates

Poverty Status

In 2017, approximately 16 percent of the Harrison's residents aged 18 and older were living below the poverty line. Of the 2,567 persons living below the poverty line, the majority (65.5%) fell into the age range of 18 to 64 years old. About 30 percent were under the age of eighteen, and roughly 4 percent were seniors, a marked decrease from 11 percent in 2013. The County saw similar numbers with 17.1 percent of its population below the poverty line.

Poverty Status Harrison and Hudson County, 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total persons	15,886	-	672,241	-
Total persons below poverty level	2,567	16.2%	115,254	17.1%
Under 18	780	30.4%	35,405	30.7%
18 to 64	1,681	65.5%	67,539	58.6%
65 and over	106	4.1%	12,310	10.7%

Source: 2013-2017 American Community Survey 5-Year Estimates

Household Costs

The tables below show the expenditures for housing for those who own and rent in Harrison. Most people in the Town lived in homes they rented (71%), of which 40.5 percent spent 30 percent or more of their household income on housing. Owner-occupied households make up 29 percent of the households in Harrison, of which 44.4 percent spent 30 percent or more of their household income on housing. General affordability standards set a limit at 30 percent of gross income to be allocated for owner-occupied housing costs and 28 percent of gross income to be allocated for renter-occupied housing costs.

Selected Monthly Owner Costs as a Percentage of Household Income 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	1,567	100.0%	79,116	100.0%
Less than 15%	395	25.2%	18,241	23.1%
15 to 19%	174	11.1%	10,794	13.6%
20 to 24%	204	13.0%	10,018	12.7%
25 to 29%	135	8.6%	7,438	9.4%
30 to 34%	86	5.5%	5,845	7.4%
35% or more	549	35.0%	26,096	33.0%
Not computed	24	1.5%	684	0.9%

Source: 2013-2017 American Community Survey 5-Year Estimates

Gross Rent as a Percentage of Household Income 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	3,846	100.0%	166,193	100.0%
Less than 15%	616	16.0%	24,832	14.9%
15 to 19%	452	11.8%	22,330	13.4%
20 to 24%	620	16.1%	21,336	12.8%
25 to 29%	451	11.7%	18,327	11.0%
30 to 34%	364	9.5%	15,374	9.3%
35% or more	1,343	34.9%	63,994	38.5%
Not computed	209	5.4%	7,043	4.2%

Source: 2013-2017 American Community Survey 5-Year Estimates

Similar to Harrison, a large majority (68%) of Hudson County residents rent their home. Roughly 48 percent of all County renter-occupied households and 40.4 percent of all owner-occupied households spent 30 percent or more of their household income on housing.

EXISTING HOUSING CONDITIONS

Housing Unit Data

Approximately 52 percent of Harrison's housing stock consists of structures older than 50 years with the median year of construction landing in 1967. According to the 2010 Census, Harrison had a total of 5,228 housing units. A majority of the units (3,385 or 69.5%) were renter-occupied while 1,474 units (30.3%) were owner-occupied. Small surges of housing construction were seen in the 1970s and 2000s, but for the most part construction has remained relatively steady. The 2013-2017 American Community Survey 5-Year Estimates indicate that roughly 1,265 new housing units have been built since 2000. A significant amount of construction has also occurred in recent years within the Harrison Waterfront Redevelopment Area. Due to the nature of how recently development has come about along the Waterfront, residential construction projects may not appear in the Census and ACS data shown below.

Housing Data Harrison, 2010		
	Number	Percent
Total Housing Units	5,228	100.0%
Occupied Housing Units	4,869	93.1%
Owner Occupied	1,474	30.3%
Renter Occupied	3,385	69.5%

Source: 2010 U.S. Census

Year Structure Built Harrison		
	Number	Percent
Built 1939 or earlier	1,515	25.6%
Built 1940 to 1949	304	5.1%
Built 1950 to 1959	751	12.7%
Built 1960 to 1969	527	8.9%
Built 1970 to 1979	847	14.3%
Built 1980 to 1989	438	7.4%
Built 1990 to 1999	263	4.5%
Built 2010 to 2013	416	7.0%
Built 2014 or later	245	4.1%
Total	5,910	100.0%
Median Year Structure Built	1967	

Source: 2013-2017 American Community Survey 5-Year Estimates

Housing Type and Size

The majority of the housing stock in Harrison is two-family dwelling units. In 2017, there were 2,128 two-family housing structures representing 36 percent of the housing stock. Three- to four-family structures were the second most common housing type with 1,304 units or 22 percent of the Town's housing stock. Approximately 12.5 percent of the housing stock is single-family detached or attached, while 11.5 percent consists of 50 or more units. The median number of rooms within housing structures in the Town was 4.5, with 31.4 percent having 5 rooms.

Housing Type and Size Harrison, 2017 Estimates		
Units in Structure	Total	Percent
Total	5,910	100.0%
1, detached	551	9.3%
1, attached	188	3.2%
2	2,128	36.0%
3 or 4	1,302	22.0%
5 to 9	467	7.9%
10 to 19	299	5.1%
20 to 49	289	4.9%
50 or more	681	11.5%
Mobile home	5	0.1%
Boat, RV, van, etc.	0	0.0%
Rooms	Total	Percent
1 room	324	5.5%
2 rooms	195	3.3%
3 rooms	847	14.3%
4 rooms	1635	27.7%
5 rooms	1858	31.4%
6 rooms	571	9.7%
7 rooms	147	2.5%
8 rooms	119	2.0%
9 or more rooms	214	3.6%
Median number of rooms	4.5	

Source: 2013-2017 American Community Survey 5-Year Estimates

Housing Growth and Projections

For the period between January 2000 and December 2019, the Town issued building permits authorizing the development of 4,358 units, which averages to approximately 229 units per year. The observed increase in multi-family development over the 19-year span is focused in the Town's Waterfront Redevelopment Area.

If the average rate of 229 units per year were to remain relatively constant over the next 10-year period, the Town could expect to see an additional 2,290 residential units authorized by the 2020. External factors such as zoning, redevelopment, environmental constraints, and economic cycles may cause this projection to fluctuate. As detailed in the Fair Share Plan, found in Part 2 of this Housing Element and Fair Share Plan, at the minimum residential development can be expected through the execution of the settlement agreement and the Waterfront Redevelopment Plan.

Housing Units Authorized by Building Permits: 2000-2019* Harrison				
Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2000-2003	-	-	-	62
2004	24	0	0	24
2005	31	0	0	31
2006	81	156	0	237
2007	23	497	0	520
2008	10	0	0	10
2009	14	1	1	16
2010	4	6	0	10
2011	9	0	0	9
2012	18	467	0	485
2013	15	4	0	19
2014	18	448	0	466
2015	24	286	0	310
2016	47	409	0	456
2017	18	1,051	0	1069
2018	45	0	0	45
2019	37	552	0	589
Total 2000-2019	418	3,877	1	4,358
19-Year Average				229
10-Year Projection (2020-2030)				2,290

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

*The DCA Construction Reporter did not begin to report housing permits by type until 2004.

Occupancy

According to the 2010 Census, of the 5,228 units in Harrison, 4,896 (93.1%) were occupied while only 359 (6.9%) were vacant. Of those units that were vacant, about 50 percent were for rent, another 14.2 percent were for sale, and 2.5 percent were for seasonal, recreational or occasional use.

Occupancy Status Harrison, 2010		
	Total	Percent
Total Housing Units	5,228	100%
Occupied	4,869	93.1%
Vacant Housing Units	359	6.9%
For Rent/Rented Not Occupied	178	49.6%
For Sale Only	51	14.2%
For Seasonal, Recreational or Occasional Use	9	2.5%
Other Vacant	105	29.2%

Source: 2010 U.S. Census

Housing Values and Contract Rents

In 2017, a majority of the owner-occupied housing units in Harrison (81.7%) were valued at over \$200,000. Approximately 18 percent of all occupied units were financed by a mortgage. Housing values for owner-occupied housing units are listed in the table below along with mortgage status data. A total of 29.2 percent of all owner-occupied units had a value within the \$200,000 and \$299,999 range. The second most common value range was between \$300,000 to \$399,999 comprising 28.1 percent of all owner-occupied units. The median value of an owner-occupied housing unit in Harrison was \$309,000. Though most units were covered by a mortgage (57%), a significant percentage of units (43%) had no mortgage at all. The County's trends mirror that of the Town with roughly 85 percent of the homes valued at \$200,000 and over, and roughly 68 percent of housing units functioning with a mortgage, contract to purchase, or similar debt. Approximately 32 percent of the owner-occupied housing in the County poses no mortgage.

Value for Owner-Occupied Housing Units, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total	1,567	100.0%	79,116	100.0%
Less than \$50,000	66	4.2%	2,300	2.9%
\$50,000 to \$99,999	29	1.9%	1,226	1.5%
\$100,000 to \$149,999	18	1.1%	2,653	3.4%
\$150,000 to \$199,999	174	11.1%	5,802	7.3%
\$200,000 to \$299,999	457	29.2%	18,054	22.8%
\$300,000 to \$399,999	440	28.1%	19,254	24.3%
\$400,000 to \$499,999	153	9.8%	10,927	13.8%
\$500,000 and greater	230	14.7%	18,900	23.9%
Median Value	\$309,000		\$349,500	

Source: 2013-2017 American Community Survey 5-Year Estimates

Mortgage Status, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Housing units with a mortgage, contract to purchase, or similar debt:				
With either a second mortgage or home equity loan, but not both:	893	57.0%	53,984	68.2%
Second mortgage only	137	8.7%	6,509	8.2%
Home equity loan only	22	1.4%	1,180	1.5%
Both second mortgage and home equity loan	115	7.3%	5,329	6.7%
No second mortgage and no home equity loan	8	0.5%	416	0.5%
Housing units without a mortgage	748	47.7%	47,059	59.5%
	674	43.0%	25,132	31.8%

Source: 2013-2017 American Community Survey 5-Year Estimates

According to the 2013-2017 American Community Survey 5-year Estimates, the median contract rent in Harrison was \$1,170. The highest percentage of renters (45.2%) paid between \$1,000 and \$1,499 for rent, followed by 15.8 percent who paid between \$1,500 and \$1,999 for rent. The County's median contract rent was similar to the Town's at \$1,147.

Contract Rent, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Renter Occupied Units	4,055	100.0%	173,236	100.0%
Less than \$200	15	0.4%	3,898	2.3%
\$200 to \$499	84	2.1%	12,769	7.4%
\$500 to \$699	184	4.5%	9,863	5.7%
\$700 to \$899	512	12.6%	21,740	12.5%
\$900 to \$999	335	8.3%	15,225	8.8%
\$1,000 to \$1,499	1,833	45.2%	58,156	33.6%
\$1,500 to \$1,999	642	15.8%	21,020	12.1%
\$2,000 or more	367	9.1%	27,625	15.9%
No cash rent	73	1.8%	2,940	1.7%
Median Contract Rent	\$1,170		\$1,147	

Source: 2013-2017 American Community Survey 5-Year Estimates

According to the 2013-2017 American Community Survey 5-Year Estimates, the median contract rent in Harrison was \$1,170 per month (\$14,040 annually). A minimum income of \$46,800 (\$14,040/0.30) would be necessary to afford the Town's median contract rent. Therefore, an estimated minimum of 26 percent of all households within the Town could not afford to live in a dwelling unit at or above the median contract rent. Similarly, on a Countywide scale, an estimated 30 percent of all households could not afford to live within a residence whose rent is at or above the median contract rent.

Housing Conditions

The following table details the condition of the housing within Harrison. Overcrowding and age, plumbing, and kitchen facilities are used to determine housing deficiency. In 2017, there were 65 owner-occupied units in Harrison that experienced overcrowding (more than one person per room). Renter-occupied dwellings saw a total of 140 overcrowded units. Throughout the Town, 39 units lacked complete plumbing facilities and 91 units lacked complete kitchen facilities.

Housing Conditions Harrison, 2017 Estimates		
	Number	Percent
House Heating Fuel: Occupied Housing Units		
Total	5,622	100.0%
Utility gas	4,411	78.5%
Bottled, tank, or LP gas	116	2.1%
Electricity	746	13.3%
Fuel oil, kerosene, etc.	284	5.1%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	12	0.2%
Other fuel	8	0.1%
No fuel used	45	0.8%
Occupants per Room: Occupied Housing Units		
Total	5,622	100.0%
Owner-Occupied (Over 1.0)	65	27.9%
Renter-Occupied (Over 1.0)	140	72.1%
Facilities: Total Units		
Total	5,622	100.0%
Lacking complete plumbing facilities	39	0.7%
Lacking complete kitchen facilities	91	1.6%
Telephone Service: Occupied Housing Units		
Total	5,622	100.0%
No Service	200	3.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

EMPLOYMENT DATA

The following tables detail changes in employment from 2007 to 2019 in Harrison, Hudson County, and the State of New Jersey. While the unemployment rate of Harrison Town experienced minimal fluctuation during this time, it jumped 4.6 percent in 2009 to reach a high point of 11.1 percent. The Town unemployment rate remained around 9 percent for the following three years before it started declining again in 2013. The unemployment rate of the Town has continued to progress in a similar manner to that of the County, both experiencing parallel increases and declines over the past decade. While the Town had a higher unemployment rate than the State in the years leading up to 2009, since the Recession, the numbers experienced in the Town are similar to that of the State.

Harrison Employment and Residential Labor Force: 2007-2019				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	7,006	6,655	351	5.0%
2008	7,263	6,793	470	6.5%
2009	7,469	6,641	827	11.1%
2010	7,476	6,811	666	8.9%
2011	7,487	6,821	667	8.9%
2012	7,546	6,849	697	9.2%
2013	8,071	7,470	601	7.4%
2014	8,025	7,516	509	6.3%
2015	8071	7612	459	5.7%
2016	8,404	8,010	394	4.7%
2017	8,963	8,593	370	4.1%
2018	8,874	8,572	302	3.4%
2019	9,298	9,011	287	3.1%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Hudson County Employment and Residential Labor Force: 2007-2019				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	290,000	275,600	14,500	5.0%
2008	294,000	275,800	18,300	6.2%
2009	300,200	268,600	31,600	10.5%
2010	352,903	319,151	33,752	9.6%
2011	357,354	324,656	32,698	9.2%
2012	360,706	328,634	32,072	8.9%
2013	359,472	331,172	28,300	7.9%
2014	357,191	334,435	22,756	6.4%
2015	358,799	339,480	19,319	5.4%
2016	359,152	342,335	16,817	4.7%
2017	360,296	344,612	15,684	4.4%
2018	357,639	343,787	13,852	3.9%
2019	361,189	349,372	11,817	3.3%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

New Jersey Employment and Resident Labor Force: 2007-2019				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	4,441,800	4,251,800	190,000	4.3%
2008	4,504,400	4,264,000	240,500	5.3%
2009	4,550,600	4,138,600	412,100	9.1%
2010	4,555,300	4,121,500	433,900	9.5%
2011	4,565,300	4,138,500	426,800	9.3%
2012	4,588,000	4,160,000	428,000	9.3%
2013	4,548,600	4,173,800	374,700	8.2%
2014	4,487,000	4,183,500	303,500	6.6%
2015	4,489,000	4,229,200	259,800	5.8%
2016	4,474,700	4,252,100	222,600	5.0%
2017	4,453,500	4,247,500	206,000	4.6%
2018	4,422,900	4,239,600	183,400	4.1%
2019	4,493,100	4,333,300	159,800	3.6%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Employment Status

The 2013-2017 American Community Survey 5-year Estimates reveal that roughly 71 percent of Harrison's 16 years and over population is in the labor force. The County's employment status closely reflects the Town's trends. About one third of both the Town's and the County's over 16 population is not in the labor force (29.4% and 31.2% respectively).

Employment Harrison, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Population 16 years and over	12,785	100.0%	554,677	100.0%
In labor force	9,030	70.6%	381,440	68.8%
Civilian Labor Force	9,030	70.6%	381,266	68.7%
Employed	8,254	64.6%	354,105	63.8%
Unemployed	776	6.1%	27,161	4.9%
Armed Forces	0	0.0%	174	0.0%
Not in labor force	3,755	29.4%	173,237	31.2%

Source: 2013-2017 American Community Survey 5-Year Estimates

Class of Worker and Occupation

The majority of workers (83.2%) living in Harrison in 2017 were a part of the private wage and salary worker group. This group includes people who work for wages, salary, commission, and tips for a private for-profit employer or a private not-for-profit, tax-exempt or charitable organization. The second largest category was government worker, making up 10.3 percent of the workforce. Roughly 6.4 percent of workers were self-employed.

Class of Worker Harrison, 2017 Estimates		
	Number	Percent
Total	8,254	100.0%
Private Wage and Salary Worker	6,869	83.2%
Government Worker	851	10.3%
Self-Employed Worker	531	6.4%
Unpaid Family Worker	3	0.0%

Source: 2013-2017 American Community Survey 5-Year Estimates

Those who worked within the private wage field were concentrated in management and professional services at roughly 39 percent. The second and third most common were those of service occupations and sales and office occupations at 18.8 percent and 18.1 percent respectively. Production, transportation and material moving occupations shifted from employing 19.4 percent of the workforce to 13.6 percent. The smallest portion of the workforce (10.4%) is the natural resources, construction and maintenance occupations.

Employment by Occupation Harrison, 2017 Estimates		
	Number	Percent
Employed Civilian population 16 years and over	8,254	100.0%
Management, business, science and arts occupations	3,224	39.1%
Service occupations	1,555	18.8%
Sales and office occupations	1,493	18.1%
Natural resources, construction and maintenance occupations	857	10.4%
Production, Transportation and material moving occupations	1,125	13.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

By industry, employment is dispersed fairly evenly. The most common industry by a small margin is the educational services, health care and assistance sector, employing 18.8 percent of Harrison residents. The second most common industry employing 17.3 percent is professional, scientific and management and administrative and waste management services.

Employment by Industry Harrison, 2017 Estimates		
Industry	Number	Percent
Civilian employed population 16 years and over	8,254	100.0%
Agriculture, forestry, fishing and hunting, mining	0	0.0%
Construction	673	8.2%
Manufacturing	830	10.1%
Wholesale Trade	402	4.9%
Retail Trade	754	9.1%
Transportation and Warehousing, and Utilities	469	5.7%
Information	173	2.1%
Finance and insurance, and real estate and rental and leasing	627	7.6%
Professional, scientific, and management, and administrative and waste management services	1,426	17.3%
Educational services, and health care and social assistance	1,549	18.8%
Arts, entertainment, and recreation, and accommodation and food services	650	7.9%
Other Services, except public administration	479	5.8%
Public administration	222	2.7%

Source: 2013-2017 American Community Survey 5-Year Estimates

Commuting to Work

In 2017, the mean travel time to work for those who lived in the Town was 35.4 minutes. The vast majority of commuters, approximately 78 percent, traveled less than an hour to work, and roughly 42 percent have less than a thirty-minute commute.

Travel Time to Work Harrison, 2017 Estimates		
	Number	Percent
Workers who did not work at home	7,800	100.0%
Less than 10 minutes	589	7.6%
10 to 14 minutes	793	10.2%
15 to 19 minutes	701	9.0%
20 to 24 minutes	871	11.2%
25 to 29 minutes	308	3.9%
30 to 34 minutes	1,133	14.5%
35 to 44 minutes	81	1.0%
45 to 59 minutes	1,589	20.4%
60 to 89 minutes	1,338	17.2%
90 or more minutes	397	5.1%
Mean travel time to work (minutes)	35.4	

Source: 2013-2017 American Community Survey 5-Year Estimates

The largest portion of workers drove to work alone (41.9%), while 9 percent carpooled. Roughly 33 percent of workers, however, commuted via public transportation and nearly 10 percent walked. Approximately 2% of Harrison residents walked to work.

Means of Commute Harrison, 2017 Estimates		
	Number	Percent
Workers 16 years and over	7,980	100.0%
Car, truck, van- Drove Alone	3,346	41.9%
Car, truck, van- Carpoled	716	9.0%
Public Transportation	2,637	33.0%
Walked	781	9.8%
Other Means	320	4.0%
Worked at home	180	2.3%

Source: 2013-2017 American Community Survey 5-Year Estimates

Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The tables below provide a snapshot of private employers located within Harrison. The first table reflects the number of jobs covered by private employment insurance from 2007 through 2017. The second table reflects the disbursement of jobs by industry and salaries in 2017.

According to data from the New Jersey Department of Labor and Workforce Development, 2007 saw a modest increase of 6.1%, but 2008 was the period of the most significant growth, wherein 3,492 jobs were covered by unemployment insurance, representing a spike of approximately 54.9%. In the following years, the number of covered jobs has decreased overall, with only slight increases in 2010, 2016 and 2017.

Private Wage Covered Employment: 2007-2018 Harrison			
Year	Number of Jobs	# Change	% Change
2007	2,255	129	6.1%
2008	3,492	1,237	54.9%
2009	3,125	-367	-10.5%
2010	3,229	104	3.3%
2011	3,180	-49	-1.5%
2012	3,129	-51	-1.6%
2013	3,124	-5	-0.2%
2014	3,095	-29	-0.9%
2015	2,939	-156	-5.0%
2016	2,953	14	0.5%
2017	2,999	45	1.5%
2018	2,897	-102	-3.4%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

In-Town Establishments and Employees by Industry: 2017

The table below depicts the average annual number of establishments and employees by industry sector that exist within the Town, as grouped by North American Industry Classification System (NAICS). In 2017, the Town had an annual average of 262 private sector establishments employing on average 3,108 persons. Wholesale trade is no longer the predominant private sector employer, as was indicated in 2013. The accommodations and food service sector accounted for approximately 18 percent of the establishments, followed by the health and social services sector at 15 percent, and the manufacturing and wholesale trade sectors, at 12.5 percent and 12.4 percent respectively.

Average Number of Establishments and Employees by Industry: 2017		
Industry	2017 Average	
	Units	Employment
Construction	.	.
Manufacturing	.	392
Wholesale Trade	9	390
Retail Trade	27	182
Transp/Warehousing	31	362
Finance/Insurance	9	40
Real Estate	6	11
Professional/Technical	23	158
Admin/Waste Remediation	12	83
Education	.	.
Health/Social	35	452
Arts/Entertainment	.	.
Accommodations/Food	32	568
Other Services	19	50
Unclassifieds	23	18
Private Sector Totals	262	3,108
Local Government Totals	7	657

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Probable Future Employment Opportunities

The 2017 North Jersey Transportation Planning Authority's forecasts for the Town of Harrison estimate a total of 13,067 employed by 2045, representing an annualized percent employment change of 2.8% between 2015 and 2045.

It is reasonable to presume that future employment opportunities within Harrison will occur through the build out of the Waterfront Redevelopment Area. The construction of the Waterfront Area is ongoing and includes a mix of commercial and residential uses along with the Red Bulls soccer stadium that was completed in 2010, hotels, and a new PATH station. The Plan encourages future mixed-use development that revitalizes the region and broadens the economic base of the Town.

PART 2: FAIR SHARE PLAN

INTRODUCTION

The following Fair Share Plan (the Plan) details Harrison's present need, prior round obligation (1987-1999), and Third Round need. This Plan proposes mechanisms for which the Town can realistically provide opportunities for affordable housing for moderate-, low-, and very low-income households.

The Town of Harrison is a densely populated urban municipality that has a significant amount of pre-1960 housing (53% of the Town's existing housing stock – See page 14 of this report for more information).

The need for affordable housing in New Jersey is divided into three components:

- *Present Need* – The present need, or rehabilitation share, represents the number of existing housing units that are both deficient and occupied by low- and moderate-income households. This number is derived from review and analysis of housing conditions reported in the U.S. Census and American Community Survey.
- *Prior Round Obligation* – The Prior Round obligation is the cumulative 1987-1999 fair share obligation determined by 2014 COAH report. The First Round and the Second Round are mutually referred to as the "Prior Round."
- *Third Round Need* – July 1, 1999 - June 30, 2025 (which includes what is commonly referred to as the "gap period" (1999-2015) - On January 18, 2017, the Supreme Court issued In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mount Laurel V"), holding that the need for affordable housing that accrued during the gap period (1999-2015) was not present or prospective need under the plain definitions of those terms in the FHA; however, there is an obligation with respect to that period for households that came into existence during that period that must be addressed in the Third Round.

Harrison's affordable housing obligations are as follows per the Court-approved amended settlement between the Town and Fair Share Housing Center (FSHC):

Rehabilitation Share	155
Prior Round Obligation	30
Third Round	429

The Town has addressed its Rehabilitation, Prior Round, and Third Round obligations per the Court-approved amended settlement and as detailed in this Plan.

SUITABILITY ANALYSIS

Pursuant to N.J.A.C. 5:93-1.3, sites that are designated to produce affordable housing shall be available, approvable, developable, and suitable according to the following criteria:

- “Available site” means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing. N.J.A.C. 5:93-1.3.
- “Approvable site” means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing. Ibid.
- “Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management plan (including the wastewater plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by the DEP. Ibid.
- “Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4. U.

The Town of Harrison is located entirely within Planning Area 1 (PA1), the Metropolitan Planning Area, as delineated in the 2001 State Development and Redevelopment (SDRP) Plan. The Town is also a designated Smart Growth Area, transected by a major highway and characterized by a compact, mixed-use design. As explained in the SDRP, the purpose of the PA1 is to provide for the bulk of the state's future redevelopment in a compact form that revitalizes existing cities and towns while stabilizing and protecting the character of older suburbs and combatting the harmful effects of sprawl. Due to the built-out nature of the Town, future development in Harrison will consist primarily of infill and redevelopment as a means to serve the goals and policies set forth in the SDRP.

PRESENT NEED

The term Present Need, as used in COAH's Prior Round Rules (N.J.A.C. 5:93), meant the sum of a municipality's indigenous need (the deficient housing units in the municipality occupied by low- and moderate-income households), and the reallocated present need, which is the portion of the housing region's present need that is redistributed to other municipalities throughout the housing region. Under the Prior Round rules, evidence of deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply.

The Third Round rules reduced the number of criteria used as evidence of deficient housing to three: pre-1960 over-crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing; and incomplete kitchen facilities. This reduction in the number of criteria was found by the Appellate Division to be within COAH's discretion and was upheld in the Supreme Court's decision *In re N.J.A.C. 5:96 & 97*.

The previously discussed Mount Laurel IV decision agreed under the Appellate Division that reallocated Present Need is no longer a component in the determination of the Present Need. Therefore, Present Need now equates only to the indigenous need; the obligation based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities, generated within the Town itself, now refined as the Rehabilitation Share/Present Need.

The Court-approved amended settlement between the Town and FSHC determined a Present Need of 155 units for Harrison. The following details the methods in which the Town will meet its Present Need obligation. These efforts are sufficient to address the Town's obligation.

Development Fee Ordinance

In conformance with the Town's development fee ordinance that was adopted in 2006, and approved by COAH, developers must pay an affordable housing development fee into the Town's Affordable Housing Trust Fund (AHTF). Monies generated by the development fees will supplement the funds from the County rehabilitation programs detailed below. The Development Fee Ordinance was most recently updated in 2020 via Ordinance 1415, adopted May 26, 2020.

The HOME Investment Partnership Program (HOME)

The HOME Investment Partnership Program (HOME) works with communities to provide assistance in funding a wide range of affordable housing projects. The Hudson County Consortium (the "Consortium") for the HOME Program is comprised of eleven municipalities within Hudson County including the Town of Harrison. The Consortium uses the HOME funds to provide assistance of rehabilitation of very low- and low-income units. Through its affirmative marketing strategies, Harrison will assist residents in accessing the HOME program, as administered by the Consortium.

In 2020, Garden State Episcopal Community Development Corporation rehabilitated a two-family home located at 224 N 2nd Street (Block 11 Lot 30) consisting of one three-bedroom rental unit and one three-bedroom for-sale unit. The rental unit is currently occupied by a low-income household and the for-sale unit was sold to a low-income household on October 30, 2020. Pursuant to the Regulatory Agreement, found in Appendix C of this Plan, both units have 15-year deed

restrictions. The Town is implementing a rental rehabilitation program to supplement the County program.

Community Development Block Grant (CDBG) Program

Hudson County, along with seven of its municipalities, including the Town of Harrison, receives CDBG funds on an entitlement basis as an Urban County Consortium. The County administers the program, which provides funding to communities, non-profits, and public agencies to help address a range of development needs, mainly involving affordable housing projects and developments. The Town will affirmatively market the funding from the Community Development Block Grant (CDBG) program.

PRIOR ROUND OBLIGATION (1987-1999)

Harrison has a Prior Round obligation of 30 units. The following projects and existing zoning address the Prior Round obligation. For locations of all affordable housing, see the attached maps.

Harrison Senior Housing

A 15-unit age-restricted rental affordable housing development was completed in 2014 at 774 Harrison Avenue. Developed by the Domus Corporation, a nonprofit branch of Catholic Charities, the project was funded entirely with subsidies, including \$1.4 million in Hudson County HOME funds, \$333,350 from the Harrison Affordable Housing Trust Fund, and \$1.8 million from the Fund for Restoration of Multifamily Housing (FRM), part of the CDBG program, from the New Jersey Housing and Mortgage Finance Agency. The four-story development consists of three low-income units that are set at 47.5% of the average median income and twelve moderate-income units that are set at 57.5% of the average median income. Of the 15 units, 7 are applied to the Prior Round obligation along with its 2 accompanying bonus credits. All 15 units are deed restricted for a period of 30 years, beginning in 2014. See Appendix D for documentation on this project.

Waterfront Redevelopment Area

In 1997, 250 acres of the former industrial waterfront area in Harrison were designated as an Area in Need of Redevelopment. As part of the Town's comprehensive approach to address its full obligation, the zoning for three parcels within the Redevelopment Area was amended in 2020 via Ordinance 1414 to include a mandatory affordable housing set-aside.

Site #1

Site #1 is a 4.3-acre portion of Block 86 Lot 1.01, located on the west side of the Redevelopment Area between First Street and Second Street. The Town amended the Redevelopment Plan to require Site #1 to permit multi-family inclusionary development at a density of 110 units per acre with a required 15% affordable set-aside for family rental units. At this density, the site could generate 473 total units, of which a minimum of 70 would be affordable. Of the 70 affordable family rental units, a minimum of 10 shall be affordable to very low-income households.

Twenty-one (21) units from Site 1 will be used to address the Town's Prior Round obligation.

Town of Harrison Prior Round: 30-unit obligation			
Site	Acreage	Density/Units	Bonus Credits
Existing Senior Housing	-	7 senior affordable units	2 (7 x 0.33)
Redevelopment Area Site 1	4.3 Acres	Proposed density of 110 units per acre = 473 total units 15% set aside = 70 total affordable units Prior Round = 21 units	-
TOTAL		28 Units	2 Bonus Credits
TOTAL CREDITS		30 Credits	

ROUND 3 NEED

Per the Court-approved amended settlement agreement between the Town and the FSHC, the Town has a Third Round obligation of 429 units. The Town fully satisfies the Third Round obligation through the following sites (see attached maps for locations):

Harrison Senior Housing

The remaining eight (8) units from the age-restricted development at 774 Harrison Avenue will be applied to the Town's Third Round obligation.

Revision to the SAH/SH-Senior Zone and the AH-Affordable Housing Overlay Zone

On June 30, 2020, the Town adopted Ordinance 1404, revising its zoning ordinance to merge the previously existing SAH/SH Senior Zone and AH-Affordable Housing Overlay. The SAH/SH Senior Zone constituted an overlay and both zones allowed for donation of land in lieu of providing affordable units. The overlay option as well as the option to donate land were eliminated. The new zone, "ASH Affordable Senior Housing Zone," permits the construction of age-restricted multi-family and townhouse development at a maximum density of 55 units per acre with a required set-aside of 15% for age-restricted rental projects. The new zone encompasses 12.2 acres that includes the following blocks and lots:

Block	Lot(s)
Block 89	Lots 1, 5, 6, 7, 8, 27, and 33
Block 189	Lot 1
Block 193	Lots 1, 2, 4, 5, 27, and 32
Block 198	Lot 1
Block 199	Lots 1, 5, 9, 13, 19, 20, 21, and 23
Block 202	Lot 1, 13, 17, and 21

At the proposed density, the new zone could produce 671 total units, of which a minimum of 101 affordable age-restricted rental units would be created. The Town will apply 98 of the affordable units to its Third Round obligation. Of the 98 affordable units, at least 14 will be affordable to very low-income households.

It should be noted there are 3 affordable units anticipated to be created from this zone that will not be applied during this round. See Appendix E for ASH Affordable Senior Housing Zone documentation.

Waterfront Redevelopment Area

In 1997, 250 acres of the former industrial waterfront area in Harrison were designated as an Area in Need of Redevelopment. The zoning for three parcels within the Redevelopment Area was amended on May 26, 2020 via Ordinance 1414 to include a mandatory affordable housing set-

aside. The Town will utilize the remaining affordable units from Site 1 as well as two additional sites from the Waterfront redevelopment area to address its Third Round obligation:

Site #1

The remaining 49 units from Site #1 will be applied to the Town's Third Round obligation.

Site #2

Site #2 is a 2.8-acre parcel (Block 103 Lot 1) located directly east of Site #1, between Second Street and Third Street. Ordinance 1414 amended the Redevelopment Plan to require multi-family inclusionary development at a density of 110 units per acre with a required 15% affordable set-aside for family rental units. At this density, Site #2 could generate 308 total units, of which a minimum of 46 units would be affordable family rental. Of the 46 affordable units, at least 6 will be affordable to very low-income households.

Site #3

Site #3 is a 32.7-acre parcel (Block 78 Lot 1) located on the west side of the Redevelopment Area south of the train tracks. The site is owned by PSE&G. Ordinance 1414 amended the Redevelopment Plan to require 8 of the 32.7 acres of Block 78 Lot 1 to permit multi-family inclusionary development at a density of 100 units per acre with a required 15% affordable set-aside for family rental units. At this density, the 8 acres could generate 800 total units, of which a minimum of 120 units would be affordable family rental. Of the 120 affordable units, at least 16 will be affordable to very low-income households.

See Appendix F for Ordinance 1414, which amended the Waterfront Redevelopment Plan to account for an affordable set-aside on the above-listed sites.

Town of Harrison Round 3: 429-unit obligation			
Site	Acreage	Density/Units	Bonus Credits
Existing Senior Housing at 774 Harrison Avenue	-	8 age-restricted affordable units	-
Proposed SH Senior Housing Zone	12.2 Acres	Proposed density of 55 units per acre = 671 total units 15% set aside = 101 total age-restricted affordable units Third Round = 98 age-restricted affordable units	-
Redevelopment Area Site 1	4.3 Acres	Proposed density of 110 units per acre = 473 total units 15% set aside = 70 total affordable units Third Round = 49 affordable units	49
Redevelopment Area Site 2	2.8 Acres	Proposed density of 110 units per acre = 308 total units 15% set aside = 46 affordable units	46
Redevelopment Area Site 3	8 Acres	Proposed density of 100 units per acre = 800 total units 15% set aside = 120 affordable units	13
TOTAL		321 affordable units	108 bonus credits
TOTAL CREDITS		429	

ADDITIONAL AFFIRMATIVE MEASURES

Holy Cross Site

The 2020 Housing Element and Fair Share Plan included a property owned by the Catholic Church known as the “Holy Cross Site,” located at 15 Frank E. Rodgers Boulevard South in Harrison. This property was previously proposed to be developed with approximately 50 affordable age-restricted units as an additional affirmative measure in addition to the Town’s affordability mechanisms. The Church ultimately decided to retain the property for potential future use as a school or other related religious purpose. In response to the Church’s decision, the Town has opted to redirect the funding toward more feasible projects. Should interest in the Holy Cross Site be renewed in the future, the Town will consider funding opportunities to support the development of the site into affordable housing as an additional affirmative measure.

100% Affordable Development

The Town has amended its Spending Plan to dedicate a total of \$2,678,300 towards the acquisition of Lots 6, 8, 9, 10 and 12 in Block 196 for the purpose of developing 100% affordable housing. The acquisition of Lots 6 and 10 was approved via Ordinance No. 1429 on December 15, 2020 and the two lots were recently acquired by the Town. Lots 8, 9 and 12 are anticipated to be acquired by the end of 2021. The Town intends to donate the lots, measuring in total approximately 25,000 square feet, to a 100% affordable developer to create a 25- to 40-unit family affordable rental development. The construction is anticipated to begin in Spring 2023 and be completed by January 2024. See Appendix G for documentation related to 100% affordable development.

These five parcels (referred to as “the site”) meet the suitability criteria as follows:

- Available: The Town approved the acquisition of Lots 6 and 10 in Block 196 via Ordinance No. 1429, adopted on December 15, 2020, and the properties have been successfully acquired. As outlined in the Court-approved 2021 Amended Spending Plan, it is anticipated that additional funding will be dedicated in late 2021 for the acquisition of Lots 8, 9 and 12 via a subsequent ordinance. The site has no easements or title issues preventing its development.
- Suitable: The site is surrounded by residential uses and a variety of commercial uses, including shopping areas, convenience stores, restaurants, and personal services. The site is also in close proximity to the Washington Middle School and the new elementary school. The development will have access to an existing right-of-way, Harrison Avenue. The entire Town is located within SDRP Planning Region PA1.

- **Developable:** The site currently has no encumbrances precluding low- and moderate-income development. The entire Town is served by existing sewer and water service areas, and the existing site has historically been developed with improvements that have utilized the sewer and water services. The site is within Flood Hazard Area X, an area of minimal flooding, and is not encumbered by any wetlands and transition areas. Upon development and occupancy, the deed restriction will be recorded to reflect the final number of affordable apartment units and will be 100% available for low- and moderate-income tenants for a minimum affordability restriction term of 30 years.
- **Approvable:** The site is proposed within the NC Neighborhood Commercial Zone of the Town, where apartments are currently conditionally permitted. It is anticipated that once the properties have been acquired, the Town will rezone the area to provide for the development of 100% affordable housing. The project will require subdivision and site plan approval by the Planning Board. Approval by the Hudson-Essex & Passaic Soil Conservation District will also be required. It is anticipated the necessary approvals will be granted.

Veterans Housing

Harrison will support and encourage the construction of affordable housing for veterans.



USE OF SURPLUS UNITS

Any surplus credits generated would be applied to any future obligation that the Town may have.

ADDITIONAL REQUIREMENTS

Very Low-Income Requirement: The Town will ensure that 13% of all of the affordable units, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval prior to that date, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Rental Bonus Credits: All rental bonus credits claimed in this plan have been applied in accordance with N.J.A.C. 5:93-5.15(d).

Low/Moderate Income Split: At least half of the units addressing the Town's obligation shall be affordable to very-low income and low-income households, and the remaining will be affordable to moderate-income households.

Rental Requirement: At least 25% of the Town's obligation will be met through rental units, and at least half of these units will be available to families.

Round 3 Family Requirement: At least half of the units addressing the Town's obligation will be available to families.

Age Restricted Cap: The Town agrees to comply with COAH's Round 2 age-restricted cap of 25%. The Town is not requesting a waiver to exceed the age-restricted cap.

Spending Plan: On May 26, 2020, the Town adopted a Spending Plan, which was approved by the Court as a component of the Town's JOR via an Order dated June 4, 2020. The Town prepared an amended Spending Plan, which was approved by the Court via Consent Order, dated April 15, 2021, and adopted by the Town Council on April 20, 2021.

Affirmative Marketing: The individual developers will be responsible to ensure that proper affirmative marketing of all of the affordable units is properly implemented.

UHAC: All affordable units created through the provisions of this Plan shall be developed in conformance with the Uniform Housing Affordability Controls (UHAC) pursuant to N.J.A.C. 5:80-26.1 et seq. or any successor legislation, with the exception of the very-low-income requirement as described above.

SUMMARY OF FAIR SHARE COMPLIANCE

Present Need	155
The Town's Rehabilitation Program supplemented with additional monies from HOME and CDBG Programs	153
224 N 2nd Street	2
Prior Round Obligation (1987-1999)	30
Harrison Senior Housing	7
Bonus Credit	2
Waterfront Redevelopment Area Site #1	21
<i>Prior Round Total</i>	30
Third Round	429
Harrison Senior Housing	8
Proposed SH Senior Housing Zone	98
Waterfront Redevelopment Area Site #1	49
Waterfront Redevelopment Area Site #2	46
Waterfront Redevelopment Area Site #3	120
<i>Total Affordable Units</i>	321
Rental Bonus Credits (from Redevelopment Area sites)	108
<i>Third Round Total</i>	429
Additional Measures	-
100% Affordable Development – Block 196 Lots 6, 8, 9, 10 & 12	25-40

Very-Low Breakdown

SH Zone: 14 very low-income age-restricted units

Site 1: 10 very low-income family units

Site 2: 6 very low-income family units

Site 3: 16 very low-income family units

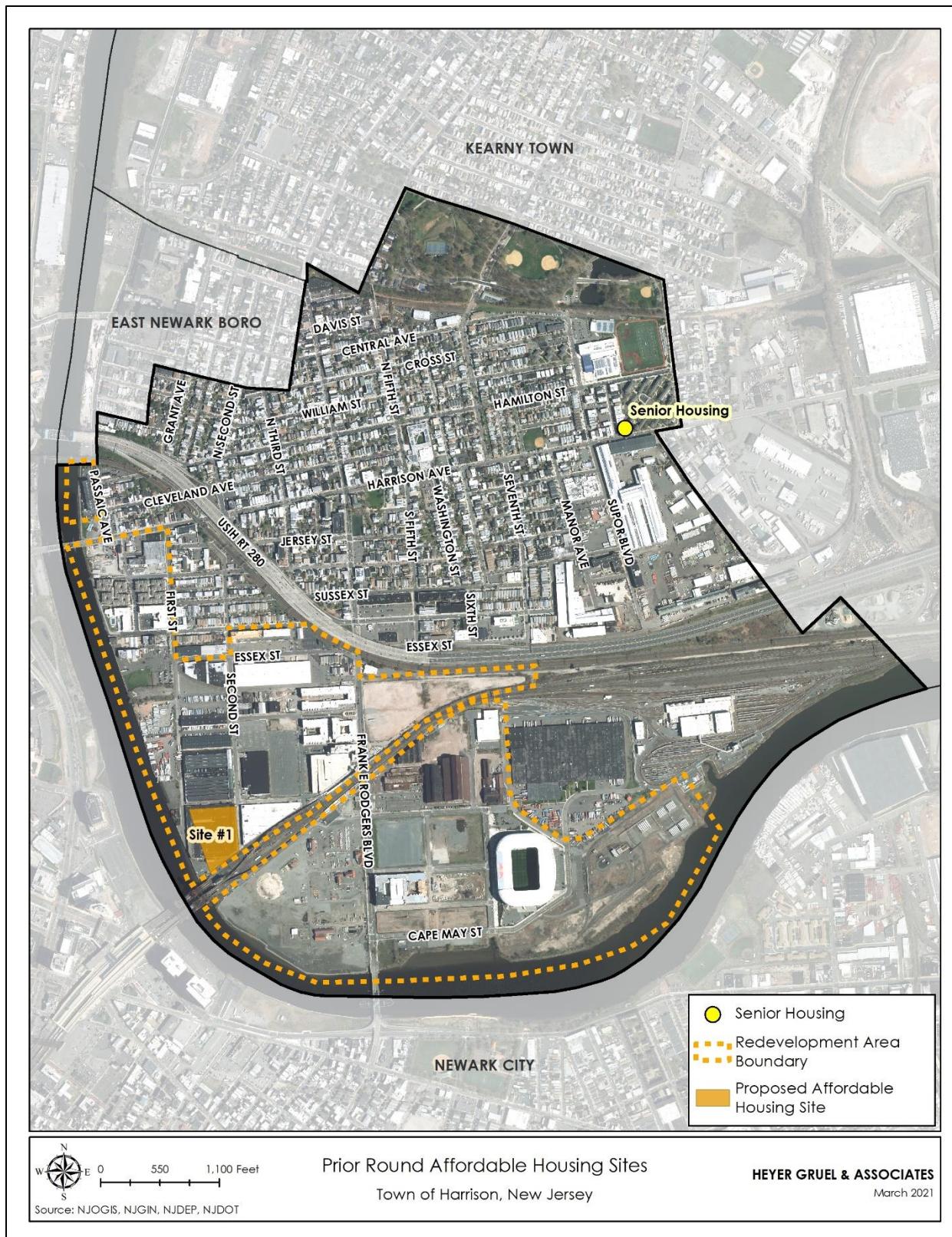
Total affordable units constructed/to be constructed
After 7/1/2008: 349

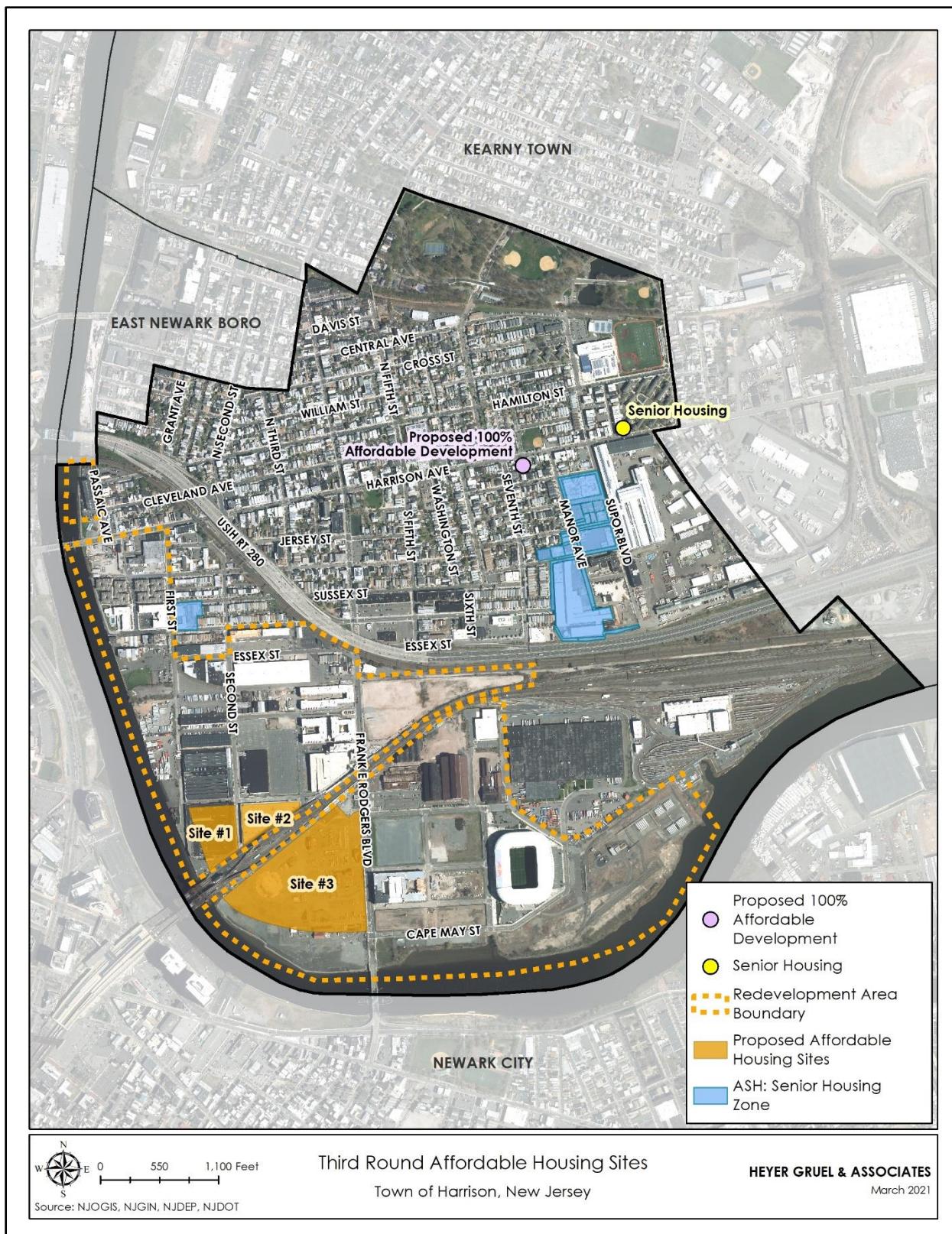
	Required	Proposed
13%:	46	46
50% Required to be Family:	23	32

AFFORDABLE HOUSING ORDINANCES AND RESOLUTIONS

As of the writing of this Plan, the Town of Harrison has adopted the following ordinances and resolutions pertaining to affordable housing:

- Ordinance #1413 amending and supplementing the municipal code to address Fair Housing Act (FHA) and Uniform Housing Affordability Controls (UHAC) requirements, adopted on May 26, 2020
- Ordinance #1414 adopting amendments to the Waterfront Redevelopment Plan Area, adopted on May 26, 2020
- Ordinance #1415 repealing and replacing Chapter 15.36 with Affordable Housing Development Fees, adopted on May 26, 2020
- Ordinance #1404 amending Chapter 17 Land Development Ordinance to include provisions for the Affordable Senior Housing Zone, adopted June 30, 2020
- Resolution #2020-86 appointing Paul J. Zarbetski as Municipal Housing Liaison, adopted on May 26, 2020
- Resolution #2020-88 adopting the Affirmative Marketing Plan, adopted on May 26, 2020
- Resolution #2020-90 authorizing the adoption of the Home Rehabilitation Program Operating Manual, adopted on May 5, 2020
- Resolution #2020-91 endorsing and seeking court approval of the Housing Element and Fair Share Plan, adopted on May 26, 2020
- Resolution #2021-67 adopting the amended Spending Plan, adopted on April 20, 2021





APPENDIX A

**Amended Settlement Agreement with
Fair Share Housing Center (November 12, 2019)**



Peter J. O'Connor, Esq.
Kevin D. Walsh, Esq.
Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.
David T. Rammier, Esq.
Joshua D. Bauers, Esq.

November 12, 2019

Gregory J. Castano, Jr., Esq.
Castano Quigley LLC
155 Passaic Ave, Suite 340
Fairfield, NJ 07004

Re: In the Matter of the Town of Harrison, County of Hudson, Docket No. HUD-L-2879-15

Dear Mr Castano:

This letter memorializes the terms of an agreement reached between the Town of Harrison (the Town or "Harrison"), the declaratory judgment plaintiff, 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. This letter agreement amends and restates certain provisions of the Settlement Agreement letter dated December 2, 2018, and therefore supercedes that prior letter.

Background

Harrison filed the above-captioned matter on July 7, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 53:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. FSHC and the Town with the assistance of the court-appointed Special Master Christine Cofone, PP, AICP participated in numerous mediation sessions. Through that process, the Town and FSHC agreed to settle the litigation and to present the 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

The Town and FSHC hereby agree to the following terms:

1. FSHC agrees that the Town, through the adoption of a Housing Element and Fair Share Plan that conforms to the terms of this agreement and through the implementation of the Plan and this agreement, will satisfy 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. 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 a municipality's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.
3. FSHC and Harrison hereby agree that Harrison's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report ¹)	155
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	30
Third Round (1999-2025) Prospective Need (per Kinsey Report, as adjusted through this settlement agreement)	429

4. For purposes of this agreement, the Third Round Prospective Need shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999-2015 that need affordable housing, that was recognized by the Supreme Court in its January 18, 2017 decision in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (Jan. 18, 2017).
5. The Town's efforts to meet its present need include the following, which is sufficient to satisfy the Town's present need obligation of 155 units: The Town will assist residents in accessing existing housing rehabilitation programs for units occupied by owners and by renters that will be funded as follows:
 - a. Development Fee Ordinance. In conformance with the Town's development tee ordinance that was adopted in 2006, and approved by COAH, developers must pay an affordable housing development fee into the Town's Affordable Housing Trust Fund (AHTF). Monies generated by the development fees will supplement the funds from the County rehabilitation programs, as detailed in paragraphs 5.a and 5.b.
 - b. The HOME Investment Partnership Program (HOME) works with communities to provide assistance in funding a wide range to affordable housing projects. The Hudson County Consortium (the "Consortium") for the HOME Program is comprised of eleven municipalities within Hudson County including the Town of Harrison. The Consortium uses the HOME funds to provide assistance of rehabilitation of very low and low income units, to increase homeownership opportunities for very low and low-income individuals and families, and to increase the supply of affordable rental units. Harrison will address its rehabilitation obligation in part by applying for funding from the HOME program as administered by the Consortium.
 - c. Community Development Block Grant (CDBG) program. The Town will also apply for funds from the Community Development Block Grant (CDBG) program. Hudson County, along with seven of its municipalities, including the Town of Harrison, receives CDBG funds on an entitlement basis as an Urban County Consortium. The CDBG program provides funding to communities, non-profits, and public agencies to help address a range of development needs, mainly involving affordable housing projects and developments. The Town agrees to apply for funding from the CDBG program to subsidize the rehabilitation of substandard units within the Town.

¹ 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, May 2016.

6. As noted above, the Town has a Prior Round prospective need of 30 units, which is met through the following compliance mechanisms:

Compliance Mechanism	Units	Bonus
15-unit senior housing development, 774 Harrison Avenue by Domus Corporation, a nonprofit branch of Catholic Charities (eligible for .33 senior rental bonus)	7 age-restricted affordable units	2
Redevelopment Area Site 1: Inclusionary zoning on Block 86, Lot 1.01, 70 family rental units, 4.3 Acres, of which 21 will meet part of the Prior Round obligation.	Density of 110 units per acre = 473 total units 15% set-aside = 70 total affordable units 21 affordable units applied to Prior Round	-
Total Affordable Units/Bonuses	28	2
Total	30	

7. The Town has implemented or will implement the following mechanisms to address its Third Round prospective need of 429 units, as illustrated in the attached map, Exhibit A, to this agreement:

Compliance Mechanism	Density/units	Rental Bonuses
15-unit senior housing development, 774 Harrison Avenue by Domus Corporation, a nonprofit branch of Catholic Charities	8 age-restricted affordable units	-
SH Senior Housing Zone: Block 89 Lots 1, 5, 6, 7, 8, 27, and 33; Block 189 Lots 1 and 19; Block 193 Lots 1, 2, 4, 5, 27, and 32; Block 198 Lot 1; Block 199 Lots 1, 5, 9, 13, 19, 20, 21, and 23; and Block 202 Lots 1, 13, 17, and 21 This zone provides a realistic opportunity through the provision of a permitted residential density of 55 units per acre.	Density of 55 units per acre = 671 total units 15% set-aside = 101 total age-restricted affordable units 98 age-restricted affordable units applied to Third Round	-
Redevelopment Area Site 1: Inclusionary zoning on Block 86, Lot 1.01, 70 affordable family rental units, 4.3 Acres, of which 49 will meet part of the Third Round obligation.	Density of 110 units per acre = 473 total units 15% set aside = 70 affordable units – Prior Round 21 units 49 affordable units applied to Third Round	49
Redevelopment Area Site 2: Inclusionary zoning on Block 103, Lot 1, 2.8 Acres, 46 affordable family rental units	Density of 110 units per acre = 308 total units 15% set aside =	46

	46 affordable units	
Redevelopment Area Site 3: Inclusionary zoning on part of Block 78, Lot 1, 8 Acres, 120 affordable family rental units	Density of 100 units per acre = 800 total units 15% set aside = 120 affordable units	13
Total Affordable Units/Bonuses	321	108
Total Credits	429	

The current zoning permits affordable housing obligations to be met through the donation of land instead of the provision of on-site affordable housing. Harrison agrees to revise the applicable ordinance in accordance with this agreement to remove the option of providing land instead of on-site units so that the only option for compliance with the affordable housing obligation in this zone will be the provision of on-site age-restricted affordable housing units.

8. The Town will support the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:

The Holy Cross School: The Town agrees to adopt the appropriate zoning and if necessary, a Payment In Lieu of Taxes (PILOT) to ensure this project is financially feasible. The Town is not obligated to provide funding for this site in order to meet its Third Round prospective need. In the event subsidies are available to support the development of this site, approximately 50 senior affordable units are anticipated to be developed. These units will be carried forward and credited toward the municipality's future affordable housing obligations in accordance with then-applicable law.

9. The Town agrees to require 13% of all units referenced in this agreement, with the exception of units constructed as of July 1, 2008, and units subject to preliminary or final site plan approval as of that date, to be very low income units, with at least half of the very low income units being available to families. The municipality will satisfy this obligation by ensuring through the adoption of necessary ordinances that all of the developments referenced in this agreement include at least 13% very low income housing.

10. The Town shall meet its Third Round Prospective Need in accordance with the following standards:

- a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
- b. At least 50 percent of the units addressing the Third Round Prospective Need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
- c. At least twenty-five percent of the Third Round Prospective Need shall be met through rental units, including at least half in rental units available to families.
- d. At least half of the units addressing the Third Round Prospective Need in total must be available to families.

- e. The Town 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 the municipality 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.
11. The Town 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), Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, and NAACP Jersey City Branch, Bergen County NAACP, Newark NAACP, and the Supportive Housing Association of New Jersey, 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. The Town also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
12. 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, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. The Town as part of its Housing Element and Fair Share Plan 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.
13. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
14. As an essential term of this settlement, within one hundred and twenty (120) days of this amended Settlement Agreement, the Town shall introduce and adopt a revised Housing Element and Fair Share Plan in accordance with the terms of this settlement agreement and an ordinance or ordinances providing for the amendment of the Town's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this settlement agreement and the zoning contemplated herein. The Housing Element and Fair Share Plan shall include a chart sharing how the Town will meet its overall very low income/low income/moderate income split.
15. The parties agree that if a decision of a court of competent jurisdiction in Hudson County, 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 the Town for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total prospective Third Round need obligation established in this agreement, and if that calculation is memorialized in an unappealable final judgment, the Town may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Town shall be obligated to adopt and implement the Housing Element and Fair Share Plan required by this agreement, including by adopting or leaving in place any site specific zoning adopted required by this agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; and otherwise fulfilling fully the fair

share obligations as established herein. The reduction of the Town's obligation below that established in this agreement does not provide a basis for seeking leave to amend this agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Town prevails in reducing its prospective need for the Third Round, the Town may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.

16. As part of the compliance phase of this litigation, the Town will prepare and file with the court a spending plan. FSHC reserves the right to object to or comment on the spending plan. The parties to this agreement contemplate that the element of the spending plan will constitute a "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning 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, the Town 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 Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. 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.
17. The Town agrees to pay FSHC in the amount of \$2,000.00 within 10 days of the trial court entering an order approving this settlement agreement.
18. On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of the period of protection referenced in this agreement, the Town 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 Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
19. The Fair Housing Act includes two provisions regarding action to be taken by the Town during the ten-year period of protection provided in this agreement. The Town agrees to comply with those provisions as follows:
 - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Town will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.

- b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this agreement, and every third year thereafter, the Town will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.
20. 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.
21. 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). Such a fairness hearing took place on August 23, 2017 subject only to the final execution of this Agreement and the parties agree that that fairness hearing provided sufficient process for the court to approve this agreement. In the event the Court approves this proposed settlement, the parties contemplate the municipality will receive "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 the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
22. If an appeal is filed of the Court's approval or rejection 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.
23. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Hudson County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
24. 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.
25. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

26. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
27. 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.
28. 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.
29. 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.
30. 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.
31. 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.
32. No member, official or employee of the Town shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
33. 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.
34. 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.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: kevinwalsh@fairsharehousing.org

TO THE TOWN:

Gregory J. Castano Jr.
Castano Quigley, LLC
155 Passaic Avenue
Fairfield, NJ 07004
Telecopier: 973-808-8480
Email: gcastano@cq-law.com

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

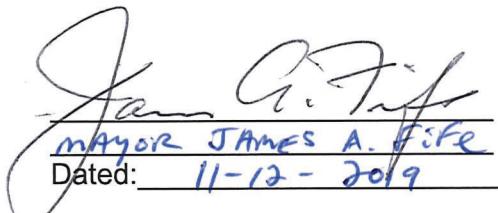
Town of Harrison Clerk
318 Harrison Avenue
Harrison, NJ 07029
Telecopier: (973) 482-2101

Please sign below if these terms are acceptable.

Sincerely,


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

On behalf of the Town of Harrison, with the authorization
of the governing body and Planning Board:



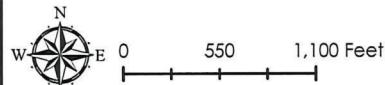
MAYOR JAMES A. FIFE
Dated: 11-12-2019

EXHIBIT A: MAP OF INCLUSIONARY REDEVELOPMENT



- Existing Senior Housing
- Holy Cross School (potential conversion to senior housing)
- Redevelopment Area Boundary
- Proposed Affordable Housing Sites
- Zoning**
- SH: Senior Housing Zone

* 8 acres of Site #3 is proposed for inclusionary development



Third Round Affordable Housing Sites

Town of Harrison, New Jersey

HEYER GRUEL & ASSOCIATES

November 2019

TOWN OF HARRISON

Meeting Date: 11/12/2019

Resolution #: R-2019-191



Committee: Finance

Presented by Councilperson:
Carol Mandaglio

HUDSON COUNTY

A RESOLUTION AUTHORIZING AND APPROVING AN AMENDED SETTLEMENT AGREEMENT RELATING TO THE TOWN'S AFFORDABLE HOUSING OBLIGATIONS

WHEREAS: Pursuant to the 2015 New Jersey Supreme Court Decision In re: N.J.A.C. 5:96 and 5:97, 221 NJ 1 § (2015) commonly referred to as the "Mount Laurel IV Decision", the Court essentially negated the role of the New Jersey Council on Affordable Housing ("COAH") and set a procedure for court approval of municipal affordable housing fair share plans; and

WHEREAS: Pursuant to the Mount Laurel IV Decision, the Town filed a Declaratory Judgment Action, entitled In the Matter of the Application of the Town of Harrison County of Hudson, Docket No. HUD-L-2879-15 and the Fair Share Housing Center was a court designated interested party in that action; and

WHEREAS: By Resolution dated November 29, 2018, the Town approved the terms of a settlement of the issues raised in the Mount Laurel Litigation and agreed to the terms of the Town's fair share plan through 2025; and

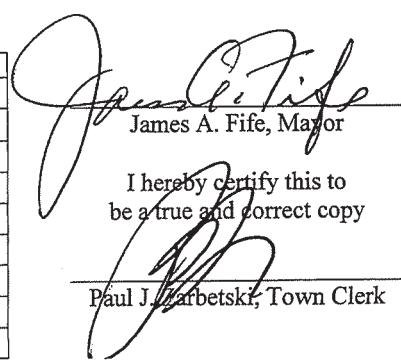
WHEREAS: The Town, through its planners, subsequently negotiated certain revisions to the settlement agreement so that the Town could maximize senior citizen affordable housing units; and

WHEREAS: The terms of the amended settlement agreement are set forth in the attached Letter Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:

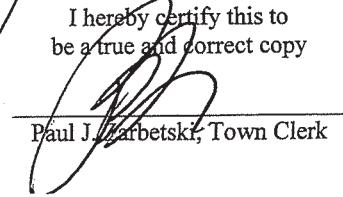
THAT: The Mayor or Town Administrator is authorized to execute the amended settlement agreement substantially in the form attached hereto and to execute any other document necessary to effectuate the terms of the settlement.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. DOLAGHAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
J. HUARANGA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. MANDAGLIO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. NASCIMENTO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



James A. Fife, Mayor

I hereby certify this to
be a true and correct copy



Paul J. Garbetski, Town Clerk

APPENDIX B

Order of Fairness and Judgment of Compliance and Repose (June 6, 2020)

**Consent Order Approving Amended Spending Plan and Scheduling an Amended
Fairness and Final Compliance Hearing (April 15, 2021)**

CASTANO QUIGLEY LLC
Gregory J. Castano Jr. – Attorney ID No. 040701992
155 Passaic Avenue, Suite 340
Fairfield, N.J. 07004
(973) 808-1234
Attorneys for Plaintiff/petitioner

IN THE MATTER OF THE APPLICATION
OF THE TOWN OF HARRISON, a
municipal corporation of the State of New
Jersey,

Plaintiff/petitioner.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION – HUDSON COUNTY

DOCKET NO. HUD-L-2879-15

Civil Action
(Mount Laurel)

**ORDER OF FAIRNESS AND
JUDGMENT OF COMPLIANCE AND
REPOSE**

THIS MATTER opened to the Court jointly by the Town of Harrison (hereinafter the “Town”) through its attorneys, Castano Quigley LLC, Gregory J. Castano Jr. appearing, and the Fair Share Housing Center, Josh Bauers, Esq. appearing, by way of Fairness and Compliance Hearing held on May 29, 2020 pursuant to and in accordance with East/West Venture v. Borough of Fort Lee, 286 N.J.Super 311 (App.Div 1996); and sufficient notice of this hearing having been given in accordance with In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015) and Morris County Fair Housing Council v. Boonton Twp., 197 N.J. Super 359 (Law Div. 1984);

WHEREAS the Court previously entered an Order dated May 29, 2019 approving the settlement agreement between the Town and Fair Share Housing Center, and since the previous Order of the Court, the Town amended the Settlement Agreement on November 12, 2019 and the Town, through its Planning Board, on May 11, 2020 adopted the Town’s amended Housing

Element and Fair Share Plan as an element of the Town's Master Plan; and which was endorsed by resolution of the Mayor and Council at a meeting on May 26, 2020.

WHEREAS, the Town has subsequently appointed Paul Zarbetski as municipal housing liaison for the Town in a resolution memorialized on May 26, 2020; adopted a resolution appointing Heyer Gruel & Associates, administrative agents for the Town on May 26, 2020; adopted a resolution adopting the "Affirmative Marketing Plan" for the Town on May 26, 2020; adopted a resolution adopting the Spending Plan for the Affordable Housing Trust Fund on May 26, 2020; adopted a resolution authorizing the adoption of the Town's Home Rehabilitation Program Operating Manual on May 26, 2020; adopted an Ordinance on May 26, 2020 amending its Waterfront Redevelopment Plan to provide for inclusionary development; adopted an Ordinance on May 26, 2020 repealing and replacing its Development Fee Ordinance; and adopted an Ordinance on May 26, 2020 amending and replacing the Town's Municipal Code to address the requirements of the Fair Housing Act and the Uniform Housing Affordability Controls regarding compliance with the Town's affordable housing obligations, all of which have been submitted to the Court and Fair Share Housing Center; and

WHEREAS, the Court had received a report from the Special Master, supporting the entry of an order of judgment of compliance and repose, having noted the efforts made by the Town since the initiation of these proceedings to comply with the requirements of the March 10, 2015 decision In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, 221 N.J. 1 (2015) (commonly known as Mt. Laurel IV decision) and the Court having entered an order granting the Town of Harrison temporary immunity and carried that temporary immunity forward, through and including these proceedings, and no party having objected to the terms of the settlement agreement with the Fair Share Housing Center; and

WHEREAS, the Court finds that the notice given in advance to the hearing meets the required 30 days and neither the Town nor Special Master, Fair Share Housing Center or the Court having received any objections to the amended Housing Element and Fair Share Plan, the Spending Plan as amended or the aforesaid subsequent resolutions and ordinances adopted to implement same and the Court having considered the report of Special Master, the comments of counsel for the Town at the compliance hearing, the comments of counsel for Fair Share Housing Center at the said hearing, and the Court having reviewed all documentation, having been submitted previously to the Court and good cause having been shown.

It is hereby ORDERED on this 4th day of June 2020 as follows:

1. The Court finds and determines pursuant to the judicial standards prescribed by the Appellate Division in East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996), the amended Settlement Agreement between the Town and Fair Share Housing Center is fair, reasonable, and adequately protects the interests of very low, low, and moderate-income household and the Court hereby approves the amended Settlement Agreement.

2. Subject to the satisfaction of the condition in paragraph 4 of this Order and the deadlines established therein, the Town's Housing Element and Fair Share Plan is hereby approved. The Court also finds and determines that the amended Settlement Agreement and the Town's Housing Element and Fair Share Plan and subsequent resolutions and ordinances, are consistent with the overall Settlement Agreement previously entered into between the Town and Fair Share Housing Center, and are in compliance with the Fair Housing Act (N.J.S.A. 52:27D-301 et. seq.), the Uniform Housing Affordability Control (N.J.S.A. 5:80-26.1 et. seq.), the applicable Council on Affordable Housing substantive regulations, and the body of case law

including the N.J. Supreme Court Mt. Laurel IV decision. (collectively the “Affordable Housing Laws”).

3. The judgment of compliance and repose given to the Town will remain in effect for ten years beginning retroactively to July 1, 2015 and ending on July 1, 2025 and during this period the Town shall have immunity from all Mt. Laurel builders remedy type lawsuits as well as any other law suits under the Affordable Housing Laws or other litigation challenging the terms set forth in the Settlement Agreement or subsequent resolutions and ordinances, plans and reports.

4. As a condition of the judgment of compliance and repose, the Town will adopt an ordinance amending the zoning map of the Town to include an Affordable Senior Housing Zone within forty-five (45) days from the date of this Order.

5. Counsel for the Town of Harrison shall forward a copy of this order to the Special Master and counsel on behalf of Fair Share Housing Center within 7 days of receipt from the Court.

6. A Copy of the Housing Element and Fair Share Plan and other documents submitted to the Court shall be retained by the Town Clerk in the Town of Harrison and shall be made available upon request for inspection by any interested party at the offices of the Town Clerk during normal business hours of the Town of Harrison.

Mary K. Costello

Mary K. Costello, J.S.C.

MKC

CASTANO QUIGLEY LLC
Gregory J. Castano Jr. – Attorney ID No. 040701992
155 Passaic Avenue, Suite 340
Fairfield, N.J. 07004
(973) 808-1234
Attorneys for Plaintiff/petitioner

IN THE MATTER OF THE APPLICATION
OF THE TOWN OF HARRISON, a
municipal corporation of the State of New
Jersey,

Plaintiff/petitioner.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION – HUDSON COUNTY

DOCKET NO. HUD-L-2879-15

Civil Action
(Mount Laurel)

**CONSENT ORDER
FOR AN AMENDMENT
TO THE SPENDING PLAN AND
SCHEDULING AN
AMENDED FAIRNESS AND FINAL
COMPLIANCE HEARING**

THIS MATTER being opened to the Court by counsel for the Town of Harrison, requesting approval of an amendment to the Town's Affordable Housing Trust Fund Spending Plan (the "Spending Plan") and the scheduling of an Amended Fairness and Final Compliance Hearing; and

WHEREAS, the Court having entered the June 4, 2020 Order of Fairness and Judgment of Compliance and Repose, which approved the November 12, 2019 Settlement Agreement between Harrison and Fair Share Housing Center ("FSHC"), the Town's Housing Element and Fair Share Plan, as well as the Spending Plan; and

WHEREAS, the Town having now proposed an amendment to the Spending Plan (the "Amended Spending Plan"), which has been reviewed and consented to by FSHC and the Special Master, subject to the conditions of this Order, as reflected by the signatures below; and

WHEREAS, the Court having considered the matter and for good cause shown:

April
IT IS on this 15 day of March 2021, ORDERED as follows:

1. The Court hereby approves the Amended Spending Plan, attached hereto as Exhibit 1, which amends the previously approved Spending Plan to permit Harrison to use \$2,678,300.00 of its Affordable Housing Trust funds for the acquisition of Block 196, Lots 6, 8, 9, 10, & 12 on Harrison's tax map.
2. Harrison shall use the properties to be acquired on Harrison Avenue (Block 196, Lots 6, 8, 9, 10, & 12) solely for the purpose of the development of a municipally sponsored 100% affordable housing project that shall consist of no fewer than twenty-five (25) affordable family non-age-restricted rental units for very-low-, low-, and moderate-income households. The 100% affordable development shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. ("UHAC"), including but not limited to the required bedroom and income distribution, with the sole exception that at least thirteen percent (13%) of the affordable units within each bedroom distribution shall be required to be for very low income households earning thirty percent (30%) or less of the median income pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq. ("FHA").
3. The Court hereby approves Exhibit 2, attached hereto, which establishes the general timeline for actions that Harrison shall take, expeditiously and with all continuity of purpose, to ensure a realistic opportunity for the 100% affordable family rental development that shall be constructed on the properties (Block 196, Lots 6, 8, 9, 10, & 12) to be acquired.
4. The Town shall voluntarily purchase Lots 6 and 10 forthwith. The Town shall expeditiously attempt to purchase Lots 8, 9, and 12 voluntarily and to utilize eminent domain to acquire the sites if necessary. The Town has adopted a resolution of Intent to Fund a Shortfall, Resolution No. 2021-56, to ensure that it has available funds to purchase Lots 8, 9, and

12, in the event the funds committed from its Affordable Housing Trust Fund prove inadequate to complete the acquisition of the lots.

5. If, for any reason, any of the properties to be acquired (Block 196, Lots 6, 8, 9, 10, & 12) are not used for the construction of an at least twenty-five (25) unit 100% affordable family non-age-restricted rental development, Harrison accepts and agrees that it shall reimburse its Affordable Housing Trust Fund in full for all monies expended therefrom for the purchase of the properties. If FSHC deems it necessary, FSHC shall be permitted to file a motion to enforce with the Superior Court, or to file a separate action with the Superior Court, to order Harrison to reimburse its Affordable Housing Trust Fund.

6. If, by July 1, 2024, Harrison and/or its designated developer has not started construction nor obtained financing for the start of construction of an at least twenty-five (25) unit 100% affordable family non-age-restricted rental development on the properties to be acquired by Harrison (Block 196, Lots 6, 8, 9, 10, & 12), Harrison accepts and agrees that it shall reimburse its Affordable Housing Trust Fund by no later than January 1, 2025, in full for all monies expended therefrom for the purchase of any of the properties.

7. Harrison shall work with Fair Share Housing Center and the Special Master to enter into an amendment to the court-approved Settlement Agreement, and said amendment shall add the proposed 100% affordable family non-age-restricted rental development on Harrison Avenue (Block 196, Lots 6, 8, 9, 10, & 12) to the other compliance mechanisms already committed to by the Town. The amendment shall provide further detail as to proposed 100% affordable project, suitability analysis for the properties to be acquired, and timing of the project, including designation of a 100% affordable developer and entry into a developer's agreement.

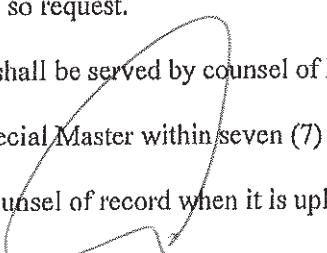
8. Following execution of an amendment to the court-approved Settlement Agreement between Harrison and FSHC, Harrison shall expeditiously amend its Housing Element and Fair Share Plan to add the proposed 100% affordable family non-age-restricted rental development on Harrison Avenue (Block 196, Lots 6, 8, 9, 10, & 12), and Harrison shall take all other necessary actions to demonstrate compliance with the amended agreement.

9. An Amended Fairness and Final Compliance Hearing shall be held on July 13, 2021, at 1:30 p.m.

10. Harrison shall publish notice of the Amended Fairness and Final Compliance hearing at least thirty (30) days in advance. The notice shall state that any objections must be submitted in writing to the Court, Harrison, FSHC, and the Special Master at least seven (7) days prior to the Amended Fairness and Final Compliance Hearing.

11. At least thirty (30) days prior to the Amended Fairness and Final Compliance Hearing, Harrison shall provide FSHC and the Special Master with the amended Housing Element and Fair Share Plan as well as any other documentation that it intends to rely on at the Amended Fairness and Final Compliance Hearing. This documentation shall also be made available to any interested parties who so request.

12. A copy of this Order shall be served by counsel of Harrison on counsel for Fair Share Housing Center as well as the Special Master within seven (7) days of receipt. This Order shall be deemed served on all other counsel of record when it is uploaded to eCourts.


Hon. Mary K. Costello, J.S.C.


A. V. DeRosa, J.S.C.

The parties authorize and hereby consent to the entry and the form of this Order:

FAIR SHARE HOUSING CENTER

Dated: March 29, 2021

By: Bassam Gergi
Bassam F. Gergi, Esq.
On behalf of Fair Share Housing Center

Dated: 4/7/21

TOWN OF HARRISON
By: G.J. Castano
Gregory J. Castano, Jr., Esq.
On behalf of the Town of Harrison

Dated: 4-7-21

COURT-APPOINTED SPECIAL MASTER
By: Christine Nazzaro-Cofone
Christine Nazzaro-Cofone, P.P., A.I.C.P.

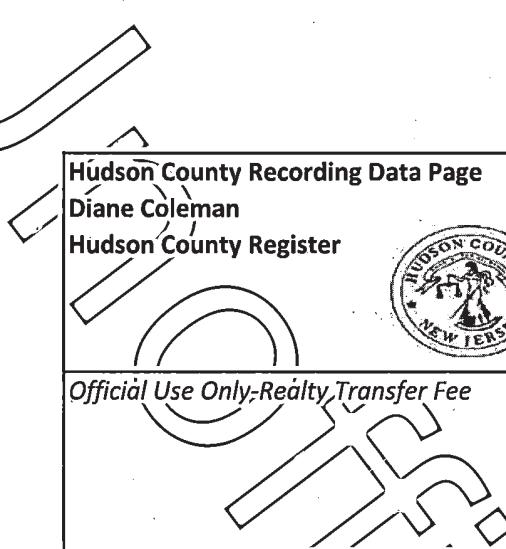
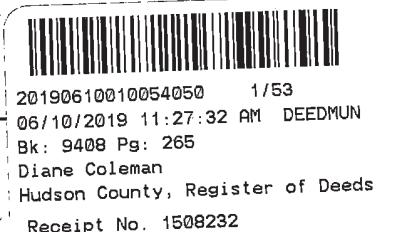
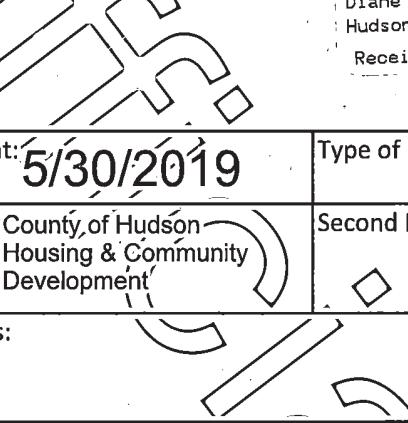
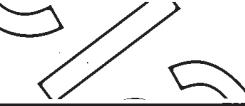
APPENDIX C

HOME Funded Projects in the Town of Harrison:

- **774 Harrison Ave**
- **224 N. 2nd Street (Block 11 Lot 30) Deed and Regulatory Agreement**

Active projects who have received funding from HOME Investment Partnership Program
Provided by the Hudson County Division of Housing & Community Development

MUNICIPALITY	ADDRESS	PROJECT SPONSOR	Total Units	STATUS	Length of Affordability	Year Affordability Ends
Harrison	774 Harrison Avenue	DOMUS	15	Complete	20	2036

<p>Hudson County Recording Data Page Diane Coleman Hudson County Register</p> 	<p>Official Use Only-Barcode</p>  <p>20190610010054050 1/53 06/10/2019 11:27:32 AM DEEDMUN Bk: 9408 Pg: 265 Diane Coleman Hudson County, Register of Deeds Receipt No. 1508232</p>
<p>Official Use Only-Realty Transfer Fee</p> 	
<p>Date of Document: 5/30/2019</p>	<p>Type of Document: Regulatory Agreement</p>
<p>First Party Name: County of Hudson Housing & Community Development</p>	<p>Second Party Name: Garden State Episcopal Community Development Corporation</p>
<p>Additional Parties:</p> 	

<p>THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY</p>	
Block:11	<input checked="" type="checkbox"/> Lot:30 //
<p>Municipality: Harrison</p>	
<p>Consideration:</p>	
<p>Mailing Address of Grantee:</p>	
<p>THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOKING & PAGING INFORMATION FOR ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES & OTHER ORIGINAL MORTGAGE AGREEMENTS ONLY</p>	
Original Book:	Original Page:
<p>HUDSON COUNTY RECORDING DATA PAGE</p> <p>Please do not detach this page from the original document as it contains important recording information and is part of the permanent record.</p>	

DISCLAIMER:

A recording officer shall not be liable for differences between the cover sheet or the electronic synopsis and the document. If discrepancies are found, the entire document will be rejected.

53 PGS

HUDSON COUNTY, NEW JERSEY
HOME INVESTMENT PARTNERSHIPS PROGRAM
OWNER/ DEVELOPER
REHABILITATION PROJECT
REGULATORY AGREEMENT

OWNER/ DEVELOPER:

Garden State Episcopal CDC
Carol Mori
118 Summit Avenue
Jersey City, NJ 07304

PROJECT:

224 N. 2nd Street, Harrison, NJ 07029

DATE: May 30, 2019

HUDSON COUNTY, NEW JERSEY
HOME INVESTMENT PARTNERSHIPS PROGRAM
OWNER/ DEVELOPER
REHABILITATION PROJECT

REGULATORY AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 2019, by and between the COUNTY OF HUDSON, NEW JERSEY, a body politic of the State of New Jersey, having an address of 567 Pavonia Avenue, Jersey City, New Jersey 07306 (hereinafter referred to as the "County" or the "Lender") and GARDEN STATE EPISCOPAL CDC, a not-for-profit corporation of the State of New Jersey, having an address of 118 Summit Avenue, Jersey City, New Jersey 07304 (hereinafter referred to as the "Borrower" or the "Owner").

WHEREAS, the Hudson County Board of Chosen Freeholders approved the Hudson County Consortium's HOME Program description which was submitted to the U.S. Department of Housing and Urban Development; and

WHEREAS, said HOME Program description included project activities, descriptions and proposed use of the program funds; and

WHEREAS, the U.S. Department of Housing and Urban Development has approved the Hudson County Consortium's HOME Program description;

NOW, THEREFORE, in consideration of the mutual promises and other conditions, covenants, and obligations made and agreed to by and between parties, it is hereby agreed as follows:

A. INTENT OF AGREEMENT

The County is the recipient of HOME Investment Partnership Program (hereinafter referred to as the "HOME Program" or "HOME") funds from the U.S. Department of Housing and Urban Development ("HUD") pursuant to Title II of the National Affordable Housing Act of 1990 ("NAHA"), as amended at 42 U.S.C. 12701 *et seq.* It is the intent of the County to provide HOME Program Funds to Garden State Episcopal CDC for the purpose of furthering the goals of the NAHA and the Hudson County Consortium HOME Program description. The HOME Program funds are to be used for eligible purposes under the NAHA and implementing federal regulations adopted by HUD and codified at 24 C.F.R. Part 92. This Regulatory Agreement (hereinafter referred to as the "Regulatory Agreement") details those requirements and is intended to meet the requirements of 24 C.F.R. § 92.504 for written agreements.

B. PROJECT DESCRIPTION

The County shall provide **FIVE HUNDRED AND ONE THOUSAND, SIXTY-THREE (\$501,063) DOLLARS** in HOME Program funds to the Owner to be used for the acquisition and rehabilitation of a two-family home for low and very low income families at 224 N. 2nd Street, Harrison, New Jersey in accordance with the requirements of this Regulatory Agreement. Said real property is further described in "Schedule A" and hereinafter referred to as the "Premises". Owner agrees to complete the scope of work as outlined in Exhibit A, attached hereto and incorporated by reference herein.

The Owner agrees to sell said two unit home to very low income or low income persons as defined by 24 C.F.R. § 92.254 as having a total household income that does not exceed eighty percent (80%) of the Area Median Income ("AMI") as defined by HUD. Of the two units one will be occupied as the principal residence of the owner. The second unit will be fixed and rented to tenants at or below 60% (High) of Area Median Income for a restricted period of 15 years.

The Owner understands and agrees that any sale to a Buyer is dependent on the Buyer entering into a regulatory agreement, mortgage and note and any other documents the County deems necessary to continue the affordable housing restrictions, obligations and requirements as set forth herein.

The Owner agrees to start the construction within six (6) months of the execution of this Regulatory Agreement and to complete the construction within eighteen (18) months.

The Owner shall execute a note and mortgage on the land at 224 N. 2nd Street, Harrison, New Jersey in the amount of **FIVE HUNDRED AND ONE THOUSAND, SIXTY-THREE (\$501,063) DOLLARS** with the County as Mortgagee.

In the event that the acquisition and rehabilitation which is to include two (2) HOME units for low and very low income families are not created or an eligible housing activity is not developed or completed then the Owner agrees to repay the County all funds advanced under this Regulatory Agreement.

If all of the conditions of the Note, Mortgage, Affordable Housing Restriction and this Regulatory Agreement are met, the underlying funds may not have to be repaid as set forth in the Note. All assisted units will be restricted to occupancy by low income households.

In the event of a default by the Owner on the terms of this Regulatory Agreement, the Owner shall repay to the County the total amount of the HOME Program funds plus six percent (6.00%) interest from the date funds are received by the Owner to the date that the County of Hudson is repaid.

C. AGREEMENT TERMS AND CONDITIONS

Pursuant to the requirements of federal regulations governing the use of HOME Program funds as specified at 24 C.F.R. § 92.504 (b) the following provisions shall apply to this Regulatory Agreement.

1. USE OF THE HOME FUNDS

Funds available under this Regulatory Agreement will be applied toward the specific activities enumerated in Exhibit A and in conformity with the schedule specified therein. Any monies in excess of the HOME Program funds total allocation of **FIVE HUNDRED AND ONE THOUSAND, SIXTY-THREE (\$501,063) DOLLARS** shall be the sole responsibility of the Owner.

2. AFFORDABILITY

This Regulatory Agreement requires that housing assisted with HOME Program funds must meet the affordability requirements for ownership, sale and rental as specified in the federal regulations at 24 C.F.R. § 92.254/92.252. The period of affordability for this project shall be fifteen (15) years. Said regulations are attached hereto as Exhibit B, and incorporated by reference herein.

In the event the housing assisted with HOME Program funds does not meet the affordability requirements and the provisions for the time period specified, the HOME Program funds invested in such housing together with accrued interest (if any) shall be repaid to the County. The amount of funds due shall be as specified in the related Mortgage and Note which must be executed by the Owner prior to disbursement of any HOME Program funds.

Borrower will certify income of tenants annually and recalculate rents based on the income information, as provided in regulations adopted by HUD and codified at 24 C.F.R. Part 92. The Lender will provide the Borrower the applicable HUD HOME Rent Limits and Utility Allowance Schedule each year. If, at any time, any of the HOME units are not affordable units as defined as herein, and subject to the provisions of any inter-creditor agreement, the Lender may require full immediate repayment of principal and interest.

3. REPAYMENTS

Any repayment, interest or other return on the investment of HOME Program funds required by this Regulatory Agreement shall be remitted to the County unless otherwise authorized in writing by the County.

4. PROJECT REQUIREMENTS

The Owner shall comply with the applicable project requirements as specified in the federal regulations at 24 C.F.R. Part 92 Subpart F (which are attached hereto as Exhibit B, and incorporated by reference herein) including but not limited to:

- a. Housing Quality Standards – The Owner shall be required to maintain the housing in compliance with all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion and for the duration of this Regulatory Agreement. Housing that is assisted with HOME Program funds, at a minimum, must meet the federal housing quality standards in 24 C.F.R. § 982.401 ("HUD Housing Quality Standards"). In addition, housing that is newly constructed must meet the Model Energy Code published by the Council of American Building Officials. Substantially rehabilitated housing (rehabilitation cost per unit greater than \$25,000) must meet the cost-effective energy conservation and effectiveness standards in 24 C.F.R. Part 39.
- b. Faith-based activities – Owner shall not discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

5. OTHER PROGRAM REQUIREMENTS

The Owner shall carry out each activity in compliance with all federal laws and regulations as described at 24 C.F.R. Part 92 Subpart H, including but not limited to:

- a. Construction of the Project in accordance with the approved plans and specifications shall commence within twelve (12) months of the loan closing. If the project entails acquisition, the acquisition and title transfer must be completed no later than six (6) months after the loan closing. At the completion of construction, the Borrower shall certify that all of HOME funds

were expended for eligible costs under the HOME Program to construct the HOME units, that certificates of occupancy have been issued for all units in the Project and that the HOME units meet the housing quality standards applicable under the HOME Program, as well as all applicable laws, codes, ordinances and regulations. Owner will provide the final address and unit number of each HOME-assisted unit no later than initial occupancy.

- b. Program Income – “Program Income” as defined by 24 CFR 92.504 is to be remitted to the Lender.
- c. Rental Housing – Borrower also agrees to comply with the requirements of 24 C.F.R. 92.254 pertaining to “Qualification as Affordable Housing: Rental Housing.”
- d. Property Standards – Borrower agrees to comply with the requirements of 24 C.F.R. 92.251 pertaining to “Property Standards.”
- e. Non-Discrimination and Equal Employment – Borrower agrees to comply with the requirements of 24 C.F.R. 92.350 pertaining to “Non-Discrimination.”
- f. Affirmative Marketing – Requirements for affirmative marketing are described at 24 C.F.R. § 92.351, which is attached hereto as Exhibit C and incorporated by reference herein. The Owner’s responsibilities pursuant to these regulations are included in the “Affirmative Marketing Plan,” attached hereto as Exhibit D and incorporated by reference herein.
- g. Environmental Review – Owner does not assume the County’s responsibilities for the environmental review required by § 92.352 or the intergovernmental review process required by § 92.357.
- h. Anti-Displacement – Borrower agrees to comply with the requirements of 24 C.F.R. 92.353 pertaining to “Displacement, Relocation and Acquisition.”
- i. Labor Standards – Borrower agrees to comply with the requirements of 24 C.F.R. 92.354 pertaining to “Labor Standards.”
- j. Lead-Based Paint – Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevent Act (42 U.S.C. 4821 et seq.) the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.), and implementing regulations at 24 C.F.R. Part 35. The Owner is responsible for any testing and abatement activities necessary to ensure that this Project is in compliance with the above-mentioned lead-based paint standards.
- k. Conflict of Interest – Owner shall comply with HUD’s Conflict of Interest policies as defined by 24 C.F.R. § 92.356. Owner shall ensure that it (or any of its officers, employees, agencies or consultants) will not occupy any HOME-assisted affordable housing units in the Project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his/her own principal residence or to an employee or agent of the Owner who occupies a housing unit as the Project manager or maintenance worker.

The County may request an exception from HUD on a case-by-case basis if it determines that such an exception will serve to further the purposes of the HOME Program and the effective and

efficient administration of the Project. In order for the County to consider such an exception, Owner must provide, in writing: (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and (2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

- l. Marketing – Borrower agrees that upon completion of the project and for the term of affordability, all available units and waiting lists will be posted on the “Hudson Housing Finder.”
- m. Coordinated Entry – Should the property include a set-aside of units for persons or families who are homeless, all referrals must be made through the Hudson County Continuum of Care Coordinated Entry.

6. CONDITIONS FOR RELIGIOUS ORGANIZATIONS

Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME Program in accordance with the requirements of 24 C.F.R. § 92.257. Any such organization participating in the HOME Program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under the HOME Program.

HOME funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. HOME funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to HOME funds in this part. Sanctuaries, chapels, or other rooms that a HOME-funded religious congregation uses as its principal place of worship, however, are ineligible for HOME-funded improvements.

7. REQUESTS FOR DISBURSEMENTS OF FUNDS

Disbursements of HOME Program funds shall be based on vouchers submitted by the Owner, verified by HUD and the County, and certified by the architect, construction manager, or other certifying official acceptable to the County. All submissions by contractors of monthly requisitions shall be on AIA forms 702 and 703 or their equivalent. Disbursements shall also be subject to the following:

- a. The maximum total amount of disbursements may not exceed the total amount of HOME Program funds committed to the project as specified in paragraph B above.
- b. The Owner may not request disbursements of funds under this Regulatory Agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.
- c. At closing the Owner shall furnish the County with an ALTA Loan Policy of title

insurance in the original principal amount of the HOME Program funds ensuring that the County of Hudson has a mortgage lien on the Project site, ensuring that the County is the holder of a subordinated lien on the Project Site, free of encumbrances and other exceptions to title other than those approved in advance by the County and not subordinated to any other interest.

d. At closing the Owner shall furnish the County with a Builders Risk and Fire Insurance policy or policies duly endorsed to indicate the County as an insured mortgagee.

e. HOME Program funds may be drawn down and disbursed for use in accordance with the provisions of this Regulatory Agreement in a ratio of HOME Program funds to private and other investment as specified in Exhibit A.

f. The Owner shall submit monthly requisitions by the 5th of each month. The County shall make disbursement of loan funds as to the requisitions by the 30th of each month.

8. RECORDS AND REPORTS

a. Monitoring: All records, reports and data pertaining to the subject Premises shall be available to the County, the U.S. Department of Housing and Urban Development and the Controller General of the United States for the purpose of program monitoring. For multi-family housing, monitoring will include on-site inspection to determine compliance with housing codes and the requirements of Federal Regulations. The results of each monitoring will be included in the County's performance report required by Federal Regulations and will be made available to the public.

Borrower agrees to allow the County of Hudson to perform on-site inspections of the Project before, during and after completion as well as throughout the period of required affordability in order to determine compliance with all HOME regulations, including but not limited to: 24 C.F.R. 92.251 and 24 C.F.R. 92.252. These inspections shall be performed as Lender sees fit and pursuant to 24 C.F.R. 92.252.

b. Project Records – The County and Owner shall, at a minimum, maintain project records which demonstrate and document the following:

1. The project meets the property standards as required by 24 C.F.R. § 92.251.
2. Any rental housing project meets the requirements of 24 C.F.R. § 92.252 for the required period of affordability. Records must be kept for each family assisted.
3. Compliance with the requirement of 24 C.F.R. § 92.253 for tenant and participant protections.
4. Indicate whether the project is mixed income, mixed use, or both, as required by accordance C.F.R. § 92.255 or 24 C.F.R. § 92.256.
5. The guidelines adopted by the County and supporting the certification for each housing project that the combination of federal assistance to the Project is not any more than is necessary to provide affordable housing, as required by 24 C.F.R. § 92.150 (c)(1).

c. Other Federal Requirements – The County and the Owner shall at a minimum, maintain the following records:

1. Equal opportunity and fair housing records, containing:

- Data on the extent to which each racial and ethnic group and single-headed households (by gender of head of household) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with HOME funds.

C.F.R. § 92.350, which implements Section 3 of the Housing Development Act of 1968, as amended, which can be found at 12 U.S.C. 171(u).

Documentation and data on the steps taken to implement outreach programs to minority-owned and female-owned business including data indicating the racial/ethnic or gender characteristics of each business entity receiving a contractor subcontract of \$25,000 or more paid, or to be paid, and documentation of affirmative steps to assure that minority business and women's business enterprise have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services.

Documentation of the actions taken to affirmatively further fair housing;

2. Records indicating the affirmative marketing procedures and requirements of 24 C.F.R. § 92.351.

3. Records which demonstrate compliance with the requirements of 24 C.F.R. § 92.353 regarding displacement, relocation and real property acquisition.

4. Records demonstrating compliance with labor requirements of 24 C.F.R. § 92.354, including contract provisions and payroll records.

5. Records concerning lead-based paint pursuant to 24 C.F.R. § 92.355.

6. Records of certifications concerning debarment and suspension required by 24 C.F.R. § 92.357.

7. Records demonstrating compliance with flood insurance requirements pursuant to 24 C.F.R. § 92.358.

8. Period of Record Retention - All records relating to the subject project and including, at a minimum, the records specified above shall be retained by the Owner for three years after closeout of the project and funding by the County except as follows:

- If any litigation, claim, negotiation, audit or other action has been started before the expiration of the regulated period specified above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the above period, whichever is later.

b) Records regarding project requirements (as described in 24 C.F.R. 92 Subparts F and H), that apply for the duration of the period of affordability as well as the written Regulatory Agreement and inspection and monitoring reports must be retained for three years after the required period of affordability specified in 24 C.F.R. § 92.252 or 24 C.F.R. § 92.254, as applicable.

c) Records covering displacements and acquisition must be retained for at least three years after the date by which all persons displaced from the Premises and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 C.F.R. § 92.353.

d) Record Access - The County and Owner shall provide citizens, public agencies, and other interested parties with reasonable access to records, consistent with applicable state and local laws regarding privacy and obligations of confidentiality. The County, HUD, and the Controller General of the United States, or any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the County and Owner in order to make audits, examinations, excerpts and transcripts.

9. ENFORCEMENT OF THE AGREEMENT

The provisions of this Regulatory Agreement shall be enforced and secured by the following:

a. Deed Restrictions - The affordability requirements in 24 C.F.R. § 92.252 (attached hereto as Exhibit B) shall be enforced by a deed restriction on the Premises which is the subject of this Regulatory Agreement. Said deed restriction shall be duly filed with the County Registrar. A deed or covenant running with the land will be used by the County to ensure that the Owner maintains rent and occupancy controls. A Promissory Note and Mortgage shall be used by the County to ensure that all provisions of the loan assistance terms and conditions are met!

b. Security - The HOME Program funds shall be secured by a mortgage in favor of the County upon all land, buildings, fixtures, security position of the County may be subordinated only to other approved Mortgage advances which are invested in the Project and are required for its completion. In the event the Borrower's mortgage agreement with the County is subordinated, that mortgage shall also contain standard provisions to protect the interest of the subordinated mortgage, including, for example, a provision that a default under the Senior Mortgage(s) which could permit a foreclosure of said mortgage shall constitute a default under the subordinated mortgage and the entire principal balance plus accrued and unpaid interest (if any) of the HOME Program funds shall become immediately due and payable. In the event Borrower conveys its interest in the Premises, Lender shall not unreasonably withhold its consent to assumption of said mortgage and corresponding mortgage note by Borrower's successor in interest.

c. Enforcement - If the Owner has complied faithfully and continually with all of the conditions of this Regulatory Agreement and corresponding Note and Mortgage executed on the date first written above for fifteen (15) years from the date of the Certificate of Occupancy and submission of a HUD Completion Report for the acquisition and rehabilitation that will consist of two (2) HOME units located at 224 N. 2nd Street, Harrison, County of Hudson, New Jersey then as of said date this loan shall become a grant to the Owner and all obligations under the Note, the Mortgage and Regulatory Agreement shall be terminated.

In the Event of the breach of any of the conditions of the Mortgage, the Note and/or

Regulatory Agreement, the Owner shall make the payment of the outstanding principal and interest to the County at the County's address or at such other place as is designated by the County.

Borrower agrees that upon expiration of the agreement to transfer to the Lender any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.

Borrower agrees that in accordance with 24 CFR 85.43 suspension of termination may occur if the subrecipient materially fails to comply with any term of the agreement. The Lender may permit the agreement to be terminated for convenience in accordance with 24 C.F.R. 85.44.

10. DURATION OF THIS AGREEMENT

This Regulatory Agreement including all its terms, conditions and understandings as specified herein shall remain in full force and effect during the period for affordability as specified in paragraph above.

D. ADDITIONAL PROVISIONS

In addition to the requirements of Federal Regulations at 24C.F.R. § 92.504 (b), the following provisions shall apply to this Regulatory Agreement:

1. STATE LAWS

This Regulatory Agreement and all exhibits hereto shall be construed in accordance with and governed by the laws of the State of New Jersey. Any and all legal actions shall be instituted in the Superior Court of the State of New Jersey located in Hudson County.

2. CREATION OF RELATIONSHIPS

Nothing contained in this Regulatory Agreement, not any action of the Secretary of HUD, the County, or the Owner shall be deemed or construed to create any relation of third party beneficiary, principal and agent, limited or general partnership, or joint venture, or any other association or relationship involving the Secretary.

3. LIABILITY

The County shall not be liable to the Owner or to any party except HUD, for completion of, or that failure to complete, any activities which are a part of the project, except for those activities specified as to be undertaken by the County in this Regulatory Agreement or any other agreement pertaining to the project.

4. ATTORNEY FEES

In the event that either party institutes an action for enforcement of any term of this instrument, then in addition to any other relief the prevailing party shall be entitled to an award of reasonable attorney fees and costs incurred in prosecution of an action against the non-prevailing party.

5. REPRESENTATIONS

The Owner represents and warrants to the County and the County represents and warrants to the Owner that:

- a. Authority - It has the power and authority to enter into this Regulatory Agreement.
- b. Proceedings - All proceedings necessary to be taken in connection with the transactions provided for by this Regulatory Agreement, or necessary to make the same effective, have been duly and validly taken, or that it will use its best efforts to see that those proceedings will be taken.
- c. Validity - The Regulatory Agreement, when delivered, has been duly and validly authorized, executed and delivered, and constitutes a binding and valid obligation enforceable in accordance with its terms, except as may be limited by the laws of bankruptcy or receivership or other similar laws affecting the enforcement of creditor rights.

6. EXHIBITS

The following exhibits, which are attached to this Agreement, are incorporated herein and by this reference, made a part of this Agreement as if fully set forth herein:

7. NOTICES

All notices, demands, requests or other communications pursuant to this Regulatory Agreement must be in writing and mailed or delivered to the party to which the notice, demand or request is being made, as follows:

a. To the County:

COUNTY OF HUDSON
Division of Housing & Community Development
830 Bergen Avenue, 5B
Jersey City, New Jersey 07306
Attn.: Randi Moore

b. Courtesy Copy:

Susan A. McCurrie, Esq.
Office of the County Counsel
567 Pavonia Avenue
Jersey City, New Jersey 07306

c. To the Owner:

GARDEN STATE EPISCOPAL, CDC
118 Summit Avenue
Jersey City, New Jersey 07304
Attn.: Carol Mori, Executive Director

8. EFFECTIVE DATE OF COMMITMENTS

The mutual and individual commitments of the County and Owner contained in this Regulatory Agreement and most particularly, the commitment of HOME Investment Partnership Program funds, is subject to the County completing an environmental review pursuant to the provisions of Federal Regulation 24 C.F.R. § 92.352 and its issuance of a proceed order to the Owner certifying completion of said environmental review and commitment to the project which is the subject of this Regulatory Agreement.

9. RECITALS

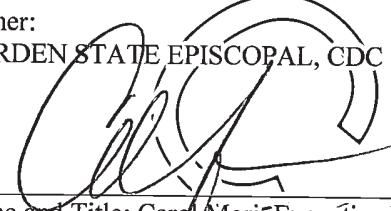
The aforesaid recitals are incorporated herein as though set forth fully at length.

IN WITNESS WHEREOF, the County of Hudson and the Owner have executed this Regulatory Agreement as of the date first above written.

HUDSON COUNTY, NEW JERSEY

By: 
Name and Title: Thomas A. DeGise, County Executive
Date:

Owner:
GARDEN STATE EPISCOPAL, CDC

By: 
Name and Title: Carol Mori, Executive Director
Date:

STATE OF NEW JERSEY)
COUNTY OF HUDSON)
SS:

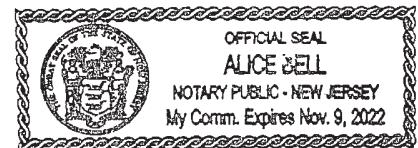
I certify that on the 20th day of May, 2019, CAROL MORI personally came before me and acknowledged under oath to my satisfaction that:

- (a). this person was authorized to and did sign, seal, and deliver the attached document as EXECUTIVE-DIRECTOR of the corporation named in the attached document;
- (b). this document was signed and delivered by the corporation as its voluntary act and deed duly authorized by a proper resolution of its Board of Directors; and
- (c). this person knows the proper seal of the corporation which is affixed to this document.

Date: May 20, 2019

By: Alice Bell
Alice Bell
Notary Public
My Commission Expires:

11/9/22



STATE OF NEW JERSEY)
COUNTY OF HUDSON)
SS:

BE IT REMEMBERED, that on this 30th day of May, 2019, before me, the subscriber, Thomas A. DeGise, personally appeared ALBERTO G. SANTOS, who being duly sworn according to law, on his oath says that he is the Clerk of the Board of Chosen Freeholders of the County of Hudson and that THOMAS A. DeGISE, is the County Executive, that he knows the corporate seal of said County of Hudson and that the seal affixed to the foregoing instrument is the seal of said County; that the said THOMAS A. DeGISE as County Executive signed said instrument and affixed said seal thereto as his voluntary act and deed for the uses and purposes therein expressed, in attestation whereof, he the said ALBERTO G. SANTOS, as Clerk subscribed his name thereto.

ALBERTO G. SANTOS, CLERK
BOARD OF CHOSSES FREEHOLDERS

Subscribed and sworn to
Before me this 30th day of
May, 2019.

Maria Corso

MARIA CORSO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires APR 27, 2023
ID# 2108977

SCHEDULE A

Property Description

Schedule A

Legal Description

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Town of Harrison, in the County of Hudson, State of New Jersey:

BEGINNING at a point in the Westerly line of North Second Street, distant thereon 25.00 feet South of its intersection with the Southerly line of William Street; and running thence

1. South 19 degrees 45 minutes West, 25.00 feet along the Westerly line of North Second Street; thence
2. North 70 degrees 15 minutes West, 97.75 feet; thence
3. North 19 degrees 45 minutes East, 25.00 feet; thence
4. South 70 degrees 15 minutes East, 97.75 feet to the Westerly line of North Second Street and to the point and place of beginning.

FOR INFORMATION PURPOSES ONLY: Being known as 224 North 2nd Street and Block 11, Lot 30 on the Official Tax Map of Town of Harrison, New Jersey.

RECORDED BY

AT THE OFFICE OF THE

TOWN OF HARRISON, NEW JERSEY

ON THE 1ST DAY OF JUNE, 1985

AT 10:00 A.M.

FOR THE RECORD

RECORDED BY

AT THE OFFICE OF THE

TOWN OF HARRISON, NEW JERSEY

ON THE 1ST DAY OF JUNE, 1985

AT 10:00 A.M.

FOR THE RECORD

EXHIBIT A TO REGULATORY AGREEMENT

Scope of Work

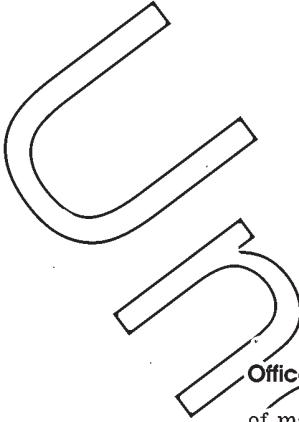
Proposed Scope of Work

The project consists of the substantial rehabilitation of an existing two-family residence. The first and second floor will be renovated to include the replacement of windows, doors, entry, minor building envelope and roofing repairs, kitchen, bathrooms, lighting, HVAC equipment, plumbing service repairs and replacement of fixtures. The basement will be renovated and used as storage and house the hot water heater and boiler.

Official copy

EXHIBIT B TO REGULATORY AGREEMENT

24 CFR Subpart F - Project Requirements



Office of the Secretary, HUD

of major disaster is made and the following fiscal year with respect to any HOME funds expended in an area to which the declaration of a major disaster applies.

(2) At its discretion and upon request of the participating jurisdiction, the HUD Field Office may extend the reduction for an additional year.

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44670, July 24, 2013]

Subpart F—Project Requirements

§ 92.250 Maximum per-unit subsidy amount, underwriting, and subsidy layering.

(a) *Maximum per-unit subsidy amount.* The total amount of HOME funds and ADDI funds that a participating jurisdiction may invest on a per-unit basis in affordable housing may not exceed the per-unit dollar limitations established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the area in which the housing is located. HUD will allow the per-unit subsidy amount to be increased on a program-wide basis to an amount, up to 240 percent of the original per unit limits, to the extent that the costs of multifamily housing construction exceed the section 221(d)(3)(ii) limit.

(b) *Underwriting and subsidy layering.* Before committing funds to a project, the participating jurisdiction must evaluate the project in accordance with guidelines that it has adopted for determining a reasonable level of profit or return on owner's or developer's investment in a project and must not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable for a reasonable period (at minimum, the period of affordability in § 92.252 or § 92.254) and that will not provide a profit or return on the owner's or developer's investment that exceeds the participating jurisdiction's established standards for the size, type, and complexity of the project. The participating jurisdiction's guidelines must require the participating jurisdiction to undertake:

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44670, July 24, 2013]

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§ 92.251

(1) An examination of the sources and uses of funds for the project and a determination that the costs are reasonable; and

(2) An assessment, at minimum, of the current market demand in the neighborhood in which the project will be located, the experience of the developer, the financial capacity of the developer, and firm written financial commitments for the project.

(3) For projects involving rehabilitation of owner-occupied housing pursuant to § 92.254(b):

(i) An underwriting analysis is required only if the HOME-funded rehabilitation loan is an amortizing loan; and

(ii) A market analysis or evaluation of developer capacity is not required.

(4) For projects involving HOME-funded downpayment assistance pursuant to § 92.254(a) and which do not include HOME-funded development activity, a market analysis or evaluation of developer capacity is not required.

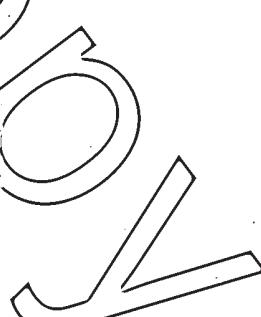
[78 FR 44670, July 24, 2013]

§ 92.251 Property standards.

(a) *New construction projects.* (1) *State and local codes, ordinances, and zoning requirements.* Housing that is newly constructed with HOME funds must meet all applicable State and local codes, ordinances, and zoning requirements. HOME-assisted new construction projects must meet State or local residential and building codes, as applicable or, in the absence of a State or local building code, the International Residential Code or International Building Code (as applicable to the type of housing) of the International Code Council. The housing must meet the applicable requirements upon project completion.

(2) *HUD requirements.* All new construction projects must also meet the requirements described in this paragraph:

(i) *Accessibility.* The housing must meet the accessibility requirements of 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable.



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Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619).

(ii) [Reserved]

(iii) *Disaster mitigation.* Where relevant, the housing must be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

(iv) *Written cost estimates, construction contracts and construction documents.* The participating jurisdiction must ensure the construction contract(s) and construction documents describe the work to be undertaken in adequate detail so that inspections can be conducted. The participating jurisdiction must review and approve written cost estimates for construction and determining that costs are reasonable.

(v) *Construction progress inspections.* The participating jurisdiction must conduct progress and final inspections of construction to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.

(vi) *Broadband infrastructure.* For new commitments made after January 19, 2017 for a new construction housing project of a building with more than 4 rental units, the construction must include installation of broadband infrastructure, as this term is defined in 24 CFR 5.100, except where the participating jurisdiction determines and, in accordance with § 92.508(a)(3)(iv), documents the determination that:

(A) The location of the new construction makes installation of broadband infrastructure infeasible; or

(B) The cost of installing the infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden.

(b) *Rehabilitation projects.* All rehabilitation that is performed using HOME funds must meet the requirements of this paragraph (b).

(1) *Rehabilitation standards.* The participating jurisdiction must establish

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rehabilitation standards for all HOME-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The participating jurisdiction's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The rehabilitation standards must address each of the following:

(i) *Health and safety.* The participating jurisdiction's standards must identify life-threatening deficiencies that must be addressed immediately if the housing is occupied.

(ii) *Major systems.* Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the participating jurisdiction's standards must require the participating jurisdiction to estimate (based on age and condition) the remaining useful life of these systems, upon project completion of each major systems. For multifamily housing projects of 26 units or more, the participating jurisdiction's standards must require the participating jurisdiction to determine the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, the participating jurisdiction's standards must require the participating jurisdiction to ensure that a replacement reserve is established and monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, the participating jurisdiction's standards must require, upon project completion, each of the major systems to have a remaining useful life for a minimum of 5 years or for such longer period specified by the participating jurisdiction, or the major systems must be rehabilitated or replaced as part of the rehabilitation work.

(iii) *Lead-based paint*. The participating jurisdiction's standards must require the housing to meet the lead-based paint requirements at 24 CFR part 35.

(iv) *Accessibility*. The participating jurisdiction's standards must require the housing to meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements (at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

(v) [Reserved]

(vi) *Disaster mitigation*. Where relevant, the participating jurisdiction's standards must require the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements.

(vii) *State and local codes, ordinances, and zoning requirements*. The participating jurisdiction's standards must require the housing to meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council.

(viii) *Uniform Physical Condition Standards*. The standards of the participating jurisdiction must be such that, upon completion, the HOME-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. HUD will establish the minimum deficiencies that must be corrected under the participating jurisdiction's rehabilitation standards based on inspectable items and inspected areas from HUD-prescribed physical inspection procedures (Uniform Physical Conditions Standards) pursuant to 24 CFR 5.705.

(ix) *Capital Needs Assessments*. For multifamily rental housing projects of

26 or more total units, the participating jurisdiction must determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project through a capital needs assessment of the project.

(x) *Broadband infrastructure*. For new commitments made after January 19, 2017 for a substantial rehabilitation project of a building with more than 4 rental units, any substantial rehabilitation, as defined in 24 CFR 5.100, must provide for installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100, except where the participating jurisdiction determines and, in accordance with § 92.508(a)(3)(iv), documents the determination that:

(A) The location of the substantial rehabilitation makes installation of broadband infrastructure infeasible;

(B) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or

(C) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

(2) *Construction documents and cost estimates*. The participating jurisdiction must ensure that the work to be undertaken will meet the participating jurisdiction's rehabilitation standards. The construction documents (i.e., written scope of work to be performed) must be in sufficient detail to establish the basis for a uniform inspection of the housing to determine compliance with the participating jurisdiction's standards. The participating jurisdiction must review and approve a written cost estimate for rehabilitation after determining that costs are reasonable.

(3) *Frequency of inspections*. The participating jurisdiction must conduct an initial property inspection to identify the deficiencies that must be addressed. The participating jurisdiction must conduct progress and final inspections to determine that work was done in accordance with work write-ups.

(c) *Acquisition of standard housing*. (1) Existing housing that is acquired with HOME assistance for rental housing,

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and that was newly constructed or rehabilitated less than 12 months before the date of commitment of HOME funds, must meet the property standards of paragraph (a) or paragraph (b) of this section, as applicable, of this section for new construction and rehabilitation projects. The participating jurisdiction must document this compliance based upon a review of approved building plans and Certificates of Occupancy, and an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance.

(2) All other existing housing that is acquired with HOME assistance for rental housing must meet the rehabilitation property standards requirements of paragraph (b) of this section. The participating jurisdiction must document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the property does not meet these standards, HOME funds cannot be used to acquire the property unless it is rehabilitated to meet the standards of paragraph (b) of this section.

(3) Existing housing that is acquired for homeownership (e.g., downpayment assistance) must be decent, safe, sanitary, and in good repair. The participating jurisdiction must establish standards to determine that the housing is decent, safe, sanitary, and in good repair. At minimum, the standards must provide that the housing meets all applicable State and local housing quality standards and code requirements and the housing does not contain the specific deficiencies proscribed by HUD based on the applicable inspectable items and inspected areas in HUD-prescribed physical inspection procedures (Uniform Physical Condition Standards) issued pursuant to 24 CFR 5.705. The participating jurisdiction must inspect the housing and document this compliance based upon an inspection that is conducted no earlier than 90 days before the commitment of HOME assistance. If the housing does not meet these standards, the housing must be rehabilitated to meet the standards of this paragraph (c)(3) or it cannot be acquired with HOME funds.

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(d) *Occupied housing by tenants receiving HOME tenant-based rental assistance.* All housing occupied by tenants receiving HOME tenant-based rental assistance must meet the standards in 24 CFR 982.401, or the successor requirements as established by HUD.

(e) *Manufactured housing.* Construction of all manufactured housing including manufactured housing that replaces an existing substandard unit under the definition of "reconstruction" must meet the Manufactured Home Construction and Safety Standards codified at 24 CFR part 3280. These standards preempt State and local codes which are not identical to the federal standards for the new construction of manufactured housing. Participating jurisdictions providing HOME funds to assist manufactured housing units must comply with applicable State and local laws or codes. In the absence of such laws or codes, the installation must comply with the manufacturer's written instructions for installation of manufactured housing units. All new manufactured housing and all manufactured housing that replaces an existing substandard unit under the definition of "reconstruction" must be on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR 203.48f(c)(i). All new manufactured housing and all manufactured housing that replaces an existing substandard unit under the definition of "reconstruction" must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability. In HOME-funded rehabilitation of existing manufactured housing the foundation and anchoring must meet all applicable State and local codes, ordinances, and requirements or in the absence of local or state codes, the Model Manufactured Home Installation Standards at 24 CFR part 3285. Manufactured housing that is rehabilitated using HOME funds must meet the property standards requirements in paragraph (b) of this section, as applicable. The participating jurisdiction must

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document this compliance in accordance with inspection procedures that the participating jurisdiction has established pursuant to § 92.251, as applicable.

(f) *Ongoing property condition standards: Rental housing.* (1) Ongoing property standards. The participating jurisdiction must establish property standards for rental housing (including manufactured housing) that apply throughout the affordability period. The standards must ensure that owners maintain the housing as decent, safe, and sanitary housing in good repair. The participating jurisdiction's description of its property standards must be in sufficient detail to establish the basis for a uniform inspection of HOME rental projects. The participating jurisdiction's ongoing property standards must address each of the following:

(i) *Compliance with State and local codes, ordinances, and requirements.* The participating jurisdiction's standards must require the housing to meet all applicable State and local code requirements and ordinances. In the absence of existing applicable State or local code requirements and ordinances, at a minimum, the participating jurisdiction's ongoing property standards must include all inspectable items and inspectable areas specified by HUD based on the HUD physical inspection procedures (Uniform Physical Condition Standards (UPCS)) prescribed by HUD pursuant to 24 CFR 5.705. The participating jurisdiction's property standards are not required to use any scoring, item weight, or level of criticality used in UPCS.

(ii) *Health and safety.* The participating jurisdiction's standards must require the housing to be free of all health and safety defects. The standards must identify life-threatening deficiencies that the owner must immediately correct and the time frames for addressing these deficiencies.

(iii) *Lead-based paint.* The participating jurisdiction's standards must require the housing to meet the lead-based paint requirements in 24 CFR part 35.

(2) Projects to which HOME funds were committed before January 24, 2015 must meet all applicable State or local housing quality standards or code re-

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quirements, and if there are no such standard or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

(3) *Inspections.* The participating jurisdiction must undertake ongoing property inspections, in accordance with § 92.504(d).

(4) *Corrective and remedial actions.* The participating jurisdiction must have procedures for ensuring that timely corrective and remedial actions are taken by the project owner to address identified deficiencies.

(5) *Inspection procedures.* The participating jurisdiction must establish written inspection procedures inspections. The procedures must include detailed inspection checklists, description of how and by whom inspections will be carried out, and procedures for training and certifying qualified inspectors. The procedures must also describe how frequently the property will be inspected, consistent with this section, § 92.209, and § 92.504(d).

[78 FR 44670, July 24, 2013, as amended at 81 FR 92635, Dec. 20, 2016]

§ 92.252 Qualification as affordable housing: Rental housing.

The HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of this section to qualify as affordable housing. If the housing is not occupied by eligible tenants within six months following the date of project completion, HUD will require the participating jurisdiction to submit marketing information and, if appropriate, submit a marketing plan. HUD will require the participating jurisdiction to repay HOME funds invested in any housing unit that has not been rented to eligible tenants 18 months after the date of project completion. The affordability requirements also apply to the HOME-assisted non-owner-occupied units in single-family housing purchased with HOME funds in accordance with § 92.254. The tenant must have a written lease that complies with § 92.253.

(a) *Rent limitation.* HUD provides the following maximum HOME rent limits. The rent limits apply to the rent plus the utilities or the utility allowance.

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The maximum HOME rents (High HOME Rents) are the lesser of:

(1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or

(2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

(b) *Additional rent limitations (Low HOME Rents).* The participating jurisdiction may designate (in its written agreement with the project owner) more than the minimum HOME units in a rental housing project, regardless of project size, to have Low HOME Rents that meet the requirements of this paragraph (b). In rental projects with five or more HOME-assisted rental units, at least 20 percent of the HOME-assisted units must be occupied by very low-income families and meet one of the following rent requirements:

(1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under paragraph (a) of this section, then the maximum rent for units under this paragraph is that calculated under paragraph (a) of this section.

(2) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

(c) *Additional rent limitations for SRO projects.* (1) For SRO units that have

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both sanitary and food preparation facilities, the maximum HOME rent is based on the zero-bedroom fair market rent. The project must meet the requirements of paragraphs (a) and (b) of this section.

(2) For SRO units that have no sanitary or food preparation facilities or only one of the two, the maximum HOME rent is based on 75 percent of the zero-bedroom fair market rent. The project is not required to have low HOME rents in accordance with paragraph (b)(1) or (2) of this section, but must meet the occupancy requirements of paragraph (b) of this section.

(d) *Initial rent schedule and utility allowances.* (1) The participating jurisdiction must establish maximum monthly allowances for utilities and services (excluding telephone) and update the allowances annually. The participating jurisdiction must use the HUD Utility Schedule Model or otherwise determine the utility allowance for the project based on the type of utilities used at the project.

(2) The participating jurisdiction must review and approve rents proposed by the owner for units, subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (b) of this section for which the tenant is paying utilities and services, the participating jurisdiction must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

(e) *Periods of affordability.* The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

(1) The affordability requirements:

(i) Apply without regard to the term of any loan or mortgage, repayment of the HOME investment, or the transfer of ownership;

(ii) Must be imposed by a deed restriction, a covenant running with the land, an agreement restricting the use of the property, or other mechanisms approved by HUD and must give the participating jurisdiction the right to require specific performance (except that the participating jurisdiction may

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provide that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure); and
 (iii) Must be recorded in accordance with State recordation laws.

(2) The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure in order to preserve affordability.

(3) The affordability restrictions shall be revived according to the origi-

nal terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

(4) The termination of the restrictions on the project does not terminate the participating jurisdiction's repayment obligation under § 92.503(b).

Rental housing activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed housing	20

(f) *Subsequent rents during the affordability period.* (1) The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to participating jurisdictions. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

(2) The participating jurisdiction must provide project owners with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits in paragraph (f)(1) of this section) in accordance with the written agreement between the participating jurisdiction and the owner. Owners must annually provide the participating jurisdiction with information on rents and occupancy of HOME-assisted units to demonstrate compliance with this section. The participating jurisdiction must review rents for compliance and approve or disapprove them every year.

(3) Any increase in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days

prior written notice before implementing any increase in rents.

(g) *Adjustment of HOME rent limits for an existing project.* (1) Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of a project within the HOME rent limits in this section.

(2) HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly.

(h) *Tenant income.* The income of each tenant must be determined initially in accordance with § 92.203(a)(1)(i). In addition, each year during the period of affordability the project owner must re-examine each tenant's annual income in accordance with one of the options in § 92.203 selected by the participating jurisdiction. An owner of a multifamily project with an affordability period of 10 years or more who re-examines tenant's annual income through a statement and certification in accordance with § 92.203(a)(1)(ii), must examine the income of each tenant, in accordance with § 92.203(a)(1)(i), every sixth year of the affordability period. Otherwise, an owner who accepts

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the tenant's statement and certification in accordance with § 92.203(a)(1)(ii) is not required to examine the income of tenants in multi-family or single-family projects unless there is evidence that the tenant's written statement failed to completely and accurately state information about the family's size or income.

(i) *Over-income tenants.* (1) HOME-assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

(2) Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42. In addition, in projects in which the Home units are designated as floating pursuant to paragraph (j) of this section, tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

(j) *Fixed and floating HOME units.* In a project containing HOME-assisted and other units, the participating jurisdiction may designate fixed or floating HOME units. This designation must be made at the time of project commitment in the written agreement between the participating jurisdiction and the owner, and the HOME units must be identified not later than the time of initial unit occupancy. Fixed units remain the same throughout the period of affordability. Floating units are changed to maintain conformity with the requirements of this section during the period of affordability so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms

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to the originally designated HOME-assisted unit.

(k) *Tenant selection.* The tenants must be selected in accordance with § 92.253(d).

(l) *Ongoing responsibilities.* The participating jurisdiction's responsibilities for on-site inspections and financial oversight of rental projects are set forth in § 92.504(d).

[61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28929, May 28, 1997; 62 FR 44840, Aug. 22, 1997; 78 FR 44672, July 24, 2013]

§ 92.253 Tenant protections and selection.

(a) *Lease.* There must be a written lease between the tenant and the owner of rental housing assisted with HOME funds that is for a period of not less than 1 year, unless by mutual agreement between the tenant and the owner a shorter period is specified. The lease must incorporate the VAWA lease term/addendum required under § 92.359(e), except as otherwise provided by § 92.359(b).

(b) *Prohibited lease terms.* The lease may not contain any of the following provisions:

(1) *Agreement to be sued.* Agreement by the tenant to be sued, to admit guilt, or to a judgment-in-favor of the owner in a lawsuit brought in connection with the lease;

(2) *Treatment of property.* Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

(3) *Excusing owner from responsibility.* Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

(4) *Waiver of notice.* Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) *Waiver of legal proceedings.* Agreement by the tenant that the owner may evict the tenant or household

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members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

(6) *Waiver of a jury trial.* Agreement by the tenant to waive any right to a trial by jury;

(7) *Waiver of right to appeal court decision.* Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;

(8) *Tenant chargeable with cost of legal actions regardless of outcome.* Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and

(9) *Mandatory supportive services.* Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

(c) *Termination of tenancy.* An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds, except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing or failure to follow any required transitional housing supportive services plan; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

(d) *Tenant selection.* An owner of rental housing assisted with HOME funds must comply with the affirmative marketing requirements established by the participating jurisdiction pursuant to § 92.351(a). The owner must adopt and follow written tenant selection policies and criteria that:

(1) Limit the housing to very low-income and low-income families;

(2) Are reasonably related to the applicants' ability to perform the obliga-

tions of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants);

(3) Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the participating jurisdiction (and only if the limitation or preference is described in the participating jurisdiction's consolidated plan).

(i) Any limitation or preference must not violate nondiscrimination requirements in § 92.350. A limitation or preference does not violate nondiscrimination requirements if the housing also receives funding from a Federal program that limits eligibility to a particular segment of the population (e.g., the Housing Opportunity for Persons with AIDS program under 24 CFR part 574, the Shelter Plus Care program under 24 CFR part 582, the Supportive Housing program under 24 CFR part 583, supportive housing for the elderly or persons with disabilities under 24 CFR part 891), and the limit or preference is tailored to serve that segment of the population.

(ii) If a project does not receive funding from a Federal program that limits eligibility to a particular segment of the population, the project may have a limitation or preference for persons with disabilities who need services offered at a project only if:

(A) The limitation or preference is limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain housing;

(B) Such families will not be able to obtain or maintain themselves in housing without appropriate supportive services; and

(C) Such services cannot be provided in a nonsegregated setting. The families must not be required to accept the services offered at the project. In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from the services provided in the project.

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(4) Do not exclude an applicant with a certificate or voucher under the Section 8 Tenant-Based Assistance: Housing Choice Voucher Program (24 CFR part 982) or an applicant participating in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

(5) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable;

(6) Give prompt written notification to any rejected applicant of the grounds for any rejection; and

(7) Comply with the VAWA requirements prescribed in § 92.359.

[61 FR 48750, Sept. 16, 1996, as amended at 67 FR 61756, Oct. 1, 2002; 78 FR 44674, July 24, 2013; 81 FR 80803, Nov. 16, 2016]

§ 92.254 Qualification as affordable housing: Homeownership.

(a) *Acquisition with or without rehabilitation.* Housing that is for acquisition by a family must meet the affordability requirements of this paragraph (a).

(1) The housing must be single family housing.

(2) The housing must be modest housing as follows:

(i) In the case of acquisition of newly constructed housing or standard housing, the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area, as described in paragraph (a)(2)(iii) of this section.

(ii) In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed 95 percent of the median purchase price for the area, described in paragraph (a)(2)(iii) of this section.

(iii) If a participating jurisdiction intends to use HOME funds for homebuyer assistance or for the rehabilitation of owner-occupied single-family properties, the participating jurisdiction must use the HOME affordable homeownership limits provided by HUD for newly constructed housing and for existing housing. HUD will pro-

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vide limits for affordable newly constructed housing based on 95 percent of the median purchase price for the area using Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing, with a minimum limit based on 95 percent of the U.S. median purchase price for new construction for nonmetropolitan areas. HUD will provide limits for affordable existing housing based on 95 percent of the median purchase price for the area using Federal FHA single family mortgage program data for existing housing data and other appropriate data that are available nationwide for sales of existing housing, with a minimum limit based on 95 percent of the state-wide nonmetropolitan area median purchase price using this data. In lieu of the limits provided by HUD, the participating jurisdiction may determine 95 percent of the median area purchase price for single family housing in the jurisdiction annually, as follows. The participating jurisdiction must set forth the price for different types of single family housing for the jurisdiction. The participating jurisdiction may determine separate limits for existing housing and newly constructed housing. For housing located outside of metropolitan areas, a State may aggregate sales data from more than one county, if the counties are contiguous and similarly situated. The following information must be included in the annual action plan of the Consolidated Plan submitted to HUD for review and updated in each action plan.

(A) The 95 percent of median area purchase price must be established in accordance with a market analysis that ensured that a sufficient number of recent housing sales are included in the survey.

(B) Sales must cover the requisite number of months based on volume: For 500 or more sales per month, a one-month reporting period; for 250 through 499 sales per month, a 2-month reporting period; for less than 250 sales per month, at least a 3-month reporting period. The data must be listed in ascending order of sales price.

(C) The address of the listed properties must include the location within the participating jurisdiction. Lot,

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square, and subdivision data may be substituted for the street address.

(D) The housing sales data must reflect all, or nearly all, of the one-family house sales in the entire participating jurisdiction.

(E) To determine the median, take the middle sale on the list if an odd number of sales, and if an even number, take the higher of the middle numbers and consider it the median. After identifying the median sales price, the amount should be multiplied by 0.95 to determine the 95 percent of the median area purchase price.

(3) The housing must be acquired by a homebuyer whose family qualifies as a low-income family, and the housing must be the principal residence of the family throughout the period described in paragraph (a)(4) of this section. If there is no ratified sales contract with an eligible homebuyer for the housing within 9 months of the date of completion of construction or rehabilitation, the housing must be rented to an eligible tenant in accordance with § 92.252. In determining the income eligibility of the family, the participating jurisdiction must include the income of all persons living in the housing. The homebuyer must receive housing counseling.

(4) *Periods of affordability.* The HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The per unit amount of HOME funds and the affordability period that they trigger are described more fully in paragraphs (a)(5)(i) (resale) and (ii) (recapture) of this section.

Homeownership assistance HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

(5) *Resale and recapture.* The participating jurisdiction must establish the resale or recapture requirements that comply with the standards of this section and set forth the requirements in its consolidated plan. HUD must determine that they are appropriate and

must specifically approve them in writing.

(i) *Resale.* Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as the family's principal residence. The resale requirement must also ensure that the price at resale provides the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The participating jurisdiction must specifically define "fair return on investment" and "affordability to a reasonable range of low-income homebuyers," and specifically address how it will make the housing affordable to a low-income homebuyer in the event that the resale price necessary to provide fair return is not affordable to the subsequent buyer. The period of affordability is based on the total amount of HOME funds invested in the housing.

(A) Except as provided in paragraph (a)(5)(i)(B) of this section, deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

(B) Certain housing may be presumed to meet the resale restrictions (i.e., the

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housing will be available and affordable to a reasonable range of low-income homebuyers; a low-income homebuyer will occupy the housing as the family's principal residence; and the original owner will be afforded a fair return on investment) during the period of affordability without the imposition of enforcement mechanisms by the participating jurisdiction. The presumption must be based upon a market analysis of the neighborhood in which the housing is located. The market analysis must include an evaluation of the location and characteristics of the housing and residents in the neighborhood (e.g., sale prices, age and amenities of the housing stock, incomes of residents, percentage of owner-occupants) in relation to housing and incomes in the housing market area. An analysis of the current and projected incomes of neighborhood residents for an average period of affordability for homebuyers in the neighborhood must support the conclusion that a reasonable range of low-income families will continue to qualify for mortgage financing. For example, an analysis shows that the housing is modestly priced within the housing market area and that families with incomes of 65% to 80% of area median can afford monthly payments under average FHA terms without other government assistance and housing will remain affordable at least during the next five to seven years compared to other housing in the market area; the size and amenities of the housing are modest and substantial rehabilitation will not significantly increase the market value; the neighborhood has housing that is not currently owned by the occupants, but the participating jurisdiction is encouraging homeownership in the neighborhood by providing homeownership assistance and by making improvements to the streets, sidewalks, and other public facilities and services. If a participating jurisdiction in preparing a neighborhood revitalization strategy under § 91.215(e)(2) of its consolidated plan or Empowerment Zone or Enterprise Community application under 24 CFR part 597 has incorporated the type of market data described above, that submission may serve as the required analysis under this section. If the par-

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ticipating jurisdiction continues to provide homeownership assistance for housing in the neighborhood, it must periodically update the market analysis to verify the original presumption of continued affordability.

(ii) *Recapture.* Recapture provisions must ensure that the participating jurisdiction recoups all or a portion of the HOME assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The participating jurisdiction may structure its recapture provisions based on its program design and market conditions. The period of affordability is based upon the total amount of HOME funds subject to recapture described in paragraph (a)(5)(ii)(A)(5) of this section. Recapture provisions may permit the subsequent homebuyer to assume the HOME assistance (subject to the HOME requirements for the remainder of the period of affordability) if the subsequent homebuyer is low-income, and no additional HOME assistance is provided.

(A) The following options for recapture requirements are acceptable to HUD. The participating jurisdiction may adopt, modify or develop its own recapture requirements for HUD approval. In establishing its recapture requirements, the participating jurisdiction is subject to the limitation that when the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit, the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

(1) *Recapture entire amount.* The participating jurisdiction may recapture the entire amount of the HOME investment from the homeowner.

(2) *Reduction during affordability period.* The participating jurisdiction may reduce the HOME investment amount to be recaptured on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

(3) *Shared net proceeds.* If the net proceeds are not sufficient to recapture

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the full HOME investment (or a reduced amount as provided for in paragraph (a)(5)(ii)(A)(2) of this section) plus enable the homeowner to recover the amount of the homeowner's down-payment and any capital improvement investment made by the owner since purchase, the participating jurisdiction

may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{\text{HOME investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{HOME amount to be recaptured}$$

$$\frac{\text{homeowner investment}}{\text{HOME investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{amount to homeowner}$$

(4) *Owner investment returned first.* The participating jurisdiction may permit the homebuyer to recover the homebuyer's entire investment (down-payment and capital improvements made by the owner since purchase) before recapturing the HOME investment.

(5) *Amount subject to recapture.* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy). The recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of this part. If the HOME assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.

(6) *Special considerations for single-family properties with more than one unit.* If the HOME funds are only used to assist a low-income homebuyer to acquire one unit in single-family housing containing more than one unit and the assisted unit will be the principal residence of the homebuyer, the affordability requirements of this section apply only to the assisted unit. If HOME funds are also used to assist the low-income homebuyer to acquire one or more of the rental units in the single-family housing, the affordability

requirements of § 92.252 apply to assisted rental units, except that the participating jurisdiction may impose resale or recapture restrictions on all assisted units (owner-occupied and rental units) in the single family housing. If resale restrictions are used, the affordability requirements on all assisted units continue for the period of affordability. If recapture restrictions are used, the affordability requirements on the assisted rental units may be terminated, at the discretion of the participating jurisdiction, upon recapture of the HOME investment. (If HOME funds are used to assist only the rental units in such a property then the requirements of § 92.252 would apply and the owner-occupied unit would not be subject to the income targeting or affordability provisions of § 92.254.)

(7) *Lease-purchase.* HOME funds may be used to assist homebuyers through lease-purchase programs for existing housing and for housing to be constructed. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed. If HOME funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the HOME affordability requirements for rental housing in § 92.252 shall apply if the housing is not transferred to a homebuyer within forty-two months after project completion.

(8) *Contract to purchase.* If HOME funds are used to assist a homebuyer

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who has entered into a contract to purchase housing to be constructed, the homebuyer must qualify as a low-income family at the time the contract is signed.

(9) *Preserving affordability of housing that was previously assisted with HOME funds.*

(i) To preserve the affordability of HOME-assisted housing a participating jurisdiction may use additional HOME funds for the following costs:

(A) The cost to acquire the housing through a purchase option, right of first refusal, or other preemptive right before foreclosure, or at the foreclosure sale. (The foreclosure costs to acquire housing with a HOME loan in default are eligible. However, HOME funds may not be used to repay a loan made with HOME funds.)

(B) The cost to undertake any necessary rehabilitation for the housing acquired.

(C) The cost of owning/holding the housing pending resale to another homebuyer.

(D) The cost to assist another homebuyer in purchasing the housing.

(ii) When a participating jurisdiction uses HOME funds to preserve the affordability of such housing, the additional investment must be treated as an amendment to the original project. The housing must be sold to a new eligible homebuyer in accordance with the requirements of § 92.254(a) within a reasonable period of time.

(iii) The total amount of the original and additional HOME assistance may not exceed the maximum per unit subsidy amount established under § 92.250. Alternatively to charging the cost to the HOME program under § 92.206, the participating jurisdiction may charge the cost to the HOME program under § 92.207 as a reasonable administrative cost of its HOME program, so that the additional HOME funds for the housing are not subject to the maximum per-unit subsidy amount. To the extent administrative funds are used, they may be reimbursed, in whole or in part, when the housing is sold to a new eligible homebuyer.

(b) *Rehabilitation not involving acquisition.* Housing that is currently owned by a family qualifies as affordable housing only if:

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(1) The estimated value of the property, after rehabilitation, does not exceed 95 percent of the median purchase price for the area, described in paragraph (a)(2)(iii) of this section; and

(2) The housing is the principal residence of an owner whose family qualifies as a low-income family at the time HOME funds are committed to the housing. In determining the income eligibility of the family, the participating jurisdiction must include the income of all persons living in the housing.

(c) *Ownership interest.* The ownership in the housing assisted under this section must meet the definition of "homeownership" in § 92.2, except that housing that is rehabilitated pursuant to paragraph (b) of this section may also include inherited property with multiple owners, life estates, living trusts, and beneficiary deeds under the following conditions. The participating jurisdiction has the right to establish the terms of assistance.

(1) *Inherited property.* Inherited property with multiple owners: Housing for which title has been passed to several individuals by inheritance, but not all heirs reside in the housing, sharing ownership with other nonresident heirs. (The occupant of the housing has a divided ownership interest.) The participating jurisdiction may assist the owner-occupant if the occupant is low-income, occupies the housing as his or her principal residence, and pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).

(2) *Life estate.* The person who has the life estate has the right to live in the housing for the remainder of his or her life and does not pay rent. (The participating jurisdiction may assist the person holding the life estate if the person is low-income and occupies the housing as his or her principal residence.)

(3) *Inter vivos trust, also known as a living trust.* A living trust is created during the lifetime of a person. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust holds legal title and the beneficiary holds equitable

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title. The person may name him or herself as the beneficiary. The trustee is under a fiduciary responsibility to hold and manage the trust assets for the beneficiary. The participating jurisdiction may assist if all beneficiaries of the trust qualify as a low-income family and occupy the property as their principal residence (except that contingent beneficiaries, who receive no benefit from the trust nor have any control over the trust assets until the beneficiary is deceased, need not be low-income). The trust must be valid and enforceable and ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life.

(4) *Beneficiary deed.* A beneficiary deed conveys an interest in real property, including any debt secured by a lien on real property, to a grantee beneficiary designated by the owner and that expressly states that the deed is effective on the death of the owner. Upon the death of the owner, the grantee beneficiary receives ownership in the property, subject to all conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, and other encumbrances made by the owner or to which the owner was subject during the owner's lifetime. The participating jurisdiction may assist if the owner qualifies as low-income and the owner occupies the property as his or her principal residence.

(d) *New construction without acquisition.* Newly constructed housing that is built on property currently owned by a family which will occupy the housing upon completion, qualifies as affordable housing if it meets the requirements under paragraph (a) of this section.

(e) *Providing homeownership assistance through lenders.* Subject to the requirements of this paragraph (e), the participating jurisdiction may provide homeownership assistance through for-profit or nonprofit lending institutions that provide the first mortgage loan to a low-income family.

(1) The homeownership assistance may be provided only as specified in a written agreement between the participating jurisdiction and the lender. The written agreement must specify the

forms and amounts of homeownership assistance that the participating jurisdiction authorizes the lender to provide to families and any conditions that apply to the provision of such homeownership assistance.

(2) Before the lender provides any homeownership assistance to a family, the participating jurisdiction must verify that the family is low-income and must inspect the housing for compliance with the property standards in § 92.251.

(3) No fees (e.g., origination fees or points) may be charged to a family for the HOME homeownership assistance provided pursuant to this paragraph (e), and the participating jurisdiction must determine that the fees and other amounts charged to the family by the lender for the first mortgage financing are reasonable. Reasonable administrative costs may be charged to the HOME program as a project cost. If the participating jurisdiction requires lenders to pay a fee to participate in the HOME program, the fee is program income to the HOME program.

(4) If the nonprofit lender is a sub-recipient or contractor that is receiving HOME assistance to determine that the family is eligible for homeownership assistance, but the participating jurisdiction or another entity is making the assistance to the homebuyer (e.g., signing the documents for the loan or the grant), the requirements of paragraphs (e)(2) and (3) of this section are applicable.

(f) *Homebuyer program policies.* The participating jurisdiction must have and follow written policies for:

(1) Underwriting standards for homeownership assistance that evaluate housing debt and overall debt of the family, the appropriateness of the amount of assistance, monthly expenses of the family, assets available to acquire the housing, and financial resources to sustain homeownership;

(2) Responsible lending, and

(3) Refinancing loans to which HOME loans are subordinated to ensure that

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the terms of the new loan are reasonable.

[61 FR 48750, Sept. 16, 1996, as amended at 67 FR 61756, Oct. 1, 2002; 68 FR 10161, Mar. 4, 2003; 69 FR 16766, Mar. 30, 2004; 69 FR 68052, Nov. 22, 2004; 72 FR 16685, Apr. 4, 2007; 78 FR 44674, July 24, 2013]

§ 92.255 Converting rental units to homeownership units for existing tenants.

(a) The participating jurisdiction may permit the owner of HOME-assisted rental units to convert the rental units to homeownership units by selling, donating, or otherwise conveying the units to the existing tenants to enable the tenants to become homeowners in accordance with the requirements of § 92.254. However, refusal by the tenant to purchase the housing does not constitute grounds for eviction or for failure to renew the lease.

(b) If no additional HOME funds are used to enable the tenants to become homeowners, the homeownership units are subject to a minimum period of affordability equal to the remaining affordable period if the units continued as rental units. If additional HOME funds are used to directly assist the tenants to become homeowners, the minimum period of affordability is the affordability period under § 92.254(a)(4), based on the amount of direct homeownership assistance provided.

[78 FR 44676, July 24, 2013]

§ 92.256 [Reserved]

§ 92.257 Equal participation of faith-based organizations.

The HUD program requirements in § 5.109 apply to the HOME program, including the requirements regarding disposition and change in use of real property by a faith-based organization.

[81 FR 19418, Apr. 4, 2016]

§ 92.258 Elder cottage housing opportunity (ECHO) units.

(a) General. HOME funds may be used for the initial purchase and initial placement costs of elder cottage housing opportunity (ECHO) units that meet the requirements of this section, and that are small, free-standing, barrier-free, energy-efficient, removable,

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and designed to be installed adjacent to existing single-family dwellings.

(b) *Eligible owners.* The owner of a HOME-assisted ECHO unit may be:

(1) The owner-occupant of the single-family host property on which the ECHO unit will be located;

(2) A participating jurisdiction; or

(3) A non-profit organization.

(c) *Eligible tenants.* During the affordability period, the tenant of a HOME-assisted ECHO unit must be an elderly or disabled family as defined in 24 CFR 5.403 and must also be a low-income family.

(d) *Applicable requirements.* The requirements of § 92.252 apply to HOME-assisted ECHO units, with the following modifications:

(1) Only one ECHO unit may be provided per host property.

(2) The ECHO unit owner may choose whether or not to charge the tenant of the ECHO unit rent, but if a rent is charged, it must meet the requirements of § 92.252.

(3) The ECHO housing must remain affordable for the period specified in § 92.252(e). If within the affordability period, the original occupant no longer occupies the unit, the ECHO unit owner must:

(i) Rent the unit to another eligible occupant on site;

(ii) Move the ECHO unit to another site for occupancy by an eligible occupant; or

(iii) If the owner of the ECHO unit is the host property owner-occupant, the owner may repay the HOME funds in accordance with the recapture provisions imposed by the participating jurisdiction consistent with § 92.254(a)(5)(ii). The participating jurisdiction must use the recaptured HOME funds for additional HOME activities.

(4) The participating jurisdiction has the responsibility to enforce the project requirements applicable to ECHO units.

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(2) *Eligible sponsors.* A loan may be provided only to a community housing development organization that has, with respect to the project concerned, site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team.

(3) *Repayment.* The community housing development organization must repay the loan to the participating jurisdiction from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in whole or in part, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the community housing development organization.

§ 92.302 Housing education and organizational support.

HUD is authorized to provide education and organizational support assistance, in conjunction with HOME funds made available to community housing development organizations in accordance with section 233 of the Act. HUD will publish a notice in the *FEDERAL REGISTER* announcing the availability of funding under this section, as appropriate. The notice need not include funding for each of the eligible activities, but may target funding from among the eligible activities.

§ 92.303 Tenant participation plan.

A community housing development organization that receives assistance under this part must adhere to a fair lease and grievance procedure approved by the participating jurisdiction and provide a plan for and follow a program of tenant participation in management decisions.

Subpart H—Other Federal Requirements

§ 92.350 Other Federal requirements and nondiscrimination.

(a) The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include: nondiscrimination and

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equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; drug-free work; and housing counseling.

(b) The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).

[62 FR 28930, May 28, 1997, as amended at 81 FR 90657, Dec. 14, 2016]

§ 92.351 Affirmative marketing; minority outreach program.

(a) *Affirmative marketing.* (1) Each participating jurisdiction must adopt and follow affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing requirements and procedures also apply to all HOME-funded programs, including, but not limited to, tenant-based rental assistance and downpayment assistance programs. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If participating jurisdiction's written agreement with the project owner permits the rental/housing project to limit tenant eligibility or to have a tenant preference in accordance with § 92.253(d)(3), the participating jurisdiction must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project.

(2) The affirmative marketing requirements and procedures adopted must include:

(i) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logo or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups);

(ii) Requirements and practices each subrecipient and owner must adhere to

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in order to carry out the participating jurisdiction's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logo or slogan, and display of fair housing poster);

(iii) Procedures to be used by sub-recipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);))

(iv) Records that will be kept describing actions taken by the participating jurisdiction and by subrecipients and owners to affirmatively market the program and units and records to assess the results of these actions; and

(v) A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

(8) A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

(b) *Minority outreach.* A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 200.321 of title 2 Code of Federal Regu-

lations describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44678, July 24, 2013; 80 FR 75935, Dec. 7, 2015]

§ 92.352 Environmental review.

(a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58. The applicability of the provisions of 24 CFR part 50 or part 58 is based on the HOME project (new construction, rehabilitation, acquisition) or activity (tenant-based rental assistance) as a whole, not on the type of the cost paid with HOME funds.

(b) *Responsibility for review.* (1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decisionmaking, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

(2) A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.

(3) HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44678, July 24, 2013]

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§ 92.353 Displacement, relocation, and acquisition.

(a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, the participating jurisdiction must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

(b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:

(1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.

(2) Appropriate advisory services, including reasonable advance written notice of:

(i) The date and approximate duration of the temporary relocation;

(ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;

(iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and

(iv) The provisions of paragraph (b)(1) of this section.

(c) *Relocation assistance for displaced persons.*—(1) *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used

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to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

(2) *Displaced Person.* (i) For purposes of paragraph (c) of this section, the term *displaced person* means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

(A) After notice by the owner to move permanently from the property, if the move occurs on or after:

(i) The date of the submission of an application to the participating jurisdiction or HUD, if the applicant has site control and the application is later approved; or

(2) The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or

(B) Before the date described in paragraph (c)(2)(1)(A) of this section, if the jurisdiction or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or

(C) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:

(1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and

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estimated average monthly utility costs that do not exceed the greater of:

(i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or

(ii) The total tenant payment, as determined under 24 CFR 5.628, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income.

(2) The tenant is required to relocate temporarily, does not return to the building/complex, and either

(i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

(ii) Other conditions of the temporary relocation are not reasonable; or

(3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

(ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a *displaced person* if:

(A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the participating jurisdiction determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.

(B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;

(C) The person is ineligible under 49 CFR 24.2(g)(2); or

(D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(iii) The jurisdiction may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.

(3) *Initiation of negotiations.* For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term *initiation of negotiations* means the execution of the agreement covering the acquisition, rehabilitation, or demolition.

(d) *Optional relocation assistance.* The participating jurisdiction may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The jurisdiction may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by State or local law, the jurisdiction must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.

(e) *Residential antidisplacement and relocation assistance plan.* The participating jurisdiction shall comply with the requirements of 24 CFR part 42, subpart C.

(f) *Real property acquisition requirements.* The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.

(g) *Appeals.* A person who disagrees with the participating jurisdiction's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the jurisdiction. A low-income person who is dissatisfied with

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the jurisdiction's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.

[61 FR 48750, Sept. 16, 1996, as amended at 61 FR 51760, Oct. 3, 1996; 62 FR 29930, May 28, 1997; 67 FR 61756, Oct. 1, 2002; 78 FR 44678, July 24, 2013]

§ 92.354 Labor.

(a) *General.* (1) Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 3141), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701).

(2) The contract for construction must contain these wage provisions if HOME funds are used for any project costs in § 92.206, including construction or nonconstruction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

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(3) Participating jurisdictions, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards, as applicable. Participating jurisdictions shall be responsible for ensuring compliance by contractors and subcontractors with labor standards described in this section. In accordance with procedures specified by HUD, participating jurisdictions shall:

(i) Ensure that bid and contract documents contain required labor standards provisions and the appropriate Department of Labor wage determinations;

(ii) Conduct on-site inspections and employee interviews;

(iii) Collect and review certified weekly payroll reports;

(iv) Correct all labor standards violations promptly;

(v) Maintain documentation of administrative and enforcement activities; and

(vi) Require certification as to compliance with the provisions of this section before making any payment under such contracts.

(b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.

(c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

[61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44678, July 24, 2013]

§ 92.355 Lead-based paint.

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C.

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4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

[64 FR 50224, Sept. 15, 1999]

§ 92.356 Conflict of interest.

(a) *Applicability.* In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 2 CFR 200.318, apply. In all cases not governed by 2 CFR 200.317 and 2 CFR 200.318, the provisions of this section apply.

(b) *Conflicts prohibited.* No persons described in paragraph (d) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(d) *Exceptions: Threshold requirements.* Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the partici-

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pating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;

(5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(6) Any other relevant considerations.

(f) *Owners and developers.* (1) No owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate

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family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in § 92.252(e) or § 92.254(a)(4). This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

(2) *Exceptions.* Upon written request of a housing owner or developer, the participating jurisdiction (or State recipient, if authorized by the State participating jurisdiction) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:

(i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted housing in question;

(iii) Whether the tenant protection requirements of § 92.253 are being observed;

(iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and

(v) Any other factor relevant to the participating jurisdiction's determina-

tion, including the timing of the requested exception.

[61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28930, May 28, 1997; 78 FR 44679, July 24, 2013; 80 FR 75935, Dec. 7, 2015]

§ 92.357 Executive Order 12372.

(a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

§ 92.358 Consultant activities.

No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

[62 FR 28930, May 28, 1997]

§ 92.359 VAWA requirements.

(a) *General.* (1) The Violence Against Women Act (VAWA) requirements set forth in 24 CFR part 5, subpart L, apply to all HOME tenant-based rental assistance and rental housing assisted

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with HOME funds, as supplemented by this section.) (2) For the HOME program, the "covered housing provider," as this term is used in HUD's regulations in 24 CFR part 5, subpart L, refers to:

(i) The housing owner for the purposes of 24 CFR 5.2005(d)(1), (d)(3), and (d)(4) and § 5.2009(a); and

(ii) The participating jurisdiction and the owner for purposes of 24 CFR 5.2005(d)(2), 5.2005(e), and 5.2007, except as otherwise provided in paragraph (g) of this section.

(b) *Effective date.* The core statutory protections of VAWA that prohibit denial or termination of assistance or eviction solely because an applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking became applicable upon enactment of VAWA 2013 on March 7, 2013. Compliance with the VAWA regulatory requirements under this section and 24 CFR part 5, subpart L, are required for any tenant-based rental assistance or rental housing project for which the date of the HOME funding commitment is on or after December 16, 2016.

(c) *Notification requirements.* The participating jurisdiction must provide a notice and certification form that meet the requirements of 24 CFR 5.2005(a) to the owner of HOME-assisted rental housing.

(1) *For HOME-assisted units.* The owner of HOME-assisted rental housing must provide the notice and certification form described in 24 CFR 5.2005(a) to the applicant for a HOME-assisted unit at the time the applicant is admitted to a HOME-assisted unit, or denied admission to a HOME-assisted unit based on the owner's tenant selection policies and criteria. The owner of HOME-assisted rental housing must also provide the notice and certification form described in 24 CFR 5.2005 with any notification of eviction from a HOME-assisted unit.

(2) *For HOME tenant-based rental assistance.* The participating jurisdiction must provide the notice and certification form described in 24 CFR 5.2005(a) to the applicant for HOME tenant-based rental assistance when the applicant's HOME tenant-based rental assistance is approved or denied. The participating jurisdiction must

also provide the notice and certification form described in 24 CFR 5.2005(a) to a tenant receiving HOME tenant-based rental assistance when the participating jurisdiction provides the tenant with notification of termination of the HOME tenant-based rental assistance, and when the participating jurisdiction learns that the tenant's housing owner intends to provide the tenant with notification of eviction.

(d) *Bifurcation of lease requirements.* For the purposes of this part, the following requirements shall apply in place of the requirements at 24 CFR 5.2009(b):

(1) If a family living in a HOME-assisted rental unit separates under 24 CFR 5.2009(a), the remaining tenant(s) may remain in the HOME-assisted unit.

(2) If a family who is receiving HOME tenant-based rental assistance separates under 24 CFR 5.2009(a), the remaining tenant(s) will retain the HOME tenant-based rental assistance. The participating jurisdiction must determine whether the tenant that was removed from the unit will receive HOME tenant-based rental assistance.

(e) *VAWA lease term/addendum.* The participating jurisdiction must develop a VAWA lease term/addendum to incorporate all requirements that apply to the owner or lease under 24 CFR part 5, subpart L, and this section, including the prohibited bases for eviction and restrictions on construing lease terms under 24 CFR 5.2005(b) and (c). This VAWA lease term/addendum must also provide that the tenant may terminate the lease without penalty if the participating jurisdiction determines that the tenant has met the conditions for an emergency transfer under 24 CFR 5.2005(e). When HOME tenant-based rental assistance is provided, the lease term/addendum must require the owner to notify the participating jurisdiction before the owner bifurcates the lease or provides notification of eviction to the tenant. If HOME tenant-based rental assistance is the only assistance provided (i.e., the unit is not receiving project-based assistance under a covered housing program, as defined in 24

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CFR 5.2003), the VAWA lease term/adendum may be written to expire at the end of the rental assistance period.

(f) *Period of applicability.* For HOME-assisted rental housing, the requirements of this section shall apply to the owner of the housing for the duration of the affordability period. For HOME tenant-based rental assistance, the requirements of this section shall apply to the owner of the tenant's housing for the period for which the rental assistance is provided.

(g) *Emergency Transfer Plan.* (1) The participating jurisdiction must develop and implement an emergency transfer plan and must make the determination of whether a tenant qualifies under the plan. The plan must meet the requirements in 24 CFR 5.2005(e), as supplemented by this section.

(2) For the purposes of § 5.2005(e)(7), the required policies must specify that for tenants who qualify for an emergency transfer and who wish to make an external emergency transfer when a safe unit is not immediately available, the participating jurisdiction must provide a list of properties in the jurisdiction that include HOME-assisted units. The list must include the following information for each property: The property's address, contact information, the unit sizes (number of bedrooms) for the HOME-assisted units, and, to the extent known, any tenant preferences or eligibility restrictions for the HOME-assisted units. In addition, the participating jurisdiction may:

(i) Establish a preference under the participating jurisdiction's HOME program for tenants who qualify for emergency transfers under 24 CFR 5.2005(e);

(ii) Provide HOME tenant-based rental assistance to tenants who qualify for emergency transfers under 24 CFR 5.2005(e); or

(iii) Coordinate with victim service providers and advocates to develop the emergency transfer plan, make referrals, and facilitate emergency transfers to safe and available units.

[81 FR 80803, Nov. 16, 2016]

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Subpart I—Technical Assistance

§ 92.400 Coordinated Federal support for housing strategies.

(a) *General.* HUD will provide assistance in accordance with Subtitle C of the Act.

(b) *Notice of funding.* HUD will publish a notice in the FEDERAL REGISTER announcing the availability of funding under this section as appropriate.

Subpart J—Reallocation

§ 92.450 General.

(a) This subpart J sets out the conditions, under which HUD reallocates HOME funds that have been allocated, reserved, or placed in a HOME Investment Trust Fund.

(b) A jurisdiction that is not a participating jurisdiction but is meeting the requirements of §§ 92.102, 92.103, and 92.104, (participation threshold, notice of intent, and submission of consolidated plan) is treated as a participating jurisdiction for purposes of receiving a reallocation under subpart J of this part.

§ 92.451 Reallocation of HOME funds from a jurisdiction that is not designated a participating jurisdiction or has its designation revoked.

(a) *Failure to be designated a participating jurisdiction.* HUD will reallocate, under this section, any HOME funds allocated to or reserved for a jurisdiction that is not a participating jurisdiction if:

(1) HUD determines that the jurisdiction has failed to:

(i) Meet the participation threshold amount in § 92.102;

(ii) Provide notice of its intent to become a participating jurisdiction in accordance with § 92.103; or

(iii) Submit its consolidated plan, in accordance with 24 CFR part 91; or

(2) HUD after providing for amendments and resubmissions in accordance with 24 CFR part 91, disapproves the jurisdiction's consolidated plan.

(b) *Designation revoked.* HUD will reallocate, under this section, any funds remaining in a jurisdiction's HOME Investment Trust Fund after HUD has revoked the jurisdiction's designation as

EXHIBIT D TO REGULATORY AGREEMENT

Affirmative Marketing Plan

Affirmative Fair Housing Marketing (AFHM) Plan - Single Family Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 12/31/2016)

1a. Applicant's Name, Address (including City, State & Zip code) & Phone Number John Restrepo 118 Summit Ave, Jersey City NJ Hudson County, 07304, 201-209-9301 x 304, jrestrepo@gsecdc.org	1c. Development Number 1	1d. Number of Units 2
	1e. Price Range From \$ 235,000.00 To \$	1f. Type of Housing <input checked="" type="checkbox"/> Development <input type="checkbox"/> Scattered Site
	1g. Approximate Starting Dates (mm/dd/yyyy) Advertising 08/15/2019 Occupancy by 10/12/19	
1b. Development's Name, Location (including City, State and Zip code) 224 N. 2nd Street Harrison, NJ	1h. Housing Market Area Harrison, NJ	1i. Census Tract 137
1j. Sales Agent's Name & Address (including City, State and Zip Code) Garden State Episcopal, CDC 118 Summit Ave, NJ Hudson County, 07304 201-209-9301 X 304, jrestrepo@gsecdc.org		
2. Type of Affirmative Marketing Area (check all that apply) <input type="checkbox"/> White (non-minority) Area <input checked="" type="checkbox"/> Minority Area <input type="checkbox"/> Mixed Area (with _____ % minority residents)	3. Direction of Marketing Activity (Indicate which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts) <input type="checkbox"/> White <input checked="" type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input checked="" type="checkbox"/> Black or African American <input checked="" type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Families with Children <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Families with Children <input type="checkbox"/> Other (e.g. specific ethnic group, religion, etc.)	
4a. Marketing Program: Commercial Media (Check the type of media to be used to advertise the availability of this housing) <input checked="" type="checkbox"/> Newspapers/Publications <input type="checkbox"/> Radio <input type="checkbox"/> TV <input type="checkbox"/> Billboards <input checked="" type="checkbox"/> Other (specify) Social Media (Facebook)		
Name of Newspaper, Radio or TV Station Jersey Journal	Group Identification of Readers/Audience American Indian, Black, Native Hawaiian	Size/Duration of Advertising Quarter of a page/ 1 week

4b. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster

(1) Will brochures, letters, or handouts be used to advertise? Yes No If "Yes", attach a copy or submit when available.

(2) For development site sign, indicate sign size 5 x 7; Logo type size 1 x 1. Attach a photograph of sign or submit when available.

(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the Sales Office Real Estate Office Model Unit Other (specify)

4c. Marketing Program: Community Contacts. To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below which are located in the housing market area. If more space is needed, attach an additional sheet. Notify HUD-Housing of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

Name, of Group/Organization	Group Identification	Approximate Date (mm/dd/yyyy)	Person Contacted (or to be Contacted)
North Hudson Community Action Corp.			
Hudson County Economic Redevelopment			
United Way of Hudson County			
Address & Phone Number		Method of Contact	Indicate the specific function the Group/Organization will undertake in implementing the marketing program
800 31st St., Union City, NJ 07087 201-210-0100		Phone	
830 Bergen Ave., Jersey City, NJ 07306 201-369-4370		Phone	
857 Bergen Ave., Jersey City, NJ 07306 201-434-1615		Phone	

5. Reserved

6. Experience and Staff Instructions (See instructions)

6a. Staff has affirmative marketing experience.

No Yes

6b. On separate sheets, indicate training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

7. Additional Considerations Attach additional sheets as needed.

We will set a preference for veterans in the 1st 30 days of marketing.

8. Compliance with AFHM Plan Regulations: By signing this form, the applicant agrees to ensure compliance with HUD's Affirmative Fair Housing Marketing Regulations (24 CFR 200.620).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

 John Restrepo

5/20/19

Name (type or print)
John Restrepo

Title & Name of Company
Garden State Episcopal, CDC

For HUD-Office of Housing Use Only

Approved _____ Disapproved _____ (Check One)

Signature & Date (mm/dd/yyyy)

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Signature & Date (mm/dd/yyyy)

Name (type or print)

Name (type or print)

Title

Title

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

In General: The Affirmative Fair Housing Marketing (AFHM) Plan is used to ensure that Federal Housing Administration (FHA)-insured single family housing developers are taking necessary steps to eliminate discriminatory practices and to overcome the effects of past discrimination involving Federally insured housing. No application for any housing development insured under the Department of Housing and Urban Development's (HUD) housing programs, shall be funded without a HUD-approved AFHM Plan (See the "Applicability" section in the instructions below.) Single family housing developers complete the AFHM Plan only during the application process and the AFHM Plan is in effect until after initial occupancy. The responses are required to obtain or retain benefits under the Fair Housing Act, Section 808(e)(5) & (6) and 24 CFR Part 200, Subpart M. The form contains no questions of a confidential nature.

Applicability: Single family developers should answer the following two questions to determine if they need to complete an AFHM Plan or if they should complete block 11 on Form HUD-92541, Builder's Certification of Plans, Specifications, & Site. (See HUD Mortgagee Letter 1995-18 dated April 28, 1995 and 2001-09 dated April 2, 2001 for further instructions).

Question 1. (Check if applicable)

- a. Did you sell five (5) or more houses in the last twelve (12) months with HUD mortgage insurance?
- b. Do you intend to sell five (5) or more houses within the next twelve (12) months with HUD mortgage insurance?

If you did **not** check 1a or 1b, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you checked 1a and/or 1b, you must go to Question 2.

Question 2. (Check if applicable)

- a. I am a signatory in good standing to a Voluntary Affirmative Marketing Agreement (VAMA).
- b. I have an AFHM Plan that HUD approved.
- c. I have contracted with a company that has an AFHM Plan or who is a signatory to a VAMA to market my houses.
- d. I certify that I will comply with the following: (a) Carry out an affirmative marketing program to attract all minority and majority groups to the housing for initial sale. Such a program shall typically involve publicizing to minority persons the availability of housing opportunities regardless of race, color, religion, sex, disability, familial status or national origin, through the type of media customarily utilized by the applicants; (b) Maintain a nondiscriminatory hiring policy in recruiting from both minority and majority groups; (c) Instruct all employees and agents in writing and orally of the policy of nondiscrimination and fair housing; (d) Conspicuously display the Fair Housing Poster in all Sales Offices, include the Equal Housing Opportunity logo, slogan and statement in all printed material used in connection with sales, and post in a prominent position at the project site a sign that displays the Equal Opportunity logo, slogan or statement, as listed in 24 CFR 200.620 and appendix to subpart M to part 200. I understand that I am obliged to develop and maintain records on these activities, and make them available to HUD upon request.

If you checked "a, b, c, or d" in Question 2, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you did **not** check "a, b, c or d" in Question 2, you must complete an AFHM Plan.

Each applicant is required to carry out an affirmative program to attract prospective buyers of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability or familial status (24 CFR 200.620). Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, persons with disabilities, families with children, or persons of different religious affiliations. The applicant shall describe in the AFHM Plan the proposed activities to be carried out during advance marketing, where applicable, and the initial sales period. The affirmative marketing program also should ensure that any group(s) of persons ordinarily **not** likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply and have the opportunity to buy.

INSTRUCTIONS

Send completed form to: your local HUD Office
Attention: Director, Office of Housing

Part 1-Applicant and Project Identification.

Blocks 1a thru 1f-Self-Explanatory. Block 1g-the applicant should specify the approximate date for starting the marketing activities and the anticipated date of initial occupancy. Block 1h-the applicant should indicate the housing market area, in which the housing will be located. Block 1i-the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1j the applicant should complete only if a Sales Agent (the agent can not be the applicant) is implementing the AFHM Plan.

Part 2-Type of Affirmative Marketing Area:

The AFHM Plan should indicate the approximate racial composition of the housing market area in which the housing will be located by checking one of the three choices. Single family scattered site builder should submit an AFHM Plan that reflects the approximate racial composition of each housing market area in which the housing will be located. For example, if a builder plans to construct units in both minority and non-minority housing market areas, a separate AFHM Plan shall be submitted for each housing market area.

Part 3-Direction of Marketing Activity. Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as price or rental of

housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be located, disability, familial status, or religious affiliation of eligible population, public transportation routes, etc.

Part 4-Marketing Program. The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AFHM Plan present in the housing marketing area that are least likely to apply. The applicant shall state: the type of media to be used, the names of newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, families with children, and religious affiliation), and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women's organizations, grass roots faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community. Applicants should notify their local HUD-Office of Housing of any changes to the list in Part 4c of this AFHM Plan.

Part 5-Reserved

Part 6-Experience and Staff Instructions.

- 6a. The applicant should indicate whether he/she has had previous experience in marketing housing to group(s) identified as least likely to apply for the housing.
- 6b. Describe the instructions and training provided or to be provided to sales staff. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AFHM Plan.

Copies of any written materials should be submitted with the AFHM Plan, if such materials are available.

Part 7-Additional Considerations. In this section describe other efforts not previously mentioned which are planned to attract persons least likely to apply for the housing.

Part 8-Compliance with AFHM Plan Regulation.

By signing, the applicant assumes full responsibility for implementing the AFHM Plan. HUD may monitor the implementation of this AFHM Plan at any time and request modification in its format or content, where deemed necessary.

Notice of Intent to Begin Marketing. No later than 90 days prior to the initiation of sales marketing activities, the applicant with an approved AFHM Plan shall submit notice of intent to begin marketing. The notification is required by the Affirmative Fair Housing Marketing Plan Compliance Regulations (24 CFR Part 108.15). It is submitted either orally or in writing to the Office of Housing in the appropriate HUD Office servicing the locality in which the proposed housing will be located.

OMB approval of the Affirmative Fair Housing Plan includes approval of this notification procedure as part of the AFHM Plan. The burden hours for such notification are included in the total designated for this AFHM Plan form.

6b. Experience and Staff Instructions.

The Director has received training on the requirements of the HOME program. We will refresh with new training offered by the PJ of HUD Field office or NeighborWorks.

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APPENDIX D

Harrison Senior Housing Documentation:

- **NJ Housing and Mortgage Finance Agency (HMFA) Subsidy Mortgage Loan Commitment**
 - Fully Executed HMFA Subsidy Mortgage Loan Commitment Form
 - Hudson County Register CDBG Loan and Deed Agreements
 - Hudson County Register Property Deed
 - Final Billing Documentation



Richard E. Constable, III
Chairman

Anthony L. Marchetta
Executive Director

September 17, 2013

Domus Corporation
Mr. Phillip Frese, President
590 North 7th Street
Newark, NJ

Re: HMFA #02756
Harrison Senior Housing
Harrison / Hudson County
Subsidy Mortgage Loan Commitment

Dear Mr. Frese:

I am pleased to advise you that the members of the New Jersey Housing and Mortgage Finance Agency at the public meeting of August 29, 2013 approved a subsidy mortgage loan commitment for construction and permanent financing for the above-captioned project. At the time of the meeting, the mortgage was estimated to be \$1,800,000 at an interest rate of 0% during construction and a 1% interest rate at permanent rollover for a term of 30 years (the "Board Item" attached).

Further, this commitment is subject to the terms and conditions of the Fund for Restoration of Multifamily Housing ("FRM") Program Guidelines dated August 2, 2013, as may be amended and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time and enclosed herein. Finally, please note that receipt of this mortgage loan commitment is predicated on the application, as approved, accurately reflecting the Project and its financial needs. This award letter shall serve as notice to you that in order to retain such award, you have an affirmative obligation to advise the Agency of any changes to any aspect of the Project, as well as your compliance with all Agency mortgage loan requirements.

Please note that the following special conditions must also be addressed prior to closing:

1. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.
2. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

637 South Clinton Avenue ▲ P.O. Box 18550 ▲ Trenton, NJ 08650-2085

TELEPHONE: (609) 278-7400 ▲ WEB: www.nj-hmfa.com

execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.

3. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.
4. The Sponsor agrees that the Project shall comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.
5. Submission, verification and compliance with all Agency closing requirements including, but not limited to, insurance coverage naming the Agency as set forth in the Agency's the FRM Program Guidelines dated August 2, 2013, as may be amended, and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time.
6. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.
7. Submission, verification and compliance with the Agency's requirement for construction completion guarantees (*100% Payment and Performance Bond for Agency construction loans and Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans*), including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.
8. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.
9. The Agency authorizes its staff at its sole discretion to dictate the Construction Draw Schedule of Agency financing based on (1) pro rata apportionment of funds, (2) pari passu distribution or (3) the Agency financing being the last funding source disbursed during the construction period.
10. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.

HMFA #02756 - Harrison Senior
Harrison / Hudson County
Subsidy Mortgage Loan Commitment
Page 3

In accordance with those guidelines, you are hereby requested to sign and return this commitment letter within 30 days after the ten-day Governor's veto period. If the signed commitment letter is not received by October 16, 2013 this commitment will become null and void.

The commitment expiration date is December 31, 2013. If closing of this project has not occurred by December 31, 2013, the Executive Director may extend the mortgage commitment for two additional consecutive 90-day periods. A commitment extension must be requested in writing to the attention of Marisol Rodriguez, Director of Multifamily Programs and Lending. This request must include justification for the extension.

The borrower is responsible for satisfaction of the conditions set forth in the commitment. *In addition, the borrower is responsible for advising the Agency of any increases in project development costs not covered in the projected costs at the time of commitment and any changes to sources of funds other than Agency financing.* This commitment letter summarizes the terms and conditions of the mortgage loan commitment being offered by the Agency. The full terms and conditions are set forth in the attached Request For Action By Members of the New Jersey Housing and Mortgage Finance Agency, which was approved by a Resolution of the Members at its August 29, 2013 meeting. Your execution of this commitment as adopted signifies acceptance of the mortgage commitment as adopted by that Resolution.

If you have any questions regarding the above, please do not hesitate to contact Donna Spencer of my staff at (609) 278-7622.

Sincerely,


Anthony L. Marchetta
Executive Director

Enclosures

Terms and Conditions Accepted by:

Sponsor's Signature

Date

c - Stuart Portney
242 Tenth Street, Suite 103
Jersey City, NJ

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A SUBSIDY MORTGAGE LOAN COMMITMENT FOR THE PROJECT KNOWN AS HARRISON SENIOR, HMFA #02756

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 29TH OF AUGUST 2013 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten(10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten(10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Charles Richman, designee for Richard E. Constable, III	X				
Susan Fischer	X				
David Moore	X				
Cathy Boland	X				
Thomas Hunt	X				
Monsignor Linder	X				
Dorothy Blakeslee	X				
Patricia Mueller	X				
Stanley Weeks	X				

CERTIFICATE

I, Claudia Lovas, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 29th day of August, 2013 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of the Agency this 29th day of August 2013.

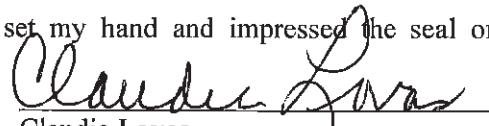

Claudia Lovas
Assistant Secretary

Exhibit A

**Harrison Senior
Harrison, Hudson County
HMFA #02756
Developer: Domus Corporation
of Units: 15
Population: Senior**

August 29, 2013

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Action Requested:

1. Approval of a subsidy mortgage loan commitment for an estimated \$1,800,000 in Construction and Permanent financing from the Fund for Restoration of Multifamily Housing ("FRM") Program for a project known as Harrison Senior Housing, HMFA #02756 (the "Project") pursuant to the FRM Program Guidelines.

Issues, Comments and Related Actions:

Pursuant to the authorizing statute of the CDBG program, each activity funded must meet a national objective and be an eligible activity. This Project is eligible because it meets the low/mod income (LMI) housing activity by providing permanent residential structures, which, upon completion, will be occupied by LMI households.

New Issues

It is anticipated that construction will begin in December 2013 and be completed by September 2014.

Prior to the availability of FRM funds the project funding sources included an Agency construction loan, low income tax credit equity (LIHTC), County HOME Funds and Harrison AHTF to complete construction. Since the Sponsor has not been able to secure a Syndicator for LIHTC the project can be completed with FRM funds and the other committed sources.

Prior Board Approval

On June 28, 2012 the Agency Board approved a DOI for construction financing.

Prior to the availability of FRM funds the project funding sources included an Agency construction loan, low income tax credit equity, County HOME Funds and Harrison AHTF to complete construction. Since the Sponsor has not been able to secure a Syndicator for low income housing tax credits costs and construction loan costs the project can be completed with FRM funds and the other committed sources.

The Applicant/Developer

Domus Corporation, located in Newark, New Jersey is the developer and applicant for the project's financing.

Domus Corporation is an affiliate of Catholic Charities of the Archdiocese of Newark. It is a nonprofit housing development corporation founded in 1995. Its mission is to develop affordable housing and provide support services within Bergen, Essex, Hudson and Union counties. They have developed and manage several affordable housing projects in North Jersey, including housing for the homeless, disabled and seniors including Kearny Senior Residence, Kearny, St Mary's Senior Residence, Dumont and Sunrise House, Newark. They have one tax credit project in the Agency portfolio, Bramhall Avenue Apartments, LITC #520.

The Sponsor/Borrower

The applicant for the project's financing will form a limited partnership known as Harrison Senior Urban Renewal, L.P such entity to be called below the "Sponsor" and/or "Borrower". Harrison Senior Urban Renewal, Inc will be the General Partner with a 0.01% interest of Harrison Senior Urban Renewal, L.P. Domus Corporation will be the limited partner and hold a 99.99% interest of the Borrower. The principles of Domus Corporation are Phillip Frese, President and John Westervelt, Vice President/ Treasurer.

Acquisition

On September 6, 2011, Domus Corporation has entered into a Sales and Purchase Agreement with the Town of Harrison for the property Lot 6, Block 50.02. On May 7, 2013 a resolution was passed that extended the contract until October 15, 2013. The Town will convey the property for \$1.00 subject to Domus developing an affordable senior housing project. Domus has assigned the sales agreement to the Borrower.

Per the appraisal report dated February 7, 2013, the land value of the property is \$350,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed project, \$1 is recognized for acquisition costs.

The Project

The proposed Harrison Senior Project is located at 774 Harrison Avenue and when complete will provide 15 units of affordable senior rental units on a 0.1 acre site in a residential neighborhood. Domus plans on developing a four (4) story elevator serviced facility with fifteen (15) one bedroom units designed for very low income and moderate income seniors and frail elderly. The proposed net rents for the apartments range from \$560-705 per month. Fourteen of the proposed 15 living units will meet or exceed 600 sf. A living unit on the first floor at the rear of the building will be 525 sf. The reason for this is reduction in living unit area is to accommodate an exit hallway from the adjacent egress stairway to the outside. The reduction in area still results in a livable 1 bedroom

apartment in terms of furnishability, layout and storage. Exterior windows are consistent with all other living units. Each unit will have a range, refrigerator, and air conditioning. Project amenities include two laundry rooms, a 1,600 square foot community room and garbage/recycling centers on each floor. Onsite services will include: needs assessment and case management, a medical screening program, job training and job placement. For the purposes of the FRM Program financing, the Sponsor must comply with Energy Star requirements.

The project will utilize pre-manufactured wood framed modular construction. This type of construction was utilized for several reasons.

- The site is very tight with very little room for on-site storage or staging of materials.
- The adjacent street, Harrison Avenue, is busy and limiting traffic due to construction activity would be impractical.
- Immediately adjacent to the proposed building is another residential building as well as many other residential buildings on adjacent sites. Modular construction would minimize construction noise and the duration of construction.
- Good quality products both in terms of materials and workmanship.
- All aspects of both green design features and Energy Star requirements can be achieved with the use of 'modular' living unit type construction.

The project is located within walking distance to a retail area, a park, various churches and a food store. The site is also in close proximity to public transportation. The township has agreed to convey the land for a nominal fee and will grant long term tax abatement.

Utilities

The utilities are individually metered and the tenants will be paying for the heat, hot water services provided by gas and all electric services.

Market Analysis

The Town of Harrison has experienced a significant change after the waterfront it was declared an area redevelopment in 1997, including the development of Red Bull Soccer a Stadium a new hotel, market rate development, PATH Station improvements and clean up of former industrial sites. The goal is to transform the area from its former industrial base to a mixed use transit orientated area. The population and property values in Harrison are expected to increase. The market for affordable senior housing in the Town of Harrison is under supplied and the capture rate is a favorable 3.2%, as the appraisal report dated February 5, 2013.

FRM Financing

The mortgage is currently estimated to be \$1,800,000 at a 0% interest rate during construction and a 1% interest rate at permanent rollover for a term of 30 years. Secured by a first mortgage lien, if obtainable, or a subordination as a mortgage lien on Project real estate and security interest in personal property included in the Project. The loan will be repaid from 50% of the available cash flow.

Escrow Requirements

Working Capital	The Multifamily program guidelines require that a debt service and operating expense reserve be established in the amount of \$22,245 to be held by the Agency.
Insurance	The Multifamily program guidelines require that a one half-year insurance reserve be established in the amount of \$6,360 to be held by the Agency.
Taxes	The Multifamily program guidelines require that a one quarter-year tax reserve be established in the amount of \$1,814 to be held by the Agency.

Other Funding Sources

Hudson County HOME Funds	the sponsor received a commitment for HOME Funds from Hudson County in the amount of \$1,465,486 on April 2, 2012.
Harrison Affordable Housing Trust Fund (AHTF)	On April 2, 2012, the sponsor received a commitment from the Town of Harrison in the amount of \$509,000.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of \$104,526 during construction of which \$103,607 is anticipated to be paid at permanent take-out, leaving \$919 in the deal. Collection of the deferred developer fee will come from cash flow <u>by way of return on equity</u> .

Terms and Conditions

Duplication of Benefits:	These funds are being used only to the extent that a disaster recovery need has not been fully met. Disaster assistance may come in the form of donations, insurance proceeds, volunteer work, and state and local funds. It also includes assistance received from FEMA, the SBA, or the U.S. Army Corps of Engineers.
Borrower:	Harrison Senior Urban Renewal, L.P, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.

Affordability Controls: For FRM subsidy purposes, the Sponsor shall incorporate contractual guarantees and procedures to ensure that any unit of housing provided for low- and moderate-income households shall be occupied by low- and moderate-income households whose income is 80% or less than the AMI for at least 30 years.

Commitment and Expiration Date: This commitment will expire on December 31, 2013; however, the Executive Director is hereby authorized to extend the commitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Fund for Restoration of Multifamily Housing ("FRM") Program Guidelines dated July 17, 2013, as may be amended and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time.
2. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.
3. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.
4. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.
5. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.
6. The Sponsor agrees that the Project shall comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to, insurance coverage naming the Agency as set forth in the Fund for Restoration of Multifamily Housing (“FRM”) Program Guidelines dated July 17, 2013, as may be amended.
2. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.
3. The Sponsor agrees that the Project shall comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.
4. Submission, verification and compliance with the Agency's requirement for construction completion guarantees (*100% Payment and Performance Bond for Agency construction loans and Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans*), including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.
5. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.
6. The Agency authorizes its staff at its sole discretion to dictate the Construction Draw Schedule of Agency financing based on (1) pro rata apportionment of funds, (2) pari passu distribution or (3) the Agency financing being the last funding source disbursed during the construction period.
7. Completion of the federal environmental review and receipt by the Agency of an executed “Authority to Use Grant Funds” (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the “Authority to Use Grant Funds” (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.
8. Submission, verification and compliance with all Agency closing requirements including, but not limited to, insurance coverage naming the Agency as set forth in the Agency's the FRM Program Guidelines dated July 17, 2013, as may be amended, and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time.

New Jersey Housing and Mortgage Finance Agency
Multifamily Programs & Credit Division
Project Report
Harrison Senior Housing, HMFA #02756
Town of Harrison, Hudson County

Block No. 50.02
Lot Nos. 6

Legislative District: 32
Congressional District: 13
Census Tract: 135

Development Team:

Developer/Applicant: Domus Corporation
Phillip Frese, President,
590 North 7th Street
Newark, NJ
973-596-3984

Sponsor/Borrower Entity:

Harrison Senior Housing Urban Renewal LP
590 North 7th Street
Newark, NJ
973-596-3984

Principals:

Phillip Frese, President
590 North 7th Street
Newark, NJ
973-596-3984

John Westervelt, Vice President/Treasurer
590 North 7th Street
Newark, NJ
973-596-3984

Contact:

The Metro Company LLC
Stuart Portney
242 Tenth Street, Suite 103
Jersey City, NJ
201-435-6500

Architect:

Steven S Cohen Architect PC
63 Moran Avenue
Princeton, NJ 08542
609-924-6560

<u>Attorney:</u>	Harold Law PA 25 Independence Boulevard Warren NJ 07059 908-648-1022
<u>General Contractor:</u>	Del -Sano Contracting Corp 2037 Morris Avenue Union, NJ 908-688-8891
<u>Managing Agent:</u>	Raymond P Marzulli Company 264 Belleville Avenue Bloomfield, NJ 07003 973-743-3769
<u>Social Service Provider:</u>	Catholic Charities Phillip Frese 590 North 7 th Street Newark, NJ 973-596-3984
<u>Clearances and Disclosures:</u>	All required disclosures will be submitted prior to project funding.
<u>Site Control:</u>	The limited partner has a Sales and Purchase Agreement for the subject property with the Borrower.
<u>Zoning:</u>	The property has been zoned for the proposed use prior to project funding.
<u>Utilities:</u>	All utilities will be available to the site.
<u>Land Valuation:</u>	Has been determined in accordance with Agency standards.
<u>Taxes:</u>	Tax abatement has been granted in accordance with the Long Term Tax Abatement Law.
<u>Environmental:</u>	Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	\$1	(\$0/DU)	(\$0/SF)
Construction Costs (Including Contractor Fee)	\$2,546,493	(\$169,766/DU)	(\$155/SF)
Contingencies	\$132,748	(\$8,850/DU)	(\$8/SF)
Developer Fee	\$419,600	(\$27,973/DU)	(\$26/SF)
Professional Fees	\$385,500	(\$25,700/DU)	(\$23/SF)
Carrying, Financing Costs	\$156,802	(\$10,453/DU)	(\$10/SF)
Other Charges	<u>\$134,261</u>	<u>(\$8,951/DU)</u>	<u>(\$8/SF)</u>
TOTAL DEVELOPMENT COST	\$3,775,405	(\$251,694/DU)	(\$230/SF)

LESS PROPOSED SOURCES

FRM	\$1,800,000	(\$120,000/DU)
Hudson County HOME Funds	\$1,465,486	(\$97,699/DU)
Harrison AHTF	\$509,000	(\$33,933/DU)
Deferred Developer Fee	\$918	(\$61/DU)
 TOTAL PROPOSED SOURCES	 \$3,775,405	 (\$251,694/DU)

Acquisition \$1
Revolving ST-1 Fund 6 204

Acquisition	\$1
Percentage of Total Development Costs	0%
Construction Cost + Hard Cost Contingency + Utility Connection Fees	\$2,748,818
Percentage of Total Development Costs	73%

**Remaining Soft Cost \$1,026,587
 Percentage of Total Development Costs 27%
 Percentage of Construction Costs 37%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost \$1,026,587

Less
Escrows \$134,261

Deferred Developer Fee	\$919
TOTAL	\$135,180

Net Soft Costs	\$891,407
----------------	-----------

Percentage of Total Development Costs	24%
Percentage of Construction Costs	32%

Affordability Overview
Rental Housing

<u># Units</u>	<u>Unit Type</u>	<u>Net Monthly Rent</u>	<u>Utility Allowance</u>	<u>Range of Affordability</u>
3	1BR	\$560	\$127	low 47.5%
12	1BR	\$705	\$127	mod 57.5%
<hr/> 15 units				

Attachments:

1. Form-10
2. Prior Board Approval Dated June 28, 2012

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY

**SCHEDULE 10-A: PROJECT DESCRIPTION-CONSTRUCTION (ONLY) AND
Date Action Taken**

*Low - Rise (1 - 3) Mid/Hi - Rise (4 + stories) Townhouse or Semi-detached

** 40-60 set-asides means 40% or more of the residential units will be restricted and occupied by households where income is 60% or less than the area median income.

40-60 set-asides means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income. *** 20-30 set-asides means 20% or more of the residential units will be restricted and occupied by households whose income is 30% or less than the area median income.

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

Inducement
 Commitment
 Re-Commitment
 Bond Sale
 Closing

HMFA# 02756

Prepared by: *Donald Spieker*
 Reviewed by: *John D. O'Farrell*
 (Director of Technical Services)
Mark R. Roan
 (Director of MIP Programs & Credit)

Accountability Officer

8/20/13
8/20/13
Date**1. SOURCES OF FUNDS DURING CONSTRUCTION:**

		Enter total Amt. of Grant/Loan Here	Will loans be repaid from project revenues? (If source is a grant, enter "G".) Y, or N, or G	
a)				\$
b)	Hudson County HOME Funds	\$1,465,486	1,465,486	\$ 1,318,937
c)	Harrison AHTF	\$509,000	509,000	\$ 458,100
d)	FRM Funds	\$1,800,000		\$ 1,800,000
e)				\$
f)				\$
g)				\$
h)	Deferred Developer's Fee			\$ 104,526
				\$ 3,681,563

TOTAL SOURCES OF CONSTRUCTION FUNDS:**2. USES OF FUNDS DURING CONSTRUCTION:****A. ACQUISITION COSTS:**

a) Land	0.10	@	(\$ 10.00 per Acre)	\$ 1	% of Cons't Cost OR Cost/Unit
b) Building Acquisition			Land value should be between \$15,000 & \$25,000 per unit		\$0
c) Relocation					
d) Other:			Total Acquisition as a percent of Total Project Costs:	0.00%	

B. CONSTRUCTION COSTS:

a) Demolition	NOTE: Payment and Performance bonds are required through the const	\$	
b) Site work	and for a two-year period after the Certificate of Occupancy.	166,871	
c) Residential Structures		1,976,336	
d) Community Service Facility			
e) Environmental Clearances			
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	45,825	1.80%
g) Building Permits		22,441	
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space		
i) General Requirements	should be about 6% of construction costs	208,000	9.40%
j) Contractor Overhead & Profit - should not exceed 8% of construction costs in total-usually 2% Overhead & 6% Profit		125,000	5.65%
k) Fire Suppression System			
l) Green Features (for Solar and LEED Certification costs only)			
m) Other	Total Cons't Costs as a percent of Total Project Costs:	70.82%	

C. DEVELOPERS FEE:

13.02% HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	2,546,493
Non-Deferred Amt.:	419,600

D. CONTINGENCY:

a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation	127,325
b) Soft Costs	1.000% should be a Maximum of 5%	5,423

E. PROFESSIONAL SERVICES:

a) Appraisal & Market Study	919	\$ 7,500
b) Architect		160,000
c) Engineer		
d) Attorney		125,000
e) Cost Certification/Audit		20,000
f) Environmental Consultant		15,000
g) Historical Consultant		
h) Geotechnical Engineering Report		
i) Surveyor		8,000
j) Professional Planner:		50,000
k) LEED provider contract fees, etc.	Total Professional fees as a % of Total Project Costs:	10.21%

F. PRE-OPERATIONAL EXPENSES *

a) Operator fees (pre-construction completion) *	* Non-eligible costs in TC basis	\$
b) Advertising and Promotion (pre-construction completion)*	Should not Exceed \$250 per unit	
c) Staffing and Start-up Supplies (pre-construction completion)*		
d) Other:	*	
e) Other:	*	

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION

a) Interest @	% for (mos.) on \$	(percentage of total development costs)	4.15%
b) R.E. Tax \$	4,714 (per annum) x	0.83 Yrs.	3,928	
c) Insurance \$	25,714 (per annum) x	0.83 Yrs.	21,428	
d) Title Insurance and Recording Expenses			31,445	
e) Financing Fee on Non Amortizing Debt		on \$		
f) HMFA Second Non Financing Fee [Cons't & Perm Only]		on \$		
g) HMFA Constr. Loan Serv. Fee	% for (17 mos.) on \$	N/A	
h) Non-financed development costs				
i) Tax Credit Fees				
j) Negative Arbitrage (If Bonds are sold during Construction)				
k) Cost of Issuance (If Bonds are sold during Construction)				
l) Furniture, Fixtures & Equipment (F, F&E)				
m) Utility Connection Fees			25,000	

H. WORKING CAPITAL ESCRROW

a) Debt Service & Operating Expenses		22,245
b) Rental Agent Rent-up Fee (during Rent-up)		10,000
c) Advertising and Promotion (during Rent-up)		

I. OTHER ESCRROWS

a) Insurance (1/2 YR.)		\$ 6,360
b) Taxes (1 Qtr.)		\$ 1,814
c) Debt Service Payment & Servicing Fee for 1 Month		\$
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months		\$
e) Repair & Replacement Reserves		\$
f) HMFA Operating Deficit Reserve		\$
g) Other:		\$
h) Other:		\$
i) Other:	Total Escrrows as a % of Total Project Costs:	1.07%

3. USES OF FUNDS DURING CONSTRUCTION:**4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (average / shortage):**

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

a) Hudson County HOME Funds	Y, or N, or G	\$ 146,549
b) Harrison AHTF		\$ 50,900
c)		\$
d)		\$
e)		\$
f)		\$
TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		\$ 197,449

6. USES OF FUNDS FOR PERMANENT Close-out:

A. <u>DEVELOPER'S FEE:</u>	\$ 103,607	
B. <u>CONSTRUCTION LOAN PAYOFF</u>	\$	
C. <u>Negative Arbitrage</u> (ESTIMATE)	\$	
D. <u>Cost of Issuance</u> (ESTIMATE)	\$	
E. Closing Costs	\$	
F. Other: Owner held operating reserves	\$	
7. TOTAL of NUMBER 6 A-F ABOVE:	Total Costs at Perm. Closeout as % of Total Project Costs: 2.49%	
8. BALANCE NEEDED TO CLOSE (overage / shortage):	\$ 93,842	
9. TOTAL PROJECT COSTS:	\$ 197,449	
10. MAXIMUM MORTGAGE LOAN:	\$ 3,775,405	
11. 55% of Basis Test:	Mortgage Loan as % of Total Project Costs: 47.68%	
Aggregate Basis:	\$ 3,641,143	Check each line item for Eligibility
55% of Basis (estimated):	\$ 2,002,629	
Less 1st Mig., 1st Note:	\$ 1,800,000	
Equals 1st Mig., 2nd Note Needed:	\$ 202,629	

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

Interest @ _____	(_____) mos.	Principal \$ _____	\$ _____	List Source
		Total \$ _____	\$ _____	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: _____ By: _____
(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Harrison Senior Urban Renewal LP
 Dev. Name: Harrison Senior Housing

HMFA# 02756
 Prepared by: Donna Spencer
 Reviewed by: Director of Property Management

08/29/13
 Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	500
Telephone	500
Dues & Sub.	
Postage	359
Insp. & Other Fees	
Advertising	1,300
Legal Services	1,300
Auditing (Year End)	1,300
See. Serv. Suppl.	
Misc. Adm. Expenses	
Bookkeeping/Accounting and/or Computer Charges	1,116
Other:	
TOTAL \$	6,375

II. SALARIES & RELATED CHARGES

Superintendent	0.25
Janitorial	0.25
Grounds & Landscaping	
Security	
Social Services	
Site Office & Admin	
Maintenance	
Other Salaries:	
Empl. Benefits	
Empl. Payroll Taxes	
Worker's Comp.	
Other:	
TOTAL \$	0.50

Total Wages
inc benefits

7,000
3,000
2,000
1,275
13,275

III. MAINTENANCE AND REPAIRS

Masonry	1,200
Carpentry	1,200
Plumbing	1,200
Electrical	
Kitchen Equipment	
Elevator	200
Windows & Glass	
Vehicles & Equip.	
Snow Removal	1,920
Grounds & Landscaping	1,000
Paint & Dec. Supl.	
Small Equip. & Tools	
Janit. Sup. & Tools	
HVAC Supplies	
Misc. Maint. Suppl.	
Other:	
TOTAL \$	6,720

IV. MAINTENANCE CONTRACTS

Security	700
Elevator	1,470
Rubbish Removal	3,635
Heating & AC Maint.	900
Grounds, Parking & Landscaping	
Exterminating	200
Cyclical Apt. Painting	1,750
Other:	
TOTAL \$	8,655

V. UTILITY EXPENSE

Water Charges	1,000
Sewer Charges	1,000
Electricity	3,700
Gas	10,800
Fuel	
Less Solar Energy Savings	
TOTAL \$	16,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$ 121,621
Less Vacancy	(-) 6,081
Less Utilities (if applicable)	(-)
 Gross Sheltered Rents	\$ 115,540
 x Rate	x 6.28 %
Real Estate Taxes	\$ 7,256

OR

ACTUAL TAXES
IF NO P.I.L.O.T.

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: <u>Harrison Senior Urban Renewal LP</u>	HMFA# <u>02756</u>	08/29/13
Dev. Name: <u>Harrison Senior Housing</u>	Prepared by: <u>Donna Spencer</u>	Date
Reviewed by: <u>(Director of Property Management - Expenses Only)</u>		
RENTAL INCOME		
Apartment Rents	\$ <u>121,621</u>	
Vacancy Loss	<u>(5.00 %)</u>	<u>6,081</u>
NET APT. RENTS		<u>115,540</u>
Commercial Income	<u>per Sq. Ft.</u>	\$ <u></u>
Garage & Parking	<u>per Sq. Ft.</u>	\$ <u></u>
Commercial Vacancy	<u>%</u>	\$ <u></u>
NET COMMERCIAL RENTALS		\$ <u></u>
TOTAL RENTAL INCOME		\$ <u>115,540</u>
OTHER INCOME		
Laundry Machines	\$ <u>1,500</u>	
Other:	\$ <u>1,500</u>	
TOTAL OTHER INCOME		\$ <u>117,040</u>
TOTAL REVENUE		
EXPENSES		
Administrative (Schedule I)	\$ <u>6,375</u>	
Salaries (Schedule II)	<u>13,275</u>	
Maint. & Repairs (Schedule III)	<u>6,720</u>	
Maint. Contracts (Schedule IV)	<u>8,655</u>	
Utilities (Schedule V)	<u>16,500</u>	
Management Fee <u>53.37 per unit</u>	<u>9,606</u>	* Should be between \$49 & \$64 per unit
P.I.L.O.T. on Commercial Income (<u> </u> %)		
Real Estate Taxes (Schedule VI)	<u>7,256</u>	
Insurance <u>\$848 per Unit</u>	<u>12,720</u>	2-Story & below - \$500; 3-Story & above - \$550
Reserve for Repair and Replacement <u>525.00 per unit</u>	<u>7,875</u>	
TOTAL EXPENSES		\$ <u>88,982</u>
NET OPERATING INCOME		
DEBT SERVICE		
1. Principal and Interest	\$ <u></u>	
2. Mortg & Bond Serv Fee	<u> </u> %	
3. MIP	<u> </u> %	
4. Debt Service on Other Mortgage Loans	\$ <u></u>	
AGENCY DEBT SERVICE	\$ <u></u>	
DEBT SERVICE NOT TO BE CONSIDERED IN DSR	\$ <u></u>	
TOTAL DEBT SERVICE		\$ <u></u>
NET INCOME		
Less Return on Equity <u>(</u> % on \$ <u> </u>)	- \$ <u></u>	
Project Profit/(Loss)	\$ <u>28,058</u>	

NET OPERATING INCOME

New Mortgage
Amount

THE TEAM X CASH FLOW

Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
231,026 -11,052 221,966	240,039 -12,001 228,038	247,230 -12,382 234,859	254,847 -17,732 241,915	262,267 -13,114 249,172	270,156 -13,508 255,648	278,260 -13,813 264,347	286,908 -14,330 272,277
0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
221,386 1,500 1,500 1,500	228,028 1,500 1,500 1,500	234,869 1,500 1,500 1,500	241,915 1,500 1,500 1,500	249,172 1,500 1,500 1,500	255,648 1,500 1,500 1,500	264,347 1,500 1,500 1,500	272,277 1,500 1,500 1,500
222,666 229,526	236,359	243,415	250,672	259,146	265,947	272,777	
15,108 31,461 15,026 17,563 17,225 21,382 40,088 39,104 40,088 19,527 11,046 11,242 31,351 30,145 7,675 7,075 0	15,713 32,719 17,028 16,583 17,184 21,485 42,195 43,072 43,898 20,153 11,860 12,106 32,605 33,958 7,675 0	16,341 34,028 25,389 18,653 18,531 19,776 42,895 43,898 19,988 19,527 12,124 12,106 32,605 33,958 7,675 0	16,995 34,765 25,489 18,653 18,531 19,776 43,898 45,798 20,153 20,153 12,124 12,106 32,605 33,958 7,675 0	17,674 36,453 26,183 18,531 18,531 19,776 45,798 47,579 20,153 20,153 12,124 12,106 32,605 33,958 7,675 0	18,397 38,227 26,909 19,776 19,776 20,584 46,579 47,579 21,276 21,276 13,122 13,122 34,276 34,276 7,675 0	19,117 38,909 27,680 20,151 20,151 20,957 48,979 49,979 21,276 21,276 13,122 13,122 38,144 38,144 7,675 0	19,881 41,400 28,609 20,957 20,957 26,982 51,458 52,458 22,617 22,617 13,582 13,582 38,859 38,859 7,675 0
180,076 12,772 15,134 13,616 0,00 32,059 32,495 32,906	187,036 13,456 13,616 0,00 32,059 32,495 32,906	204,269 14,119 14,119 0,00 31,635 31,635	211,779 14,633 14,633 0,00 31,094 31,094	218,578 15,178 15,178 0,00 30,468 30,468	227,573 15,759 15,759 0,00 30,168 30,168	236,062 16,322 16,322 0,00 28,755 28,755	244,832 18,322 18,322 0,00 28,940
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
32,008 16,404 16,244 0 16,404	32,409 16,000 16,244 0 16,404	32,059 16,000 16,244 0 16,404	31,636 15,618 15,618 0 15,618	31,094 15,547 15,547 0 15,547	30,468 15,234 15,234 0 15,234	29,755 14,977 14,977 0 14,977	28,946 14,473 14,473 0 14,473
0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS HARRISON SENIOR HOUSING, HMFA #02756

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 28TH OF JUNE 2012 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten(10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten(10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Charles Richman, designee for Richard E. Constable, III	X				
Susan Fischer	X				
David Moore	X				
Valerie Larosiliere	X				
Thomas Hunt	X				
Monsignor Linder					X
Dorothy Blakeslee	X				
Patricia Mueller					X
Stanley Weeks	X				

CERTIFICATE

I, Claudia Lovas, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 28th day of June 2012 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of the Agency this 28th day of June 2012.


Claudia Lovas
Assistant Secretary

**Harrison Senior Housing
Harrison, Hudson County
HMFA #2756**

June 28, 2012

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Action Requested:

1. Approval of a "Declaration of Intent" stating the intention of the Agency to issue tax exempt bonds in an estimated amount not to exceed \$2,500,000 in construction financing for a project known as Harrison Senior Housing, HMFA #2756, upon the terms and conditions set forth below. Approval of this "Declaration of Intent" will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this approval, the Board expresses its present intent to issue bonds for this project. The ability of the project to conform to the Agency's Underwriting Guidelines and Financing Policy, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this project any preference over any other project financing.

Issues, Comments and Related Actions:

It is anticipated that construction will begin in December 2012 and be completed by December 2013.

The Applicant

Domus Corporation, located in Newark, New Jersey is the applicant for the project's financing.

The Developer

Domus Corporation will also act as the developer for the project.

Domus Corporation is an affiliate of Catholic Charities of the Archdiocese of Newark. It is a nonprofit housing development corporation founded in 1995. Its mission is to develop affordable housing and provide support services within Bergen, Essex, Hudson and Union counties. They have developed and manage several affordable housing projects in North Jersey, including housing for the homeless, disabled and seniors including Kearny Senior Residence, Kearny, St Mary's Senior Residence, Dumont and Sunrise House, Newark. They have one tax credit project in the Agency portfolio, Bramhall Avenue Apartments, LITC #520.

The Sponsor/Borrower

The applicant for the project's financing will form a limited partnership known as Harrison Senior Urban Renewal, L.P such entity to be called below the "Sponsor" and/or "Borrower". Domus Corporation will be the General Partners of Harrison Senior Urban Renewal, L.P. The principles of Domus Corporation are Phillip Frese, President and John Westervelt, Vice President/ Treasurer.

Acquisition

Domus Corporation has entered into a Sales and Purchase Agreement with the Town of Harrison for the property Lot 6, Block 50.02. The Town will convey the property for \$1.00 subject to Domus developing an affordable senior housing project.

The land valuation is subject to an appraisal.

The Project

The proposed new construction senior rental project is on a 0.1 acre site in a residential neighborhood. Domus plans on developing a four (4) story elevator serviced facility with fifteen (15) one bedroom units designed for very low income and moderate income seniors and frail elderly. The proposed net rents for the apartments range from \$313-693 per month. Each unit will have a range, refrigerator, and air conditioning. Project amenities include two laundry rooms, a 1,600 square foot community room and garbage/recycling centers on each floor. Onsite services will include: needs assessment and case management, a medical screening program, job training and job placement

The project is located within walking distance to a retail area, a park, various churches and a food store. The site is also in close proximity to public transportation. The township has agreed to convey the land for a nominal fee and will grant long term tax abatement. Prevailing wages are being paid

For Low Income Housing Tax Credits purposes, the sponsor has elected the affordability set aside of 40% at 60%.

Market Analysis

To be determined upon receipt of an Agency commissioned appraisal / market study.

Agency Financing

The Agency may provide construction only financing in an estimated amount of \$2,073,291 at an estimated annual interest rate of 2.45% with a term of 2 years. The mortgage will be secured by a first mortgage lien on the property.

Other Funding Sources

LIHTC

The sponsor is applying for 4% tax credits and anticipates the sale of federal low-income housing tax credits at \$.93 cents on the dollar. In exchange for the tax credits, the investor, To Be Determined, is expected to generate equity in the amount of \$1,377,524.

Hudson County HOME Funds

On April 2, 2012, the sponsor received a commitment for HOME Funds from Hudson County in the amount of \$1,465,486.

Harrison Affordable Housing Trust Fund (AHTF)

On April 2, 2012, the sponsor received a commitment from the Town of Harrison in the amount of \$650,000.

Federal Home Loan Bank (FHLB)

The sponsor applied for FHLB funds in the amount of \$300,000 anticipates a commitment in November 2012.

Deferred Developer Fee

The Sponsor anticipates providing deferred developer fee, in the aggregate amount of \$268,981 during construction and will be paid \$241,511 at permanent take out. Collection of the Deferred Developer Fee will come from cash flow by way of Return on Equity.

DOI Expiration Date:

This Declaration of Intent will expire one (1) year from the date of its approval by the Board, unless all requirements for a mortgage commitment have been met and the Board approves a commitment within that one-year period. The Executive Director has the authority to extend this declaration for two additional six-month periods. This Declaration of Intent will remain valid for the life of the mortgage commitment through any mortgage commitment extensions, mortgage recommitments, or through the issuance of tax-exempt bonds (if applicable), whichever is later. This Declaration of Intent will expire if no mortgage commitment is issued within the one-year period, or as otherwise extended by the Executive Director. A Declaration of Intent is usually used in conjunction with Low Income Tax Credits to establish a date that marks the beginning of a project and the potential eligibility of costs associated with the project as defined in the IRS Code.

DOI Conditions:

1. The Agency reserves the right to require that the Sponsor provide HMFA with a credit enhancement obligation based on HMFA's assessment of the associated risk involved during the construction period.

New Jersey Housing and Mortgage Finance Agency
Multifamily Programs & Credit Division
Project Report
Harrison Senior Housing, HMFA# 2756
Town of Harrison, Hudson County

Block No. 50.02
Lot Nos. 6

Legislative District: 32
Congressional District: 13
Census Tract: 135

Project Description: The proposed project is new construction of a four (4) story elevator serviced facility with a basement. There will be fifteen (15) one bedroom units, each 600 square feet. The net rents for the apartments range from \$313-693 per month. Each unit will have a range, refrigerator, and air conditioning. Project amenities include two laundry rooms, a 1600 square foot community room and garbage/recycling centers on each floor.

Site Location: 774 Harrison Avenue, Harrison, NJ. The 0.1 acre project site is located within walking distance to a retail area, a park, various churches and a food store. The site is also in close proximity to public transportation.

Development Team:
Developer/Applicant: Domus Corporation
Phillip Frese, President,
590 North 7th Street
Newark, NJ
973-596-3984

Sponsor/Borrower Entity: Harrison Senior Housing Urban Renewal LP
590 North 7th Street
Newark, NJ
973-596-3984

Principals: Phillip Frese, President
590 North 7th Street
Newark, NJ
973-596-3984

John Westervelt, Vice President/Treasurer
590 North 7th Street
Newark, NJ
973-596-3984

<u>Contact:</u>	The Metro Company LLC Stuart Portney 242 Tenth Street, Suite 103 Jersey City, NJ 201-435-6500
<u>Architect:</u>	Steven S Cohen Architect PC 63 Moran Avenue Princeton, NJ 08542 609-924-6560
<u>Attorney:</u>	Harold Law PA 25 Independence Boulevard Warren NJ 07059 908-648-1022
<u>General Contractor:</u>	Del-Sano Contracting Corp 2037 Morris Avenue Union, NJ 908-688-8891
<u>Managing Agent:</u>	Raymond P Marzulli Company 264 Belleville Avenue Bloomfield, NJ 07003 973-743-3769
<u>Social Service Provider:</u>	Catholic Charities Phillip Frese 590 North 7 th Street Newark, NJ 973-596-3984
<u>Clearances and Disclosures:</u>	All required disclosures will be submitted prior to project funding.
<u>Site Control:</u>	The Borrower has entered into an Agreement of Sale for the subject property.
<u>Zoning:</u>	The property will be properly zoned for the proposed use prior to project funding.
<u>Utilities:</u>	All utilities will be available to the site.
<u>Land Valuation:</u>	Will be determined in accordance with Agency standards.

Taxes:

Tax abatement will be granted in accordance with the Long Term Tax Abatement law; however the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K - 37 as a condition for commitment.

Environmental:

Has been completed in accordance with Agency underwriting standards.

FINANCIAL INFORMATIONDEVELOPMENT COSTS

	\$1	(\$0/DU)	(\$0/SF)
Acquisition			
Construction Costs			
(Including Contractor Fee)	\$2,504,157	(\$166,944/DU)	(\$152/SF)
Developer Fee	\$268,981	(\$17,932/DU)	(\$16/SF)
Professional Fees	\$351,958	(\$23,464/DU)	(\$21/SF)
Carrying, Financing Costs	\$409,069	(\$27,271/DU)	(\$25/SF)
Other Charges	<u>\$153,496</u>	<u>(\$10,233/DU)</u>	<u>(\$9/SF)</u>
TOTAL DEVELOPMENT COST	\$3,820,480	(\$254,699/DU)	(\$232/SF)

LESS PROPOSED SOURCES

Hudson County HOME Funds	\$1,465,486	(\$97,699/DU)
Harrison AHTF	\$650,000	(\$43,333/DU)
FHLB	\$300,000	(\$20,000/DU)
LIHTC Equity	\$1,377,524	(\$91,835/DU)
Deferred Developer Fee	\$27,470	(1,831/DU)
TOTAL PROPOSED SOURCES	\$3,820,480	(\$254,699/DU)

Affordability Overview
Rental Housing

<u># Units</u>	<u>Unit</u>	<u>Net Monthly Rent</u>	<u>Utility Allowance</u>	<u>Range of Affordability</u>
3	1BR	\$313	\$101	v low 30%
12	1BR	\$693	\$101	mod 57.5%
15 units				

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY

SCHEDULE 10-A: PROJECT DESCRIPTION-CONSTRUCTION (ONLY) AND

CONSTRUCTION& PERMANENT LOANS

SL = 100, $\mu_1 = 100$, $\mu_2 = 200$, $MC = 1000$, $D = 100$, $\alpha = 0.05$

UNITS: 15 | 16.406 Sq. Ft.

*Low - Rise (1 - 3), Mid/Hi - Rise (4 + stories), Townhouse or Semi-detached

** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.

*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

Inducement
 Commitment
 Re-Commitment
 Bond Sale
 Closing

Prepared by: *John Spencer*
Reviewed by: *Director of Technical Services*
Mark R. Koenig
Director of MIP/Programs & Credit

2/12/14
Date
2/12/14
Date

Accountability Officer

Will loan/s be repaid from project revenues?

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Enter total Amt. of Grant/Loan Here	Will loan/s be repaid from project revenues?	\$
a)		N/A	
b) Hudson County HOME Funds	\$1,465,486		\$ 1,318,937
c) Harrison AHF	\$650,000		\$ 585,000
d) FRM Funds	\$1,800,000		\$ 1,800,000
e)			\$
f)			\$
g)			\$
h) Deferred Developer's Fee			\$ 93,237
			\$ 3,797,174

TOTAL SOURCES OF CONSTRUCTION FUNDS:**2. USES OF FUNDS DURING CONSTRUCTION:****A. ACQUISITION COSTS:**

		% of Cons't Cost OR Cost/Unit
a) Land	0.10 @ (\$ 10.00 per Acre)	\$ 1
b) Building Acquisition	Land value should be between \$15,000 & \$25,000 per unit	\$0
c) Relocation		
d) Other:	Total Acquisition as a percent of Total Project Costs:	0.00%

B. CONSTRUCTION COSTS

a) Demolition	NOTE: Payment and Performance bonds are required through the const	\$
b) Site work	and for a two-year period after the Certificate of Occupancy.	168,871
c) Residential Structures		2,086,438
d) Community Service Facility		
e) Environmental Clearances		
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	46,304
g) Building Permits		22,441
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space	135,318
i) General Requirements	should be about 6% of construction costs	180,424
j) Contractor Overhead & Profit - should not exceed 8% of construction costs in total-usually 2% Overhead & 6% Profit		5.82%
k) Fire Suppression System		7.76%
l) Green Features (for Solar and LEED Certification costs only)		
m) Other	Total Cons't Costs as a percent of Total Project Costs:	70.79%

C. DEVELOPERS FEE → **13.00% HMFA Policy is that the Developer fee is earned as a percentage of construction completion.**

	Non-Deferred Amt.:	13.00%	
a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation	131,990	
b) Soft Costs	1.000% should be a Maximum of 5%	5,473	137,463

D. CONTINGENCY

	Non-Deferred Amt.:	13.00%	
a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation	131,990	
b) Soft Costs	1.000% should be a Maximum of 5%	5,473	137,463

E. PROFESSIONAL SERVICES

a) Appraisal & Market Study	\$ 7,500	
b) Architect	160,000	
c) Engineer		125,000
d) Attorney		20,000
e) Cost Certification/Audit		15,000
f) Environmental Consultant		
g) Historical Consultant		
h) Geotechnical Engineering Report		
i) Surveyor		8,000
j) Professional Planner:		50,000
k) LEED provider contract fees, etc	Total Professional fees as a % of Total Project Costs:	9.85%

F. PRE-OPERATIONAL EXPENSES *

	* Non-eligible costs in TC basis	
a) Operator fees (pre-construction completion) *	Should not Exceed \$250 per unit	\$
b) Advertising and Promotion (pre-construction completion)*		
c) Staffing and Start-up Supplies (pre-construction completion)*		
d) Other: *		
e) Other: *		

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION

	(percentage of total development costs)	
a) Interest @	% for (mos.) on \$	4.13%
b) R.E. Tax \$	4,714 (per annum) x 0.83 Yrs. 3,928	
c) Insurance \$	25,714 (per annum) x 0.83 Yrs. 21,428	
d) Title Insurance and Recording Expenses		31,445
e) Financing Fee on Non Amortizing Debt		
f) HMFA Second Note Financing Fee[Cons't & Perm Only]		
g) HMFA Constr Loan Serv.Fee % for (17 mos.) on N/A		5,000
h) Application Fee		
i) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the	
j) Negative Arbitrage (If Bonds are sold during Construction)	time the Development is under construction, these costs	(ESTIMATE)
k) Cost of Issuance (If Bonds are sold during Construction)	should be accounted for during the construction period.	(ESTIMATE)
l) Furniture, Fixtures & Equipment (F,F&E)		25,000
m) Utility Connection Fees	Total Carrying/Fin. Costs as % of Total Project Costs:	4.13% 75,000

H. Working Capital Escrow

a) Debt Service & Operating Expenses		22,245
b) Rental Agent Rent-up Fee (during Rent-up)		10,000
c) Advertising and Promotion (during Rent-up)		

I. Other Escrows

a) insurance (1/2 YR.)	\$ 6,360
b) Taxes (1 Qtr.)	\$ 1,814
c) Debt Service Payment & Servicing Fee for 1 Month	\$
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months	\$
e) Repair & Replacement Reserves	\$
f) HMFA Operating Deficit Reserve	\$
g) Other:	\$
h) Other:	\$
i) Other:	Total Escrows as a % of Total Project Costs: 1.03%

3. USES OF FUNDS DURING CONSTRUCTION:**4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):**

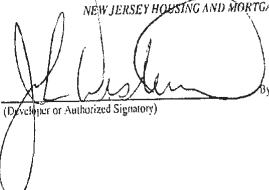
5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:		Y, or N, or G	\$
a) Hudson County HOME Funds			\$ 146,549
b) Harrison ANTF			\$ 65,000
c)			\$
d)			\$
e)			\$
f)			\$ 211,549

TOTAL SOURCES FOR PERMANENT CLOSE-OUT:

6. USES of FUNDS FOR PERMANENT Close-out:		\$
A. DEVELOPER'S FEE:		\$ 93,237
B. CONSTRUCTION LOAN PAYOFF		\$
C. Negative Arbitrage *		\$
D. Cost of Insurance ** (ESTIMATE)		\$
E. Closing Costs		\$ 118,312
F. Other: Owner held operating reserves		\$
7. TOTAL of NUMBER 6 A-F ABOVE:	Total Costs at Perm. Closeout as % of Total Project Costs	3.02%
8. BALANCE NEEDED TO CLOSE (overage/shortage):		\$ 211,549
9. TOTAL PROJECT COSTS		\$ 3,915,486
10. MAXIMUM MORTGAGE LOAN	Mortgage Loan as % of Total Project Costs:	45.97%
		\$ 1,800,000

11. 55% of Basis Test:		\$ 3,756,754	Check each line item for Eligibility
Aggregate Basis:		\$ 2,066,215	
55% of Basis (estimated):		\$ 1,130,000	
Less 1st Mtg. 1st Note:		\$ 266,215	
Equals 1st. Mtg. 2nd Note Needed:			

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)		\$	Line Source
Interest @	Principal	\$	
() mos.		\$	
	Total	\$	

By: 
 (Developer or Authorized Signatory)

By: 
 NJHMPA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Harrison Senior Urban Renewal LP
Dev. Name: Harrison Senior Housing

HMFA# 02756
Prepared by: Donna Spencer
Reviewed by: Director of Property Management

02/10/14

Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	500
Telephone	500
Dues & Sub.	
Postage	359
Insp. & Other Fees	
Advertising	1,300
Legal Services	1,300
Auditing (Year End)	1,300
Soc. Serv. Suppl.	
Misc. Admin. Expenses	
Bookkeeping/Accounting	
and/or Computer Charges	
Other:	
TOTAL \$	6,375

TOTAL \$ 6,375

II. SALARIES & RELATED CHARGES

Superintendent
Janitorial
Grounds & Landscaping
Security
Social Services
Site Office & Admin
Maintenance
Other Salaries:
Empl. Benefits
Empl. Payroll Taxes
Worker's Comp.
Other:

III. MAINTENANCE AND REPAIRS

Masonry	1,200
Carpentry	1,200
Plumbing	1,200
Electrical	
Kitchen Equipment	
Elevator	200
Windows & Glass	
Vehicles & Equip.	
Snow Removal	1,920
Grounds & Landscaping	1,000
Paint & Dec. Supl.	
Small Equip. & Tools	
Janit. Sup. & Tools	
HVAC Supplies	
Misc. Maint. Suppl.	
Other:	

TOTAL \$ 6,720

IV. MAINTENANCE CONTRACTS

- Security
- Elevator
- Rubbish Removal
- Heating & AC Maint.
- Grounds, Parking & Landscaping
- Exterminating
- Cyclical Apt. Painting
- Other:

700
1,470
3,635
900
200
1,750

V. UTILITY EXPENSE

Water Charges
Sewer Charges
Electricity
Gas
Fuel
Less Solar Energy Savings

	1,000
	1,000
	3,700
	10,800
TOTAL	16,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	121,621
Less Vacancy	(-)	6,081
Less Utilities (if applicable)	(-)	
 Gross Sheltered Rents	\$	 115,540
 x Rate	x	 6.28
Real Estate Taxes	\$	 7,258

ACTUAL TAXES
IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	1,800,000	HMFA #	02756
Mortgage Interest Rate	%	Prepared by:	Donna Spencer
Term (years)		Reviewed by:	
Amortization (Y,S,M)			
FMR Area	Hudson		
Yrs. The Interest rate has been reduced by: _____ basis points as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.			Date
		Date of Income Limits Chart Used:	12/11/12
		Date of Utility Chart Used:	7/1/12

ANTICIPATED GROSS RENTS

Super's Apt.*

TOTALS 15

10,135

121,621

* Indicate on a separate line which apartment is for the Superintendent.

If it's rent-free, put \$0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income.

Rent as to the applicable Area Median Income.

Moderate Income - 50% to 80% of median income

Market Income - 80%+ of median income

NOTE: For Underwriting Purposes Only

NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bed/Unit.
Where tenants pay their own utilities, a "utility allowance" must be subtracted.

Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	or Oil	Individual	Tenant
Ranges	X	Heat	E	Individual	Y
Refrigerator	X	Hot Water	G	Individual	Y
Air Conditioning	X	Cooking	E	Individual	Y
Laundry Facilities	X	Air Conditioning	E	Individual	Y
Disposal		Household Electric		Individual	Y
Dishwasher		Water			N
Carpet		Sewer			N
Drapes		Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart **Yes** **Utility Company Estimates**
HUD Utility Schedule Model **Energy Consumption Model**

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: <u>Harrison Senior Urban Renewal LP</u>	HMFA# <u>02756</u>	02/10/14
Dev. Name: <u>Harrison Senior Housing</u>	Prepared by: <u>Donna Spencer</u>	
	Reviewed by: <u>(Director of Property Management - Expenses Only)</u>	
RENTAL INCOME		Date
Apartment Rents	\$ <u>121,621</u>	
Vacancy Loss (5.00 %)	\$ <u>6,081</u>	
NET APT. RENTS	\$ <u>115,540</u>	
Commercial Income	\$ _____	
Garage & Parking	\$ _____	
Commercial Vacancy	\$ _____	
NET COMMERCIAL RENTALS	\$ _____	
TOTAL RENTAL INCOME	\$ <u>115,540</u>	
OTHER INCOME		
Laundry Machines	\$ <u>1,500</u>	
Other:	\$ <u>1,500</u>	
TOTAL OTHER INCOME	\$ <u>1,500</u>	
TOTAL REVENUE	\$ <u>117,040</u>	
EXPENSES		
Administrative (Schedule I)	\$ <u>6,375</u>	
Salaries (Schedule II)	\$ <u>13,275</u>	
Maint. & Repairs (Schedule III)	\$ <u>6,720</u>	
Maint. Contracts (Schedule IV)	\$ <u>8,655</u>	
Utilities (Schedule V)	\$ <u>16,500</u>	
Management Fee <u>53.37</u> per unit	\$ <u>9,606</u>	* Should be between \$49 & \$64 per unit
P.I.L.O.T. on Commercial Income(_____ %)	\$ <u>7,256</u>	
Real Estate Taxes (Schedule VI)	\$ <u>12,720</u>	2-Story & below - \$500; 3-Story & above - \$550
Insurance <u>\$848</u> per Unit	\$ <u>12,720</u>	
Reserve for Repair and Replacement <u>525.00</u> per unit	\$ <u>7,875</u>	
TOTAL EXPENSES	\$ <u>88,982</u>	
NET OPERATING INCOME	\$ <u>28,058</u>	
DEBT SERVICE		
1. Principal and Interest	\$ _____	
2. Mortg & Bond Serv Fee	\$ _____	
3. MIP	\$ _____	
4. Debt Service on Other Mortgage Loans	\$ _____	
AGENCY DEBT SERVICE	\$ _____	
DEBT SERVICE NOT TO BE CONSIDERED IN DSR	\$ _____	
TOTAL DEBT SERVICE	\$ _____	
NET INCOME	\$ <u>28,058</u>	
Less Return on Equity (_____ % on \$ _____)	- \$ _____	
Project Profit/(Loss)	\$ <u>28,058</u>	

DEBT SERVICE RATIO CALCULATION :

$$\text{DSR} = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = \text{_____}$$

New Mortgage
Amount
\$ 1,800,000

DRAFT - for discussion purposes only and subject to change

<u>Year 23</u>	<u>Year 24</u>	<u>Year 25</u>	<u>Year 26</u>	<u>Year 27</u>	<u>Year 28</u>	<u>Year 29</u>	<u>Year 30</u>
233,038	240,029	247,230	254,647	262,287	270,155	278,260	286,608
-11,652	-12,001	-12,382	-12,732	-13,114	-13,508	-13,913	-14,330
221,386	228,028	234,869	241,915	249,172	256,648	264,347	272,277
221,386	228,028	234,869	241,915	249,172	256,648	264,347	272,277
1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
222,886	229,528	236,399	243,415	250,672	258,148	265,847	273,777
15,198	15,713	16,341	16,995	17,674	18,381	19,117	19,881
31,467	32,719	34,038	35,398	36,805	38,277	39,898	41,400
16,593	16,553	17,225	17,914	18,631	19,376	20,151	20,957
25,512	24,332	22,185	20,973	23,996	24,956	25,954	26,992
39,104	40,568	42,295	43,986	45,746	47,576	49,479	51,458
18,495	18,988	19,557	20,113	20,716	21,338	21,978	22,637
11,542	11,880	12,188	12,534	12,869	13,224	13,588	13,952
30,145	31,351	32,605	33,909	35,266	36,676	38,144	39,659
7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875
0	0	0	0	0	0	0	0
190,078	197,039	204,269	211,779	219,578	227,679	236,092	244,832
12,672	13,136	13,618	14,119	14,639	15,179	15,739	16,322
0,85	0,85	0,85	0,87	0,88	0,89	0,89	0,89
32,898	32,489	32,099	31,636	31,094	30,469	29,765	28,946
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
16,404	16,244	16,050	15,818	15,567	15,234	14,877	14,473
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
Construction Draw Schedule

Closing Date: <u>2/20/14</u>		Check which applies & List \$ Amt. For HMFA Mtg.																					
Project Name: <u>Harrison Senior</u>		Financing Type		Dollar Amount		Check that which applies:																	
Address: <u>774 Harrison Avenue</u>		<input checked="" type="checkbox"/> Construction		\$1,800,000		Home Express Only:		<input type="checkbox"/>		Financing Type		Dollar Amount		Other		Dollar Amt.		Permanent Sources					
City, Zip Code: <u>Harrison, 07029</u>		<input type="checkbox"/> Construction Only				Special Needs Only:		<input type="checkbox"/>		LHITC:				<input type="checkbox"/>		\$1,318,937		<input type="checkbox"/> Ld the Perman					
HMFA#:		<input type="checkbox"/> Permanent Only				Balanced Housing Only:		<input type="checkbox"/>		HOME FUNDS:				<input type="checkbox"/>		\$1,463,486		<input type="checkbox"/> Sources of Permanent					
SNHIE#:		WITHDRAWALS												Solar Tax Credit:		<input type="checkbox"/>		OTHER BANK:					
		ACAP Full reservation:												<input type="checkbox"/>		FHLD:							
		ACAP Full reservation:												<input type="checkbox"/>		OTHER:				\$585,000		\$650,000	

USES - As They Appear on the Form 10:

	Percentage of Construction Completion	CONSTRUCTION DRAWS FOR THE FIRST 12 MONTHS												SUB-TOTAL	
		DRAW @ Closing	1	2	3	4	5	6	7	8	9	10	11	12	
A. ACQUISITION COSTS															
a) Land	1														
b) Building Acquisition														0	
c) Relocation														0	
d) Other:														0	
B. CONSTRUCTION COSTS	Line Item Sub-Total:	1													
a) Demolition														0	
b) Site work	168,871													168,871	
c) Residential Structures	2,086,438													2,086,438	
d) Community Service Facility														0	
e) Environmental Clearances														0	
f) Surety & Bonding	46,304													46,304	
g) Building Permits	22,441													22,441	
h) Garage Parking														0	
i) General Requirements	135,318													135,318	
j) Contractor Overhead & Profit	180,424													180,424	
k) Fire Suppression System														0	
l) Green Feature Premium														0	
m) Other:														0	
C. DEVELOPER'S FEE	Line Item Sub-Total:	2,639,796													
a) Non-Defr. Admin & Dev. Fees:	338,956													338,956	
b) Ant.Pd. (non-const. comp):	92,237													92,237	
c) Ant.Pd Thru Cash Flow:														0	
D. CONTINGENCY	Line Item Sub-Total:	432,193													
a) Hard Costs	131,990													131,990	
b) Soft Costs	5,473													5,473	
E. PROFESSIONAL SERVICES	Line Item Sub-Total:	137,463													
a) Appraisal & Market Study	7,500													7,500	
b) Architect	160,000													160,000	
c) Engineer														0	
d) Attorney	125,000													125,000	
e) Cost Certification/Audit	20,000													20,000	
f) Environmental Consultant	15,000													15,000	
g) Historical Consultant														0	
h) Geotechnical Engineering Report														0	
i) Surveyor	8,000													8,000	
j) Professional Planner	50,000													50,000	
k) Other:														0	
F. PRE-OPERATIONAL EXPENSES	Line Item Sub-Total:	385,500													
a) Oper Fees (pre-const. comp):														0	
b) Advert&Promo (pre-const. comp):														0	
c) Staff/Start-up Supt. (pre-const. comp):														0	
d) Other: working cap	22,245													22,245	
e) Other: marketing	10,000													10,000	
	Line Item Sub-Total:	32,245													
G. CARRYING AND FINANCING COSTS															
a) Interest														0	
b) R.E. Tax	3,928													3,928	
c) Insurance	21,428													21,428	
d) Title Ins and Recording Expenses	31,445													31,445	
e) Utility Connection Fees	75,000													75,000	
f) FFRE	25,000													25,000	
g) HMFA application fees	5,000													5,000	
h) Tax Credit Fees														0	
i) Tax and Intervent	8,174													8,174	
j) Cost of Insurance														0	
k) Owner controlled reserve	118,312													118,312	
	Sub-Total:	288,288													
	TOTALS:	370,917	335,618	217,815	241,034	123,309	283,997	123,309	770,754	368,362	291,076	535,166	29,044	225,285	3,915,486
	TOT. BUDGETED USES (Form 10):	\$3,915,486													Sub-Total of closing and 1st 12 months: 3,915,486
	3,774,486														

SOURCES AVAILABLE DURING CONSTRUCTION:															
DRAW @ Closing		Draw Month 1	Draw Month 2	Draw Month 3	Draw Month 4	Draw Month 5	Draw Month 6	Draw Month 7	Draw Month 8	Draw Month 9	Draw Month 10	Draw Month 11	Draw Month 12	Sub-Total	
Construction Lender: HMFA-HMFA	1,800,000													1,800,000	
FHLB		335,418	217,815	241,034	123,309	283,997	123,309	475,118						0	
Solar														0	
LIHTC Equity:														0	
Harrison Affordable Housing TF	650,000													650,000	
County Home	1,465,486													1,465,486	
Deferred Devel. Fee														0	
TOT. SOURCES DURING CONSTRUCTION:	3,915,486	370,917	335,618	217,815	241,034	123,309	283,997	123,309	770,754	368,362	291,076	535,166	29,044	225,285	3,915,486

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
Construction Draw Schedule

Closing Date: 2/20/14

Project Name: Harrison Senior
Address: 774 Harrison Avenue
City, Zip Code: Harrison, 07029
HMFA#: 2756 SNHTF#: 0

CONSTRUCTION DRAWS FOR THE FINAL 12 MONTHS													Grand TOTAL Prev. 12 mos plus 13-24	Balance Plus/Minus
	Draw Month 13	Draw Month 14	Draw Month 15	Draw Month 16	Draw Month 17	Draw Month 18	Draw Month 19	Draw Month 20	Draw Month 21	Draw Month 22	Draw Month 23	Draw Month 24		
A. ACQUISITION COSTS	% Const. Comp.													
a) Land														0
b) Building Acquisition														0
c) Relocation														0
d) Other:	0													0
B. CONSTRUCTION COSTS														
a) Demolition														0
b) Off-Site Improvement														168,871
c) Residential Structures	0	0	0	0	0	0	0	0	0	0	0	0		2,086,438
d) Community Service Facility														0
e) Environmental Clearances														0
f) Surety & Bonding														46,304
g) Building Permits														22,441
h) Garage/Parking														0
i) General Requirements	0	0	0	0	0	0	0	0	0	0	0	0		135,318
j) Contractor Overhead & Profit	0	0	0	0	0	0	0	0	0	0	0	0		180,424
k) Fire Suppression System														0
l) Green Feature Premium														0
m) Other:	0													0
C. DEVELOPER'S FEE														
a) Non-Delayed And/Pd. During Const:														338,956
b) And/Pd. Upon Const. Completion:														93,237
c) Amount Paid Through Cost Flow:														0
D. CONTINGENCY														
a) Hard Costs														131,990
b) Soft Costs														5,473
E. PROFESSIONAL SERVICES														
a) Appraisal & Market Study														7,500
b) Architect														160,000
c) Engineer														0
d) Attorney														125,000
e) Cost Certifications/Audit														20,000
f) Environmental Consultant														15,000
g) Historical Consultant														0
h) Geotechnical Engineering Report														0
i) Surveyor														8,000
j) Professional Planner														50,000
k) Other:	0													0
F. PRE-OPERATIONAL EXPENSES														
a) Operator Fees (pre-construction completion)														0
b) Advert and Promo (pre-construction completion)														0
c) Staffing and Start-up Suppl. (pre-contract completion)														0
d) Working Cap														22,245
e) Marketing														10,000
G. CARRYING AND FINANCING COSTS														
a) Interest														0
b) R.R. Tax														0
c) Insurance														3,928
d) Title Insurance and Recurring Expenses														21,428
e) Utility Connection Fees														31,445
f) Other Lender's Points														75,000
g) Other Lenders Construction Fin Fees														25,000
h) Tax Credit Fees														5,000
i) Negative Arbitrage														8,174
j) Cost of Finance														0
k) Other														115,312
H. ESCROW REQUIREMENTS:														3,915,486
* Paid out of 10% Bal. Housing Hold Back														3,915,486

Sources Continued:	Draw Month 13	Draw Month 14	Draw Month 15	Draw Month 16	Draw Month 17	Draw Month 18	Draw Month 19	Draw Month 20	Draw Month 21	Draw Month 22	Draw Month 23	Draw Month 24	FINAL TOTAL	Balance (bal.)	
Const. Lender: FHM + HMFA														1,800,000	0
FHLB														0	0
Solar														0	0
LJHTC Equity:														650,000	0
TOT. SOURCES DURING CONSTRUCTION:	0	0	0	0	0	0	0	0	0	0	0	0	3,915,486	0	

USE FOR TCAP DRAWS ONLY

Record and Return to:
Samantha Lopez, Paralegal
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Hudson County Register 20140313010018520 Bk: 8961 Pg:500 1/49
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HARRISON SENIOR HOUSING
HMFA# 2756

CDBG LOAN AGREEMENT AND DEED RESTRICTION

between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

HARRISON SENIOR URBAN RENEWAL, L.P.

Prepared by:

Robert M. Purcell
Deputy Attorney General

COPY

CDBG LOAN AGREEMENT AND DEED RESTRICTION

BETWEEN

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

AND

HARRISON SENIOR URBAN RENEWAL, LP

THIS CDBG LOAN AGREEMENT AND DEED RESTRICTION (the "Loan Agreement") is hereby made on the 4th day of March 2014, by and between the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency") and HARRISON SENIOR URBAN RENEWAL, LP having its offices located at 590 North 7th Street, Newark, New Jersey 07107 (hereinafter the "Sponsor" or "Borrower;" the Agency and the Sponsor are, collectively, the "Parties").

WITNESSETH:

WHEREAS, in the aftermath of Superstorm Sandy, the United States Congress enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013 the "Act") to aid in the recovery of the State of New Jersey (the "State"); and

WHEREAS, on April 29, 2013, the Department of Housing and Urban Development ("HUD") approved the Action Plan of the State (the "Action Plan"), which demonstrated how the State intended to expend the disaster relief funds; and

WHEREAS, the New Jersey Department of Community Affairs' ("DCA") received a grant of CDBG funds provided by HUD pursuant to the Act and DCA allocated a portion of such funds to the Agency; and

WHEREAS, on June __, 2013, the DCA and Agency executed a Subrecipient Agreement in respect to the implementation and administration of the Community Development Block Grant ("CDBG" program; and

WHEREAS, consistent with the Action Plan, the Agency created the Fund for Restoration of Multi-Family Housing, and the Sandy Special Needs Housing Assistance Fund ("CDBG-DR Programs"); and

WHEREAS, the Agency approved, at its board meeting on April 25, 2013, the CDBG-DR Programs' guidelines, as subsequently amended (collectively the "Guidelines"); and

WHEREAS, the Borrower seeks to construct fifteen (15) rental units and related facilities for a project commonly known as **Harrison Senior Housing, NJHMFA # 2756** (the "Project") and has requested construction and permanent financing from the Agency, which will be administered by the Agency; and

WHEREAS, the Borrower has met the eligibility requirements of the CDBG-DR Programs, in accordance with the requirements of the Guidelines; and

WHEREAS, contemporaneously herewith Borrower has executed a Note, Mortgage and other loan documents evidencing a CDBG loan from the Agency (hereinafter referred to as the "CDBG Loan"); and

WHEREAS, to evidence its understanding of the terms and conditions of the CDBG Loan and the CDBG Program requirements the Sponsor shall execute this Loan Agreement, a Mortgage and a Note in favor of the Agency that describe the terms and conditions of the CDBG Loan; and

WHEREAS, in consideration of the receipt of the CDBG financing, the Sponsor understands that the Project will be subject to tenant affordability restrictions and Agency oversight;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained the Parties do hereby covenant and agree each with the other as follows:

- Applicable Law:** This Loan Agreement shall be governed by and construed in accordance with the Disaster Relief Appropriations Act, 2013, Public Law 113-2 and any Treasury, HUD or DCA regulations, guidelines and applicable notices and bulletins thereto (the "Act") and the laws and regulations of the State of New Jersey including, but not limited to, the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. (the "Fair Housing Act"), New Jersey Administrative Code, and the CDBG Guidelines (the "Guidelines" or "CDBG Guidelines"), all as may be amended and supplemented from time to time. Collectively these authorities are the "Applicable Law". To the extent possible, these authorities shall be construed in such a manner as to complement one another and not conflict. However, in the event of a conflict, the most restrictive authority shall prevail.
- Superiority:** Should any of the terms and conditions of this Loan Agreement conflict with those of the Mortgage and/or the Note, the provisions of this Loan Agreement shall prevail, except with respect to the CDBG Mortgage Addendum, which shall prevail over this Loan Agreement in the event of direct conflict.
- Amendments:** The parties agree to make no changes, amendments and/or to seek suspension or termination of this Loan Agreement without the prior written approval of the Agency.

4. **Proceeds:** Proceeds from the CDBG Loan shall be paid to the Sponsor at such times and in such manner as such funds are advanced by the Agency in accordance with payment procedures outlined in this Loan Agreement.

5. **Definitions:** Capitalized terms used herein shall have the following meanings:

"Act" means the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, as amended) from time to time, and the regulations, guidelines and notices promulgated by HUD thereunder..

"Affordable" means the rents for units at the Project complies with the requirements of the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301, and the regulations promulgated thereunder, including but not limited to the standards set forth in N.J.A.C. 5:80-26:12."

"Agency" means the New Jersey Housing and Mortgage Finance Agency or its authorized officer or representative.

"Agency Financing" means the construction and/or permanent mortgage loan(s) authorized by the Agency Board of Trustees for the Project.

"Architect" means the Architect of Record as designated by the Construction Contract.

"Borrower" means Harrison Senior Urban Renewal, LP, a New Jersey limited partnership

"Code" means the Internal Revenue Service Code of 1986, as it may, from time to time, be amended.

"Commissioner" means the Commissioner of the DCA.

"Construction Completion Date" means the date specified for completion of all stages of the work under the Construction Contract, which is December 2014, unless otherwise modified pursuant to the terms of the Construction Contract.

"Construction Contract" means the contract between the Borrower and the Contractor, for the construction /rehabilitation of the Project.

"Construction Lender" means in its role as Lender to the Borrower for the acquisition, and/or construction/rehabilitation of the Project, which construction loan is secured by a first mortgage, if applicable.

"Construction Loan" means the construction loan made to the Borrower by the Construction Lender to finance a portion of the cost of the acquisition and construction/rehabilitation of the Project as evidenced by a Note and secured by a Mortgage, if applicable.

"Construction Period" means the time period prior to the issuance of a Certificate of Occupancy for all of the units constructed on the premises.

"Contractor" means Del-Sano Contracting Corporation, a New Jersey corporation.

"Day" means calendar day unless otherwise indicated.

"Draw Schedule" means the schedule of all sources and uses of funding for the project to which this CDBG financing is provided.

"Energy Star" means the Agency's Energy Star program.

"Event of Default" means any of the events set forth in Section 24 of this Loan Agreement.

"Land" means the real property of the Project, described in Schedule "A" attached hereto.

"Loan Documents" means this Loan Agreement, the Mortgage, the Note and any other documents executed by Borrower related to the CDBG Loan.

"Mortgage" means the CDBG Mortgage and Security Agreement that secures the CDBG Loan and the CDBG Note and the terms of which, by reference hereto, are incorporated herein.

"Mortgaged Premises" means the Project and the Land that secure the CDBG Loan and Note.

"NJAG" means New Jersey Affordable Green Homes program and its requirements.

"Note" means the interest-bearing, conditional, non-recourse promissory note that contains the promise of the Borrower to pay the sum of money stated therein at the times stated therein, evidences the obligation of the Borrower to repay the CDBG Loan, and the terms of which, by reference hereto, are incorporated herein.

"Payment and Performance Bonds" mean the bond or bonds securing the payment of the Contractor's obligations to subcontractors and workers relating to the construction of the Project and the performance of the Work pursuant to this Loan Agreement and the Construction Contract. This definition shall also include any letter of credit, maintenance or warranty bond or other form of performance guarantee acceptable to the Agency.

"Plans and Specifications" means the plans and specifications for the Project submitted by the Architect.

"Project" means the real property as more specifically described in Schedule "A" attached hereto, and all improvements constructed thereon and personal property and fixtures located thereon pursuant to the Construction Contract.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

- (i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,
- (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or
- (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates, if applicable.

"Recapture" means the Project's loss of CDBG Funds not yet disbursed to it for failure to comply with the April 29, 2015 expenditure requirement as set forth at Section 11 hereof.

"Recapture Date" means the specific date or dates by which all of the CDBG Funds must be expended pursuant to the Act. Any CDBG Funds not expended by the Recapture Date will be recaptured and no longer available for use by the Project and may result in rescission of all CDBG Funds previously disbursed to the Project. For this Project, all CDBG Funds must be expended by April 29, 2015.

"Rules and Guidelines" includes all administrative rules, criteria, notices and program guidelines promulgated by the Agency to implement the CDBG Loan Program.

"Specifications" means the Project Specifications and all additions hereafter issued by the Architect as provided in the Loan Documents, together with such other addenda as may be agreed upon by the parties.

"Subcontractor" means those who directly contract with the Contractor to perform any part of the Work (as hereinafter defined), including those who furnish substantial on-site labor, or substantial on-site labor and materials, but shall not include anyone furnishing materials without furnishing on-site labor.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code, if applicable.

"Title Company" means the New Jersey licensed title insurance firm that provides title insurance to the Agency for the CDBG Loan.

6. The Act/Rules: In addition to complying with any other laws, rules, regulations and other authorities that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the Act, the Rules and Guidelines.

7. Federal Low Income Housing Tax Credits: In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the statutes, regulations, rules, and other authorities governing federal low income housing tax credits ("Tax Credits"), including but not limited to, 26 U.S.C.A. § 42, 26 C.F.R. §§1.42-1 et seq., and N.J.A.C. 5:80-33.1 et seq.

8. **Agency Financing:** In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, in the event the Project is receiving Agency Financing, the Sponsor shall comply with all applicable provisions of all statutes, rules, guidelines, policies, procedures and other authorities governing and regulating such Agency construction and/or permanent financing, including, but not limited to, N.J.S.A. 55:14K-1 et seq., N.J.A.C. 5:80-1.1 et seq., and the Agency Multifamily Underwriting Guidelines as currently in effect.

9. **Affordable Units:** The Sponsor will acquire/construct/rehabilitate fifteen (15) units, of which the Sponsor agrees to rent fifteen (15) of the units at the Project to tenants whose income does not exceed eighty (80%) percent of the area's median income ("AMI") adjusted for family size.

10. **Affordability Period; Advance Amortization Payments:** The Parties agree that this Project shall be primarily subject to the affordability restrictions governing and elected by the Sponsor with respect to any Tax Credits and Agency construction and/or permanent financing that this Project is receiving. Additionally, this Project shall be subject to the following affordability requirements:

- The units funded by the CDBG Loan ("Project Units") shall remain affordable for a period of thirty (30) years ("Affordability Period"). The Affordability Period shall commence simultaneously with the execution of this document.
- Because the public purposes of the Agency include maximizing the period during which the residential units in the Project are available to persons of low and moderate income, any advance principal repayment shall not release the Borrower from any obligation incurred under the Note or under any agreement with the Agency that contains obligations that provide that a percentage of the units remain affordable to persons of low- and moderate-income for the Project's full Affordability Period. Such obligations shall remain whether or not Borrower has tendered to or deposited with the Agency an amount otherwise sufficient to pay the CDBG Loan, including interest accrued and payable, in full.
- In addition, CDBG Loan requirements include the obligation of the Borrower to allocate 5% of units to be accessible for persons with mobility impairments, and an additional 2% of units to be accessible for persons with hearing and/or vision impairments.

11. **Timetable:** The timetable for this Project is as follows:

Financing closing date(s):	March 4, 2014
Construction start date:	March 5, 2014
Construction completion date:	January 5, 2015

THE PARTIES AGREE THAT TIME IS OF THE ESSENCE AND THAT ALL CDBG PROCEEDS MUST BE EXPENDED AND CONSTRUCTION OF ALL IMPROVEMENTS MUST BE COMPLETED NO LATER THAN APRIL 29, 2015. THEREFORE, ANY DELAY OF THESE EVENTS WITHOUT THE WRITTEN APPROVAL OF THE AGENCY IS A CONDITION THAT MAY LEAD THE AGENCY TO SUSPEND OR TERMINATE THIS LOAN AGREEMENT AND/OR RECAPTURE THE CDBG FUNDS. THE BORROWER SHALL IMMEDIATELY NOTIFY THE AGENCY IN WRITING WITHIN TEN DAYS OF ANY EVENT AFFECTING THE PROJECT'S IMPROVEMENTS COMPLETION, TIMETABLE, AND/OR FINANCING. FAILURE TO MEET THE ABOVE TIMETABLE MAY RESULT IN AN EVENT OF DEFAULT (AS SET FORTH IN SECTION 24 HEREIN) AND THE AGENCY'S EXERCISE OF ITS REMEDIES SET FORTH IN SECTION 25 OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, RECAPTURE OF ALL CDBG FUNDS COMMITTED TO THE PROJECT.

12. Construction of Project and Determination of Actual Project Cost. The Borrower covenants, warrants and agrees to diligently proceed with the construction/rehabilitation of the Project in accordance with the Plans and Specifications for the Project as approved by the Agency.

No substantial revision of the approved Plans and Specifications, which revision would either (a) affect the nature of the Project as described in Section 3 of the Mortgage, or (b) in the aggregate increase the cost of the Project as shown on the Project Development Budget, may be made without the prior express written consent of the Agency. Construction of the Project shall at all times be subject to the inspection, review and approval of the Agency or its duly authorized representatives. Any such inspection, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency and the CDBG Program are being fulfilled and shall not be construed as making the Agency a party to any contract to which it is not already in connection with the construction of the Project, nor shall it relieve the Borrower of any of its obligations under this Loan Agreement, the Mortgage or the Note.

Upon completion of the Project, the Borrower shall certify to the Agency or its designee, successor and/or assign the actual cost of the Project. This cost certification shall be performed by a Certified Public Accountant chosen by the Borrower and approved by the Agency. The cost certification must be independent as defined by the American Institute of Certified Public Accountants. The Borrower shall, promptly upon completion of the cost certification, forward it to the Agency, its designee, successor and/or assign. Costs associated with the preparation of the cost certification shall be borne by the Borrower.

13. Termination: In the event of termination of this Loan Agreement and the other Loan Documents due to an Event of Default of the Sponsor, the Agency, at its sole discretion, may require part or all of the CDBG Loan funds advanced to be returned to the Agency within 90 days of the date of termination or as otherwise required by USHUD; however, the Sponsor agrees that even in the event of such termination, all affordability restrictions created hereunder shall continue in full force and effect for the full Affordability Period as set forth in Section 10 hereof.

14. Use of Funds and Method of Payment: Funds provided for under this Loan Agreement will be used only for the purposes described in the Agency form 10, or as otherwise approved by the Agency.

A.

The Agency may establish a dedicated, interest-bearing Project escrow account for any or all CDBG Loan proceeds (the "Escrow Account") and disburse all payments from this account. All interest that accrues on the funds deposited in the Escrow Account must remain in that account and will be returned to the Agency, if applicable.

B.

The following items must be submitted to the Agency to begin drawdowns:

- 1) Original, executed Note;
- 2) Copy of the executed Mortgage;
- 3) Copy of this executed Loan Agreement;
- 4) Proof from the Sponsor of all required insurances as outlined in this Loan Agreement, the Mortgage and the Note and as further required by the Agency and/or the Department;
- 5) Completed requisition AIA G702/G703 forms for CDBG funds, with continuation sheets, to be signed by the Architect of record unless otherwise approved by the Agency;
- 6) Certification of compliance with the provisions of the CDBG Mortgage Addendum.

Approved draws on CDBG Loan proceeds under this Loan Agreement are to be paid by the Agency within fifteen (15) business days of the Agency's receipt of each requisition and shall be paid in accordance with the following process, or as may be otherwise authorized, in writing, by the Agency:

- 1) Draws should be made in accordance with the attached Draw Schedule, and in accordance with the Schedule of Values or Trade Payment Breakdowns, unless otherwise approved by the Agency.
- 2) For each draw, the Agency shall require a completed CDBG Form of Requisition, along with any back-up documentation, as required. Additionally, a copy of the CDBG Requisition Form shall be sent to the Construction Lender or Lead Lender simultaneously with the submission to the Agency. A copy of any requisition submitted to the Construction Lender or Lead Lender shall also be sent simultaneously to the Agency.
- 3) For each draw, the Agency shall request a construction rundown search from the Title Company retained on behalf of the Project. Upon notice from the Title Company that there are no encumbrances against the title except as may be expressly approved by the Agency and review of such rundown by the Agency, checks shall be issued to the designated vendors as authorized by the Sponsor, unless otherwise agreed upon, in writing, by the Agency and the Sponsor.
- 4) The Sponsor will submit to the Agency the final development cost audit and a certificate of occupancy for all of the units constructed/rehabilitated on the Mortgaged Premises, along with

satisfying the Agency's document checklist requirements for final mortgage close-out.

5) Additionally, the following items are required to be submitted to the New Jersey Green Homes Office in connection with the NJAG program:

- Job/Site meeting minutes to date;
- Final Energy Star inspection reports;
- Proof of Energy Star certification (Energy Star certificate);
- Developer/Architect to submit a one-page narrative describing experiences and lessons learned as it relates to the green high performance features;
- Upon request, Sponsor to provide copies of invoices for NJAG funded materials or systems and copies of any certifications such as FSC or Smartwood chain of custody certificates;
- New Jersey Green Homes Office Fuel Release form from each tenant household.

15. **Use of Insurance Proceeds:** The Sponsor covenants and agrees to cause the buildings on the Land and any improvements thereto and the fixtures and articles on the Land and any improvements thereto (and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and by such other hazards as may be required by the Agency or its successors and/or assigns for the benefit of the Agency, as approved by the Agency and in accordance with the current Agency insurance requirements. Such insurance shall be written by such companies, in such amounts and in forms as are satisfactory to the Agency. The Sponsor will assign and deliver the certificates of insurance along with the insurance policies to the Agency. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Sponsor will reimburse the Agency, on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal of the Note and bear interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive), (a) the Project can be replaced or restored in whole or in part to a condition at least comparable to that of the Project immediately prior to the insured casualty or taking, and (b) the Project as so replaced will produce sufficient income to meet the then obligations of the Sponsor under the Mortgage and the Note, the proceeds of insurance or condemnation, if sufficient, to the extent necessary for the purpose, shall be made available to the Sponsor upon satisfaction by the Sponsor of the conditions precedent to disbursements, for such replacement or restoration. To the extent the Project is not replaced or restored, such proceeds shall be applied to the indebtedness secured hereby after payment of fees and

charges due and payable (as defined and provided for in the Mortgage). Nothing in this Section shall affect the lien of the Mortgage or the liability of the Sponsor for payment of the entire balance of the Mortgage indebtedness.

16. Liens: The Sponsor covenants, warrants and agrees to maintain its right, title and interest in the Mortgaged Premises (including the Project and Land) and all items enumerated in Section 5 of the Mortgage free and clear of all liens and security interests except the liens of the Mortgage, and the liens of other mortgagees described in Section 3 of the Mortgage and those exceptions identified and set forth in a certain title commitment issued by First American Insurance Company numbered NJFA13-0309 and dated December 4, 2013, as approved by the Agency. The Agency shall be furnished with a current standard ALTA form of title insurance policy with extended coverage, insuring that the Mortgage is a valid first lien on the Land and Project. Prior to any disbursement under this Loan Agreement and the Mortgage, the Sponsor shall provide evidence satisfactory to the Agency of the recording of the Mortgage. Except with the written consent of the Agency, the Sponsor will not install any item of tangible personal property as a part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest.

17. Encumbrances and Sale of Project:

- a. The Sponsor covenants, warrants and agrees not to sell, lease or otherwise encumber the Mortgaged Premises, or any part thereof, or the rents or revenues thereof without the prior written consent of the Agency, except by leasing to eligible residential tenants.
- b. The Agency may allow certain "permitted encumbrances" on the Mortgaged Premises, which means (i) utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the property affected thereby for the purposes for which it is intended; (ii) liens for taxes at the time not delinquent, (iii) liens for taxes which, if delinquent, are being contested in good faith and for which the Sponsor has provided security satisfactory to the Agency, (iv) liens superior to or subordinate to the lien of the Mortgage securing any monies loaned in connection with the Project or other monies loaned to the Sponsor by the Agency and any department, agency, public corporation or commission of the United States, the State of New Jersey or a political subdivision of the State of New Jersey.
- c. The Sponsor acknowledges and agrees that failure by the Sponsor to comply with Loan Agreement stipulations, standards, or conditions may give the Agency just cause to suspend this Loan Agreement and withhold further payments, prohibit additional obligations of Project funds pending corrective action, disallow all or part of the cost associated with the noncompliance, terminate this Loan Agreement or seek any other remedies that may be legally available.

18. Inspection: The Sponsor covenants, warrants and agrees to permit the Agency, its agents or representatives, to inspect the Mortgaged Premises at any and all reasonable times with or without notice.

19.

Statutory Powers and Restrictions: The CDBG Loan provided for herein shall be subject to statutory and regulatory restrictions contained in the Act and accompanying regulations and guidelines, and in connection therewith the Agency shall have the powers set forth in the Act as have been delegated by the Department, and the Sponsor hereby consents to such restrictions and powers and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in the Loan Documents and in the statutes and regulations of the Agency. The Borrower covenants and agrees to comply with the CDBG rules, regulations, and guidelines. If any provision of this Loan Agreement shall be determined to be inconsistent with the CDBG Program rules, regulations and guidelines that have not been waived, the CDBG Program rules shall govern. The CDBG Program specifically requires that the Sponsor adhere to the requirements set forth in the CDBG Mortgage Addendum for the improvement work to be done at the Project, and such provisions are incorporated herein. In addition, the Parties confirm the following understandings:

- (a) The Agency and the Sponsor hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Sponsor's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Sponsor hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the CDBG Loan is made. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Sponsor's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.
- (b) Upon termination of the "Affordability Period" set forth in Section 10 of this Agreement, the said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Sponsor, execute any and all instruments reasonably required to evidence the record of cancellation or discharge of the aforesaid covenants, reservations and restrictions.
- (c) All terms and conditions of the attached CDBG Addendum are true and correct, and Borrower, its agents, licensees, invitees, contractors, architects, subcontractors and all other parties involved with the Project

shall comply with the terms in the Addendum before, during and after completion of the Project. A violation of the Addendum shall constitute a default under the Loan Documents and shall entitle the Agency to immediately declare the Mortgage due and payable.

20. **Energy Star:** All project owners must participate in the Agency's Energy Star program.
21. **Accounting in Event of Default:** Upon the occurrence of an Event of Default and within five (5) business days of demand therefor by the Agency, the Sponsor will furnish to the Agency in writing a statement of the principal amount remaining due on the Note together with a statement of any defenses which may exist as to any liability of the Sponsor under the Loan Documents.
22. **Personal-Liability:** The Agency agrees, on behalf of itself and any future holder of this Loan Agreement, the Note and the Mortgage, that the liability of the Sponsor, any general or limited partner, member or shareholder of the Sponsor and their respective heirs, representatives, successors and assigns, for the payment and performance of its obligations hereunder and under the Note and the Mortgage, shall be limited to the collateral pledged under the Mortgage and that the Agency shall have no right to seek a personal judgment against the Sponsor, any general or limited partner, member or shareholder of the Sponsor or their respective heirs, representatives, successors and assigns, individually, but shall look only to such collateral for the payment and performance of such obligations; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Loan Documents. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts.
23. **Assignment by the Agency:** The Sponsor hereby consents to any assignment of the CDBG Loan and the Loan Documents by the Agency.
24. **Defaults:** Each of the following shall be an Event of Default:
 - (a) failure of the Sponsor to pay when due any installment of principal or interest on the CDBG Loan or any other payment required by the Sponsor to the Agency or any other person pursuant to the terms of the Loan Documents;
 - (b) commission by the Sponsor of any act prohibited by the terms of the Loan Documents, failure by the Sponsor to perform or observe in timely fashion any action or covenant required by any of the terms of the Loan Documents, or failure by the Sponsor to produce satisfactory evidence of compliance therewith;
 - (c) the filing by the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;
 - (d) the filing against the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of a petition seeking the Sponsor's adjudication as a bankrupt or the appointment of a receiver or other custodian

for the benefit of its creditors which shall not be dismissed within thirty (30) days of the filing thereof, or the adjudication of the Sponsor as a bankrupt, or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of possession of the Sponsor or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than thirty (30) days;

- (e) the occurrence of substantial destruction of the Project by an uninsured casualty;
- (f) any representation in conjunction with the CDBG Loan, the Loan Documents or the Project by or on behalf of the Sponsor that is false or misleading in any material respect or any covenant or warranty of the Sponsor that is breached;
- (g) any breach by the Sponsor of its obligations or any failure to observe its covenants under any superior mortgage or note that results in an event of default thereunder, or the Sponsor's failure to observe the covenants as contained in any deed restriction associated with such superior mortgage or note, if applicable;
- (h) failure to obtain or retain the Agency Financing, if applicable;
- (i) failure to obtain or retain Tax Credits, if applicable;
- (j) failure to expend CDBG funds by April 29, 2015; or
- (k) use of CDBG funds for a use not permitted by Act, Rules and Guidelines; or
- (l) violation of the provisions of the CDBG Mortgage Addendum.

An event set forth in subsection (g) of this Section shall not constitute an Event of Default until the prohibited act, failure to perform or observe, or breach shall remain uncured for a period of thirty (30) days after Agency's written notice to Sponsor, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration, and further so long as the event does not trigger a breach of the CDBG Program. If the prohibited act, failure, or breach stated in each notice is correctable but cannot be corrected within the 30 day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Sponsor within the initial 30 day period and diligently pursued. The Agency will, simultaneously with sending to the Sponsor any notices under this Section send a copy of the aforementioned notices to the Sponsor's limited partner. To the extent the Event of Default is curable, a cure tendered in full, pursuant to the terms and conditions of this Loan Agreement and the other Loan Documents, by the Sponsor's limited partner shall be honored by the Agency.

Within five (5) business days of receiving notice from the Agency that it believes an Event of Default has occurred with respect to the Project, time being of the essence, the Sponsor shall furnish to the Agency, HUD and DCA, in writing, a statement of any defenses which it claims may exist as to any liability of the Borrower hereunder.

25.

Remedies: Upon the occurrence of any Event of Default, the Agency, subject to any superior mortgages(s), may, at its option, take any one or more of the following actions or remedies and failure to exercise any remedy or take any action enumerated shall not constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

- a. Rescind any CDBG Funds if not expended by the Construction Completion Date as described in Section 11 hereof;
- b. declare the entire principal sum of the CDBG Loan, together with all other liabilities of the Sponsor under the Note and the Mortgage, to be immediately due and payable;
- c. cease making disbursements to the Sponsor or withhold or suspend, in whole or in part, funds awarded under the program or recover misspent funds following an audit;
- d. apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these moneys, to the payment of the Sponsor's liabilities hereunder;
- e. foreclose the lien of the Mortgage on the Mortgaged Premises. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pending of the foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured and evidenced by the Loan Documents without regard to the value of the Project or the solvency of any person or persons liable for the payment of the mortgaged indebtedness. The Sponsor, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the CDBG Loan hereby secured is made. Upon such foreclosure, the Agency shall have the right to have a receiver appointed for the Project and the rentals from the Project;
- f. take possession of all or part of the Mortgaged Premises, subject to rights of permitted superior lienholders;
- g. without judicial process, collect all rents and other revenue including federal and state subsidies as the agent of the Sponsor (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Sponsor), and apply them at the Agency's option to the liabilities of the Sponsor under this Loan Agreement;

- h. take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Mortgaged Premises or in conjunction with a sale of the Mortgaged Premises, and the Sponsor agrees that either method of disposition shall be commercially reasonable; and/or
- i. sue the Sponsor for a mandatory injunction or other equitable relief requiring performance by the Sponsor of any of its obligations under the Loan Documents. The Sponsor agrees with the Agency that the Agency's remedy at law for the violation or the nonperformance of the Sponsor's obligations under the Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for families of low and moderate income; and/or
- j. If the event constitutes a violation of the CDBG Program to the extent that the Agency is required to refund monies disbursed to the Borrower back to DCA/HUD/the Federal Government, then the Borrower shall be responsible for refunding such monies to the Agency.

Notwithstanding the above enumeration of remedies, the agency shall have available to it any remedies provided to it by law.

26. Expenses Due to Default: All reasonable expenses (including reasonable attorney's fees, costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Loan Documents, including the curing of any Event of Default, shall be paid by the Sponsor, together with interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Mortgaged Premises and shall be secured by the Mortgage.

27. Amendments, Notices, Waivers:

- a. This Loan Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Sponsor in such manner that the instrument may be recorded. No waiver by the Agency in any particular instance of any Event of Default or required performance by the Sponsor and no course of conduct of the Parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Sponsor under this Loan Agreement or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Loan Agreement or the other Loan Documents thereafter.
- b. Any provision of this Loan Agreement and the other Loan Documents requiring the consent or approval of the Agency prior to the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or

omission referred to therein and does not apply to subsequent similar actions or omissions.

c. Notice provided for under this Loan Agreement and the other Loan Documents shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by courier, regular mail, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the Parties hereto:

Borrower:

Harrison Senior Housing Urban Renewal, LP
590 North 7th Street
Newark, New Jersey
Attention: John Westervelt

Borrower's Attorney:

Berman Indictor LLP
2.0 University Place
30 North 41st Street, Suite 450
Philadelphia, PA 19104
Attention: Melissa Flanagan, Esq.

Agency:

New Jersey Housing and Mortgage Finance Agency
637 S. Clinton-Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director of Finance

28. Severability: The invalidity of any part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

29. Disclaimer of Warranties, Liability, Indemnification:

a. The Sponsor acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or fitness for any use of the Mortgaged Premises or any portion thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential, or punitive damages in connection with or arising out of this Loan Agreement, the Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in the Mortgage; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Sponsor shall indemnify and hold the Agency harmless against, and the Sponsor shall pay any and all liability, loss, cost, damage, claims, judgments or expense of any and all kinds or nature and however arising, imposed by law, which the Sponsor and the Agency may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Sponsor, or

arising out of the Sponsor's ownership of the Project or out of the development, or management of the Project.

- b. It is mutually agreed by the Sponsor and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Loan Agreement or the other Loan Documents, and that the Sponsor shall hold them harmless from any claim or suit of whatever nature.
- c. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof) and the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

30. **Counterparts:** This Loan Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

31. **Venue:** If any legal action should be filed by the Borrower against the Agency in connection with the CDBG Loan, this Loan Agreement, or the other Loan Documents, the venue and forum for such action shall be the Superior Court of New Jersey, Mercer County.

32. **Filing:** This Loan Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located at the sole cost and expense of the Borrower.

33. **Equal Opportunity and Non-Discrimination:** The Sponsor covenants, warrants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Loan Agreement.

34. **Applicability and Conflict of Terms and Conditions:** The terms and conditions of this Loan Agreement are applicable for the entire term of this Loan Agreement (as set forth in Section 10 hereof) unless otherwise set forth in this Loan Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents and this Agreement, the terms and conditions of this Loan Agreement shall prevail, except with respect to the terms contained in the CDBG Mortgage Addendum. Notwithstanding the foregoing, the Sponsor agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.

35. **Miscellaneous:** Unless the context clearly requires otherwise, as used in this Loan Agreement and the other Loan Documents, words of the masculine, feminine or neutral gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. The Loan Documents and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Loan Agreement and the other Loan Documents have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing the Loan Documents or any provisions thereof or in ascertaining intent, if any question of intent shall arise.

**SEE CDBG LOAN AGREEMENT ADDENDUM ANNEXED HERETO AND
MADE A PART HEREOF**

THIS SECTION INTENTIONALLY LEFT OMITTED

Official

Copy

IN WITNESS WHEREOF, this Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below; the Sponsor acknowledges that it has received a true copy of this Loan Agreement, without charge.

(SEAL)
WITNESS/ATTEST

Benedict L. Balbo

(SEAL)
ATTEST

Name: Jennifer H. Linett
Title: Assistant Secretary

This Loan Agreement has been reviewed and Approved as to form only.

JOHN J. HOFFMAN
Acting Attorney General of the State of New Jersey

By: _____
Robert M. Purcell
Deputy Attorney General

BORROWER:

HARRISON SENIOR URBAN RENEWAL, LP

By: Harrison Senior GP Corp.,
Its General Partner

John Westervelt

Name: John Westervelt
Title: President

**NEW JERSEY HOUSING & MORTGAGE
FINANCE AGENCY on behalf of the
CDBG PROGRAM**

By: _____
Name: James E. Robertson
Title: Chief of Legal and Regulatory Affairs

COPY

IN WITNESS WHEREOF, this Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below; the Sponsor acknowledges that it has received a true copy of this Loan Agreement, without charge.

(SEAL)

WITNESS/ATTEST

(SEAL)

ATTEST

Name: Jennifer H. Linett
Title: Assistant Secretary

JOHN J. HOFFMAN
Acting Attorney General of the State of New Jersey

By:

Robert M. Purcell
Deputy Attorney General

BORROWER:

HARRISON SENIOR URBAN RENEWAL, LP
By: Harrison Senior GP Corp.,
Its General Partner

Name: John Westervelt
Title: President

**NEW JERSEY HOUSING & MORTGAGE
FINANCE AGENCY on behalf of the
CDBG PROGRAM**

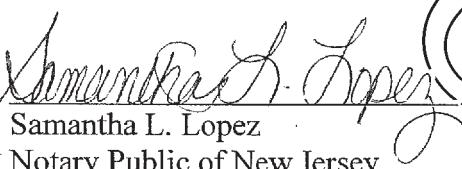
By: Donna Rendeiro
Name: Donna Rendeiro
Title: Chief of Administration

This Loan Agreement has been reviewed and Approved as to form only.

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

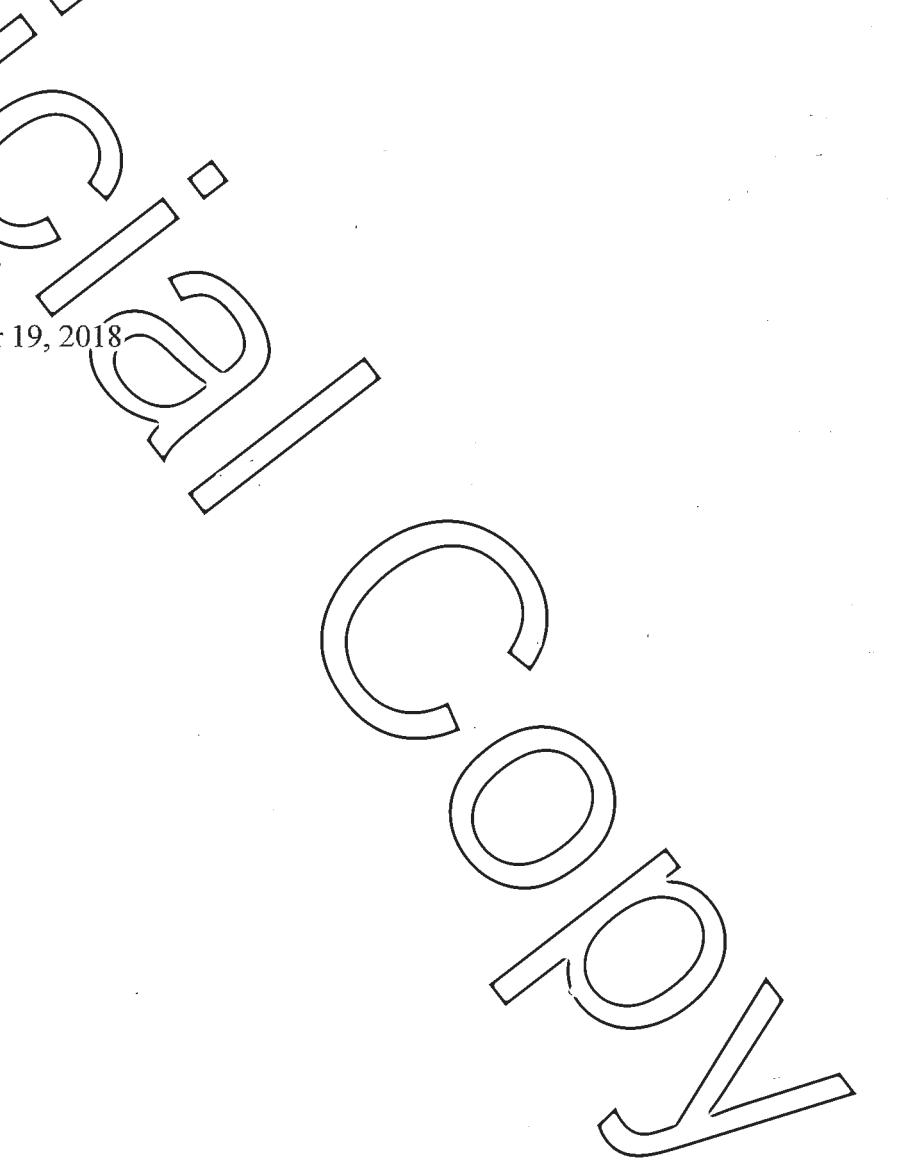
I CERTIFY that on March 4, 2014 Jennifer H. Linett, personally came before me, Samantha L. Lopez and acknowledged under oath, to my satisfaction, that (a) she is the Assistant Secretary of NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY acting on behalf of the COMMUNITY DEVELOPMENT BLOCK GRANT DIASTER RECOVERY PROGRAM, the Agency named in this document; (b) she is the attesting witness to the signing of this document by the proper Agency officer, who is Donna Rendeiro, Chief of Administration of the Agency; (c) this document was signed and delivered by the Agency as its voluntary act duly authorized by a proper resolution of its Board of Directors; and (d) he signed this proof to attest to the truth of these facts.

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.


Samantha L. Lopez

Notary Public of New Jersey

My commission expires: November 19, 2018



STATE OF NEW JERSEY)
COUNTY OF MERCER) SS:

I CERTIFY that on February 12, 2014, John Westervelt personally came before me, the subscriber, a Notary Public of the State of New Jersey, and acknowledged under oath, to my satisfaction, that (a) he is the President of Harrison Senior GP Corp, the general partner of Harrison Senior Urban Renewal, LP, the limited partnership named in this document; and (b) he executed and delivered this document as the voluntary act of the limited partnership duly authorized by the Partners.

Benedict LoBalbo
Name: Benedict LoBalbo

Notary Public of New Jersey

My Commission Expires: Nov. 13, 2018

BENEDICT LoBALBO
NOTARY PUBLIC STATE OF NEW JERSEY
No. 2379964
QUALIFIED IN UNION COUNTY
COMMISSION EXPIRES: NOVEMBER 13, 2018

"SCHEDULE A"



First American
Title Insurance Company

LEGAL DESCRIPTION

File No. NJFA13-0309MM

Policy No. PROFORMA

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Harrison Town, County of Hudson and State of New Jersey, being more particularly described as follows:

Tract I:

BEGINNING at a point in the Northerly line of Harrison Avenue distant 474.83 feet Westerly from the Northwest corner of Harrison and Schuyler Avenues; thence

- (1) North 01 degrees 48 minutes East 101.86 feet; thence
- (2) Southerly 87 degrees 50 minutes West 44.51 feet; thence
- (3) Southerly 02 degrees 10 minutes East 101.43 feet to Harrison Avenue; thence
- (4) Northerly 88 degrees 8 minutes East along the Northerly line of Harrison Avenue 37.53 feet to the point and place of Beginning.

Tract II:

BEGINNING in the Northerly line of Harrison Avenue at a point therein distant 41 feet Easterly from the Northeast corner of the same and Franklin Avenue as laid down on a map of Tract #1 of property belonging to John Frank in the Town of Harrison, Hudson County, N.J., made by C. Melville Bowie, Surveyors, June 1906; thence running

- (1) North 02 degrees 10 minutes West and parallel with Franklin Avenue 100.77 feet; thence
- (2) North 87 degrees 50 minutes East 4.00 feet; thence
- (3) South 2 degrees 10 minutes East 100.78 feet to the aforesaid line of Harrison Avenue; thence
- (4) Running along the same South 88 degrees 04 minutes West 4 feet to the place of Beginning.

TOGETHER with the rights granted in that certain Agreement dated September 23, 1924, and recorded in Book 1537 at page 308.

Said property also being described as ALL THAT CERTAIN LOT beginning at a point in the Northerly line of Harrison Avenue, a distance of 41.00 feet Easterly from its intersection with the Easterly line of Franklin Avenue, running thence;

- (1) North 88 degrees 08 minutes East, along the Northerly line of Harrison Avenue, a distance of 41.53 feet to a point; thence
- (2) North 01 degree 45 minutes 46 seconds East, a distance of 101.87 feet to a point; thence
- (3) South 87 degrees 50 minutes West, a distance of 48.51 feet to a point; thence
- (4) South 02 degrees 10 minutes East, and parallel with Franklin Avenue, a distance of 101.41 feet to a point in the Northerly line of Harrison Avenue, said point being the point or place of beginning.

The above description is in accordance with a survey prepared by Caulfield Associates, LLP dated June 14, 2013.



First American
Title Insurance Company

LEGAL DESCRIPTION

(continued)

File No. NJFA13-0309MM

Policy No. PROFORMA

KNOWN as Lot 6, Block 50.B, as shown on the Official Tax Assessment Map for Harrison, Hudson County, New Jersey, and more commonly known as 774 Harrison Avenue, Harrison, NJ.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 6, Block 50.02, on the Official Tax Map of Harrison Town
BEING commonly known as 774 Harrison Avenue, Harrison, New Jersey

END OF LEGAL DESCRIPTION

CDBG LOAN AGREEMENT ADDENDUM

WHEREAS, the Borrower, Harrison Senior Urban Renewal, LP, seeks to construct fifteen (15) rental units and related facilities for a project commonly known as Harrison Senior Housing, NJHMFA # 2756 (the "Project") and has requested construction and permanent financing from the New Jersey Housing and Mortgage Finance Agency (the "Agency"), which will be administered by the Agency; and

WHEREAS, contemporaneously herewith Borrower has executed a Note, Mortgage, Loan Agreement and other loan documents evidencing a CDBG loan from the Agency (hereinafter referred to as the "CDBG Loan"); and

WHEREAS, in the aftermath of Superstorm Sandy, the United States Congress enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013) to aid in the recovery of the State of New Jersey (the "State"); and

WHEREAS, on April 29, 2013, the Department of Housing and Urban Development ("HUD") approved the Action Plan of the State (the "Action Plan"), which demonstrated how the State intended to expend the disaster relief funds ("Action Plan"); and

WHEREAS, consistent with the Action Plan, the Agency created the Fund for Restoration of Multi-Family Housing, and the Sandy Special Needs Housing Assistance Fund ("CDBG-DR Programs"); and

WHEREAS, the Agency approved, at its board meeting of April 25, 2013, the CDBG-DR Programs' guidelines as subsequently amended (collectively the "Guidelines"); and

WHEREAS, the Borrower has met the eligibility requirements of the CDBG-DR Programs, in accordance with the requirements of the Guidelines and in accordance with the terms and conditions of this Addendum; and

WHEREAS, in order for the Borrower to be eligible to receive and utilize the CDBG Loan, it must also certify that it will comply with certain provisions of the Guidelines as are set forth below;

NOW, THEREFORE, Borrower, for and in consideration of the CDBG Loan, and intending to be legally bound hereby, agrees that the Mortgage shall be amended to include the following provisions and that these provisions shall be paramount and

controlling as to the rights and obligations of the Borrower and the Agency and shall supersede any other provisions of the Mortgage and other Loan Documents to the contrary:

STANDARD PROVISIONS

GENERAL

1. Borrower's Representations

- (i) Borrower has been duly organized and validly exists, has power to enter into the Mortgage, Loan Agreement and other Loan Documents and this Addendum and has authorized the signing of the Loan Documents and this Addendum and taking the actions contemplated by this Addendum.
- (ii) To the best of the Borrower's knowledge, and upon due inquiry, there is no action or proceeding, pending or threatened, against the Borrower before any court or administrative agency that might adversely affect the ability of the to perform its obligations under the Loan Documents and this Addendum and all consents, authorizations, and approvals of governmental bodies or agencies required in connection with the performance of the Borrower's obligations under the Loan Documents and this Addendum have been obtained and will be obtained whenever required hereunder or by law.
- (iii) Neither the execution and delivery of the Loan Documents nor this Addendum and the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of the Loan Documents and this Addendum is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any corporate restrictions or any evidence of indebtedness, agreement, or instrument of whatever nature to which the is bound, or constitutes a default under any of the foregoing.
- (iv) All statements, representations and warranties made by Borrower in the Loan Documents were true when made, are true, in all material respects, as of the date hereof, and shall remain and be true and correct during the term of the Loan Documents, it being understood by Borrower that all such statements, representations and warranties have been relied upon by the Agency as an inducement to make the Agency funding and shall continue to be relied upon by the Agency in administering the Agency funding. Borrower further understands and agrees that, if, during the term of the Mortgage and other Loan Documents, any such statements, representations and warranties become untrue or false, it shall have a duty to immediately notify the Agency in writing of such fact.
- (v) Borrower represents that it has at all times relevant to the CDBG Loan been represented by advisors of its own selection, including, but not limited to, attorneys at law and/or certified public accountants; that it has not relied upon any statement, representation, warranty, agreement or information provided by the Agency; that it acknowledges that it is informed by its advisors of its respective rights, duties, and obligations with respect to the transaction which is the subject of the Loan Documents under all applicable laws, and that it has

no set-offs, defenses or counterclaims against the Agency with respect to the transaction.

- (vi)
- (vii) The representations and warranties made in this Paragraph shall survive the expiration or earlier termination of the Loan Documents.
- If during the duration of the Loan Documents the Borrower becomes aware of any facts, occurrences, information, statements, or events that render any of the foregoing representations or warranties herein untrue or materially misleading or incomplete, it shall immediately notify the Agency in writing of such facts, occurrences, information, statements or events.

2. WARRANTIES AND COVENANTS

- (i) Borrower shall use the Agency funding solely in connection with funding the Project. The Agency funding may be used solely for the purposes contemplated by the Mortgage and other Loan Documents.
- (ii) In relation to the Project, Borrower shall comply with all Federal, State and municipal laws, rules and regulations applicable to all activities it performs and those that are performed on its behalf.
- (iii) Borrower acknowledge that the use of small businesses, minority owned firms and women's business enterprises for contractors, suppliers, labor and products is preferred and agrees that, to the extent feasible and as represented in its Proposal, it shall use such businesses in connection with the Project.
- (iv) Borrower agrees that all hired Contractors and Sub-contractors are not on the Federal excluded parties list.
- (v) Borrower shall execute an agreement with each Contractor containing labor standards and other required provisions, such as equal opportunity and general conditions. This may be accomplished by the execution of a CDBG Contractor's Addendum as provided to Borrower by the Agency.
- (vi) Borrower acknowledges that all construction work will have received environmental approval from the New Jersey Department of Environmental Protection ("DEP") and/or the Agency prior to the commencement of any construction.

3. ASSIGNMENTS

Borrower shall not assign its interests in the Loan Documents to another without the prior written consent of the Agency. Unless otherwise indicated by the Agency in writing, any obligations hereunder shall become the obligations of any assignee or successor of the Borrower.

4. MISCELLANEOUS

- (i) **Forum and Venue.** Unless otherwise provided, all actions related to the matters which are the subject of this Addendum shall be formed and venue in a court of competent jurisdiction in Mercer County New Jersey.
- (ii) **Entire Agreement.** This Addendum along with the Loan Documents and any documents referred to herein constitute the complete understanding of the Agency and the Borrower (hereinafter, collectively referred to as the "Parties") and merge and supersede any and all other discussions, agreements and

understandings, either oral or written, between the Parties with respect to the subject matter of this Addendum.

(iii) Severability. Whenever possible, each provision of this Addendum shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of the Loan Documents or this Addendum is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Addendum, unless the Agency shall in its sole and absolute discretion deem the invalidated provision essential to the accomplishment of the public purposes served by the Loan Documents and this Addendum, in which case the Agency has the right to terminate the Loan/Loan Documents and all benefits provided to Borrower hereunder upon the giving of sixty (60) days prior notice.

(iv) Compliance with All Applicable Law. Failure to expressly reference any applicable federal or State regulation, statute, public law, Executive order, agency directive or OMB Circular will not exempt Borrower from compliance with such applicable law or regulation, and all applicable provisions not included will be deemed as inserted herein.

(v) Amendments or Modifications. The Loan Documents and this Addendum may only be amended in writing executed by both Parties. Such Amendments or Modifications shall become effective only upon execution of same by both Parties.

(vi) Notices. All notices, requests and other communications shall be in writing and shall be deemed duly given [when personally delivered or sent by United States mail, registered or certified, return receipt requested, postage prepaid] to the addresses set forth hereunder

Agency: **New Jersey Housing and Mortgage Finance Agency**
 637 South Clinton Avenue
 PO Box 18550
 Trenton, New Jersey 08550-2085
 Attention: Director, Multifamily Lending

Borrower: Harrison Senior Housing Urban Renewal, LP
 590 North 7th Street
 Newark, New Jersey
 Attention: John Westervelt

(vii) Contractual Liability Act. The rights and remedies of the under the Loan Documents and this Addendum shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., the provisions of which are incorporated herein by reference. While this statute is not applicable by its terms to claims arising under the Loan Documents Borrower agrees that it shall be applicable to claims arising under this Addendum or any other documents associated with this Project. Further, it is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

UNIFORM ADMINISTRATIVE REQUIREMENTS

Borrower shall adhere to the following administrative requirements:

1. DUPLICATION OF BENEFITS

Borrower will adhere to 76 FR 71060 (published November 16, 2011) regarding duplication of benefit requirements applicable to the Community Development Block Grant-Disaster Recovery ("CDBG-DR") program.

2. CONFLICT OF INTEREST

Borrower has reviewed and shall adhere to the Agency's Conflict of Interest policy, which incorporates both the State Conflict of Interest Law, N.J.S.A. 52:13D-1 et seq. and applicable federal law. It will abide by and enforce the conflict of interest requirement set forth in 24 CFR §570.611, 24 CFR §85.36 and 24 CFR §84.42. No one who exercises any functions or responsibilities, or who is in a position to participate in a decision-making process or gain inside information, may obtain a financial interest or benefit from a CDBG-assisted activity (or have a financial interest in any Loan, contract, sub-contract, or agreement with respect to a CDBG assisted facility.)

3. HATCH ACT

Borrower covenants that no Agency funding shall be used to finance the use of facilities or equipment for political purposes, or engage in other partisan activities (e.g. candidate forums, voter transportation, or voter registration). It will comply with the provisions of the Hatch Act that limit the political activity of employees and the HUD regulations governing political activity at 24 CFR §570.207.

4. RELIGIOUS ACTIVITY

Borrower will comply with HUD rules prohibiting the use of CDBG funds for inherently religious activities, as set forth in 24 CFR §570.200(j), except for circumstances specified in the HUD Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response (March 5, 2013). Funding for rehabilitating or reconstructing a storm-damaged or destroyed building may be appropriate where a facility is not used exclusively for the benefit of the religious congregation (i.e., a homeless shelter, food pantry, adult literacy or child care center). When used for both religious and secular purposes, CDBG-DR funds may pay the portion of eligible rehabilitation or construction costs attributable to the non-religious use.

5. RECORDS

- (i) Borrower will give the State and HUD, and any of their representatives or agents, access to and the right to examine all records, books, papers, or documents related to the Agency funding.

(ii) All records required by the Loan Documents and this Addendum, including financial records, ledgers, bank statements, contracts, invoices and receipts related to the Agency funding must be retained for five years from Project Closeout, which is deemed after the affordability period has expired. However, if any litigation, claim, or audit is started before the expiration of the five (5) year period, then records must be retained for five (5) years after the litigation, claim, or audit is resolved. All of Borrower's books and records relating to the Agency funding will be located at 590 North 7th Street, Newark, New Jersey 07107.

(iii) Borrower will notify the Agency in writing of any change in the location of such books and records prior to any such relocation. Borrower agrees to grant access to inspect, copy, audit and examine at all reasonable times these records to any representative of the Agency, State, Inspector General, HUD and General Accounting Office of the United States.

6. LOBBYING

Borrower certifies that no federally appointed funds will be used for lobbying purposes regardless of level of government.

7. DRUG FREE WORKPLACE

Borrower will comply with the drug-free workplace requirements contained at 24 CFR, Part 24, and Subpart F and established by the Drug-Free Workplace Act

8. COMPLIANCE WITH LAW

Borrower agrees to comply with the following requirements:

- a. Borrower agrees to comply with all applicable federal, State and local laws, regulations and policies governing the Agency funding available under the Loan Documents and this Addendum to supplement rather than supplant funds otherwise available.
- b. Borrower agrees that its Contractor and Sub-Contractors are not and will not be on the list of excluded from Federal Procurement or Non-procurement Programs promulgated in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24 (CDBG funds may not be provided to excluded or disqualified persons).
- c. Borrower shall comply with the following mandatory provisions relating to **FINANCIAL MANAGEMENT AND PROCUREMENT**:
 1. If you are a non-profit, guidelines for financial and compliance audits of federally assisted programs which are OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), revised, and administrative requirements for non-profits, 24 C.F.R. Part 84.

2. 24 CFR 570.490: Recordkeeping requirements, which requires that all records be kept for a minimum of five years after grant close-out ; and

3. Borrower will comply with all requirements imposed by the State concerning special requirements of law, program requirements, and other administrative requirements.

d. Borrower will adhere to 24 CFR Section 570.489(j) regarding change of use of real property. These standards apply to real property within Owner's control which was acquired in whole or in part using CDBG-DR funds in excess of the small purchase procurement threshold in 24 CFR 85.36. These standards apply from the date CDBG-DR funds are first spent until five years after the closeout of the Program.

✓ Borrower may not change the use or planned use of any property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, without first providing citizen review and comment and either:

1. The new use meets one of the national objectives and is not a building for the general conduct of government;
2. The requirement of 24 CFR Section 570.489(j) are met.

9. ENVIRONMENTAL IMPACT

Borrower may not begin any Project Activities without prior written consent of the Agency, as follows.

For all activities undertaken, Borrower agrees to provide information as needed to the DEP and/or the Agency for site-specific activities.

This will include, but is not limited to:

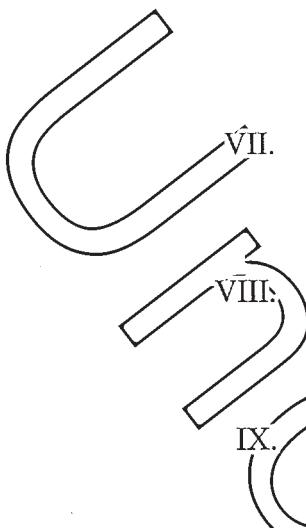
a. Providing the names of all facilities receiving federal assistance so that the DEP and/or the Agency can ensure that the facilities are not listed on the United States Environmental Protection Agency's (EPA) list of violating;

b. Providing site-specific information regarding the age, location and prior ground disturbance of all facilities assisted, to determine compliance requirements with Section 106 of the National Historic Preservation Act of 1966, and the Preservation of Archaeological and Historical Data Act of 1966. And the provisions of 24 CFR Part 55 and Executive Order 11988, as amended by Executive Order 12148, relating to evaluation of flood hazards;

c. Complying with the flood insurance purchase requirement of Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. §4001 et seq., which requires the purchase of flood insurance in communities where such insurance

is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. For purposes herein, the phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect federal funding. Additionally:

- I. *Flood insurance purchase requirements.* HUD does not prohibit the use of CDBG-DR funds for [existing residential buildings] in the Special Flood Hazard Area (SFHA) (or "100-year" floodplain). With respect to flood insurance, a HUD-assisted [homeowner] for a property located in the SFHA must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD assisted property within the SFHA.
- II. *Future Federal assistance to Borrowers remaining in a floodplain.* (1) Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. No Federal disaster relief assistance may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance and the person has subsequently failed to obtain and maintain flood insurance. Borrower may not receive CDBG disaster assistance for the repair, replacement, or restoration if it has failed to meet this requirement.
- III. In the event of transfer of any property having received CDBG-DR assistance, the Borrower will notify the transferee in writing of the requirements to 1) Obtain flood insurance, if the property is not insured as of the date of transfer; 2) Maintain flood insurance; 3) Require the transferor, if there is failure to notify the transferee, to reimburse the federal government in the amount of any subsequent disaster relief assistance if such funds are expended on the property after the date of transfer.
- IV. Borrower will cooperate with the DEP and/or the Agency so that all assisted properties will be elevated, repaired, reconstructed or newly-constructed (including both commercial and residential properties) in accordance with the newly-released FEMA Base Flood Elevation Maps (reference table 2-6 in the state's Action Plan).
- V. In accordance with 24 CFR 58.6(b), Borrower acknowledges that the Agency will not provide any Agency funding to a small business that had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the small business failed to obtain and maintain such insurance.
- VI. The Borrower acknowledges that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on



the List of Violating Facilities, issued by the EPA pursuant to 40 CFR 15.20.

Prompt notice must be given of any notification received from the Director, Office of Federal Activities, and EPA, indicating that a facility utilized or to be utilized for the Loan under consideration is to be listed on the EPA list of Violating Facilities.

In no event shall any amount of assistance provided under this ADDENDUM be utilized with respect to a facility which has given rise to a conviction under section 113(c) (1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

The Borrower agrees to comply with all the requirements of section 114 of the Clean Air Act, as amended (42 USC 1857c-8-0 and section 308 of the Federal Water Pollution Control Act, as amended (33 USC 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said section 114 and 308, and all regulations and guidelines issued thereunder.

The Borrower acknowledges that all work has ceased on the Project pending final DEP and/or Agency environmental review approval.

Borrower will comply with:

1. Executive Order 11990, Protection of Wetlands;
2. the Coastal Zone Management Act Sections 307(c)(d);
3. In relation to water quality:
 - a. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution;
 - b. The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f) et seq. and U.S.C. § 349), as amended, particularly Section 1424(e) (42 U.S.C. §§ 300h-303(e)), which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and
 - c. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution; The Federal Water Pollution Control Act of 1972, as amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. § 1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.
4. The Endangered Species Act of 1973 (50 CFR 402), as amended;

5. The Fish and Wildlife Coordination Act of 1958, as amended;
6. Wild and Scenic Rivers Act of 1968 {Sections 7(b) and (c)}, as amended;
7. Executive Order 11738, providing for administration of the Clean Air Act and the Federal Water Pollution Control Act With Respect to Federal Contracts, Grants, or Loans, and EPA regulations (40 CFR part 15);
8. The Clean Air Act of 1970 (Sections 176(c), (d), and 40 CFR 6, 51, 93), which prohibits engaging in, supporting in any way, or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards;
9. The Farmland Protection Policy Act, 7 U.S.C.A. §4201 et seq., which requires recipients of federal assistance to minimize the extent to which their projects contribute to the unnecessary and irreversible commitment of farmland to nonagricultural uses;
10. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994;
11. Noise abatement and control requirement found at 24 CFR 51B;
12. Provisions of 24 CFR 51C, explosive and flammable operations;
13. Provisions of 24 CFR 58.5(i) relating to toxic chemicals and radioactive materials;
14. [Sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992 (Public Law 102-550, as amended). The regulation appears within Title 24 of the Code of Federal Regulation as part 35 (codified in 24 CFR 35). The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is financially assisted by the Federal government or sold by the government. This regulation applies only to structures built prior to 1978. It will also comply with the Lead Safety Housing Regulation covering prohibited methods of paint removal (24 CFR Part 35.140) and occupant protection (24 CFR Part 35.1345);]

15. Borrower will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, et seq.);
16. Borrower will comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

XII. Borrower agrees that the use of lead-based paint, that is any paint containing more than 1%- lead by weight, is strictly prohibited from use on any interior surface or exterior surface in any building being rehabilitated. Additionally, any evidence of a health hazard, which is, defined as cracking, scaling, peeling and loose lead-based paint must be treated to prevent the ingestion of the contaminated paint. It is further necessary to assume that any of the above conditions constitute an immediate or potential hazard and must be corrected using appropriate methods as detailed in Title IV of the Lead Based Paint Poisoning Prevention Act.

10. LABOR STANDARDS

1. Borrower will adhere to the labor standards requirement set forth in 24 CFR §570.603 and any other regulations issued to implement such requirements;
2. Borrower will comply with Section 110 of the Housing and Community Development Act of 1974, as amended and as set forth in 24 CFR §570.603;
3. Borrower will comply with the Davis-Bacon Act, as amended (40 U.S.C. §3141 et seq.);
4. Borrower acknowledges that the prevailing wage rate shall be determined by the Davis-Bacon Act and not State prevailing wage pursuant to N.J.S.A. 55:14K-42.
5. Borrower will comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. §327 et seq.), requiring that mechanics (and laborers) (including watchmen and guards) employed on federally assisted contracts be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work-week;
6. Borrower will comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et seq.), requiring that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week;
7. Borrower will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3);

8. Borrower will comply with the following HUD regulations and/or guidance:

- 24 CFR 570.489(l): Debarment and suspension.
- 24 CFR 570.603: Labor standards.
- 24 CFR 570.609: Use of debarred, suspended, or ineligible contractors or sub-recipients.

Form HUD 4010 Federal Labor Standards Provisions

9. Borrower will comply with the following United States Department of Labor regulations in parallel with HUD requirements above:

- 29 CFR Part 1: Procedures for Predetermination of Wage Rates.
- 29 CFR Part 3: Contractors and Sub-contractors on Public Building or Public Work Financed In Whole or In Part by Loans or Grants from the United States.
- 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contracts Work Hours and Safety Standards Act).
- 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contracts Work Hours and Safety Standards Act).
- 29 CFR Part 6: Rules of Practice for Administrative Proceedings Enforcing Labor Standards in Federal and Federally Assisted Construction Contracts and Federal Service Contracts.
- 29 CFR Part 7: Practice before the Administrative Review Board With Regard to Federal and Federally Assisted Construction Contracts.

11. EQUAL OPPORTUNITY

For Contracts above \$10,000:

1. During the Agency funding term, the Borrower agrees as follows:

- a) It will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. It will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. It agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the nondiscrimination clause.
- b) It will, in all solicitations or advertisements for employees, state that all qualified applicants will receive considerations for employment without

c) regard to race, color, religion, sex, or national origin.

d) It will send to each labor union or representative of workers with which it has a collective bargaining agreement or other Contract or understanding, a notice to be provided advising the said labor union or workers' representatives of their commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

e) It will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

f) It will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

g) In the event of the Borrower's noncompliance with the nondiscrimination clauses of this Addendum or with any of the said rules, regulations, or orders, this Loan may be canceled, terminated, or suspended in whole or in part and the Borrower may be declared ineligible for further Government Contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

h) It agrees to include the provisions a through f in this Equal Opportunity Section in every contract, sub-contract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each contractor, sub-contractor or vendor.

For Loans \$10,000 and below:

a) Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. It shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

b) It shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-

discrimination clause. They shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Borrower and all contractors and sub-contractors shall incorporate the foregoing requirements in all contracts.

12. ACQUISITION AND RELOCATION

Borrower agrees to comply with the following statutes and regulations:

1. Title II (Uniform Relocation Assistance) and Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR §570.606;
2. Section 104(d) of the Housing and Community Development Act of 1974, as amended;
3. It will comply with 42 U.S.C. 3537c (Prohibition of Lump Sum Payments);
4. It will comply with 49 CFR Part 24 (Uniform Relocation and Real Property Acquisition ("URA") for Federal and Federally-Assisted Programs);
5. URA Fixed Residential Moving Cost Schedule;
6. 24 CFR Part 42 (Displacement, Relocation Assistance and Real Property Acquisition for HUD and HUD-Assisted Programs); and
7. 24 CFR 570.606 (Displacement, Relocation, Acquisition and Replacement of Housing).

Borrower agrees to provide relocation assistance to those that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-DR assisted project, with the exception of:

1. The one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 CFR 42.375 which have been waived by HUD;
2. The relocation assistance requirements at section 104(d)(2)(A) and 24 CFR 42.350 to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Act for activities related to disaster recovery;
3. Arms-length voluntary purchase requirements at 49 CFR 24.101(b)(2)(i)-(ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under this Addendum and does not have the power of eminent domain;

4. Rental assistance to a displaced person: The requirements at sections 204(a) and 206 of the URA, and 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404 are waived to the extent that they require the Borrower to use 30 percent of a low-income displaced person's household income in computing a rental assistance payment if the person had been paying more than 30 percent of household income in rent/utilities without "demonstrable hardship" before the project;
5. Tenant-based rental assistance requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(ix) and 24.402(b) are waived to the extent necessary to permit a Borrower to meet all or a portion of a Borrower's replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy, provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months;
6. Moving expense requirements at section 202(b) of the URA and 49 CFR 24.302; the Borrower may instead choose to establish a "moving expense and dislocation allowance" under a schedule of allowances that is reasonable takes into account the number of rooms in the displacement dwelling; and

The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established; units of local government receiving CDBG-DR funds may establish separate optional policies.

13. FAIR HOUSING AND NON-DISCRIMINATION

Any act of unlawful discrimination committed by Borrower or failure to comply with the following statutory and regulatory obligations when applicable shall be grounds for termination of the Loan and this Addendum or other enforcement action; and Borrower agrees to comply with:

1. Title VI of the Civil Rights Act of 1964 and as amended in 1988, 42 U.S.C. §200d et seq., as amended, and the regulations issued pursuant thereto (24 CFR Part 1), which provide that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Project receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the Borrower, this assurance shall obligate the Borrower, or in the case of any transfer of such property, and transferee, for the period during which the property or structure is used for another purpose involving the provision of similar services or benefits.
2. Architectural Barriers Act of 1968, as amended 42 U.S.C. § 4151 et seq.
3. Title IX of the Education Amendments Act of 1972, as amended 20 U.S.C. §1681 et seq.

4. Section 504 of the Rehabilitation Act of 1973, as amended 29 U.S.C. §701, which provides that no otherwise qualified individual shall, solely by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program receiving federal funding assistance, with special provisions for Grantees with 15 or more employees requiring a formal, written grievance procedure for resolution of complaints.

5. Section 508 of the Rehabilitation Act of 1973 as amended 29 U.S.C. §794, requiring that electronic and information technology be accessible to people with disabilities, including employees and members of the public.

6. Section 109 of Title I of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part §570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under that Part. Section 109 further prohibits discrimination to an otherwise qualified individual with a handicap, as provided under Section 504 of the Rehabilitation Act of 1973, as amended, and prohibits discrimination based on age as provided under the Age Discrimination Act of 1975. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR Part 6.

7. Section 104(b) (2) of the Housing Community Development Act of 1974, implementing Section 109.

8. Age Discrimination Act of 1975 (42 U.S.C. 1601 et seq.), prohibiting discrimination on the basis of age.

9. Title II of the Americans with Disabilities Act of 1990, prohibiting discrimination and ensuring equal opportunity for persons with disabilities in employment, and commercial facilities.

10. Title III of the Americans with Disabilities Act of 1990 (42 U.S.C.A. § 12101 et seq.).

11. Borrower must use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of the Loan Documents. As used in this Addendum, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. Borrower may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

12. Section 3, Housing and Urban Development Act of 1968. Section 3 requirements will apply to all individual properties assisted with these funds if amounts exceed \$100,000, regardless of the actual amount spent on each individual unit/property. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Addendum, shall be a condition of the Federal financial assistance provided under the Loan Documents and binding upon the Borrower and third-party entities. The Borrower certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

These responsibilities include:

- a. Making efforts to meet the minimum numerical goals found at 24 CFR Part 135.30;
- b. Complying with the specific responsibilities at 24 CFR Part 135.32; and
- c. Submitting Annual Summary reports in accordance with 24 CFR Part 135.90.

The following language must be included in all contracts and sub-contracts if the award exceeds \$100,000:

- a. The work to be performed under the contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- b. Borrower will comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by its execution of this Addendum Borrower certifies that it is under no contractual or other impediment that would prevent it from complying with the part 135 regulations.
- c. The Borrower agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Borrower's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and

applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- d. The Borrower agrees to include this section 3 clause in every sub-contract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this section 3 clause, upon a finding that the contractor is in violation of the regulations in 24 CFR part 135. The Borrower will not sub-contract with any sub-contractor where the Borrower has notice or knowledge that the sub-contractor has been found in violation of the regulations in 24 CFR part 135.
- e. The Borrower will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor or sub-contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under 24 CFR part 135.
- f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of the Loan, and debarment or suspension from future HUD assisted contracts and loans.

Borrower will further comply with:

- a. Executive Order 11246: EEO and Affirmative Action Guidelines for Federal Contracts Regarding Race, Color, Gender, Religion, and National Origin, September 25, 1965, and Executive Order 11375: Amending Executive Order No. 11246, October 13, 1967, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Further contractors and sub-contractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training and apprenticeship.

During the performance of the Loan Documents, the Borrower agrees as follows:

- i. It will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national

origin. It will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. It agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- ii. It will, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- iii. It will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Agency contracting officer, advising the labor union or workers' representative of the Borrower's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- iv. It will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- v. It will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- vi. In the event of the Borrower's noncompliance with the nondiscrimination clauses of this Addendum or with any of such rules, regulations, or orders, the Loan cancelled, terminated, accelerated or suspended in whole or in part and the Borrower may be declared ineligible for further Government

loans and/or contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

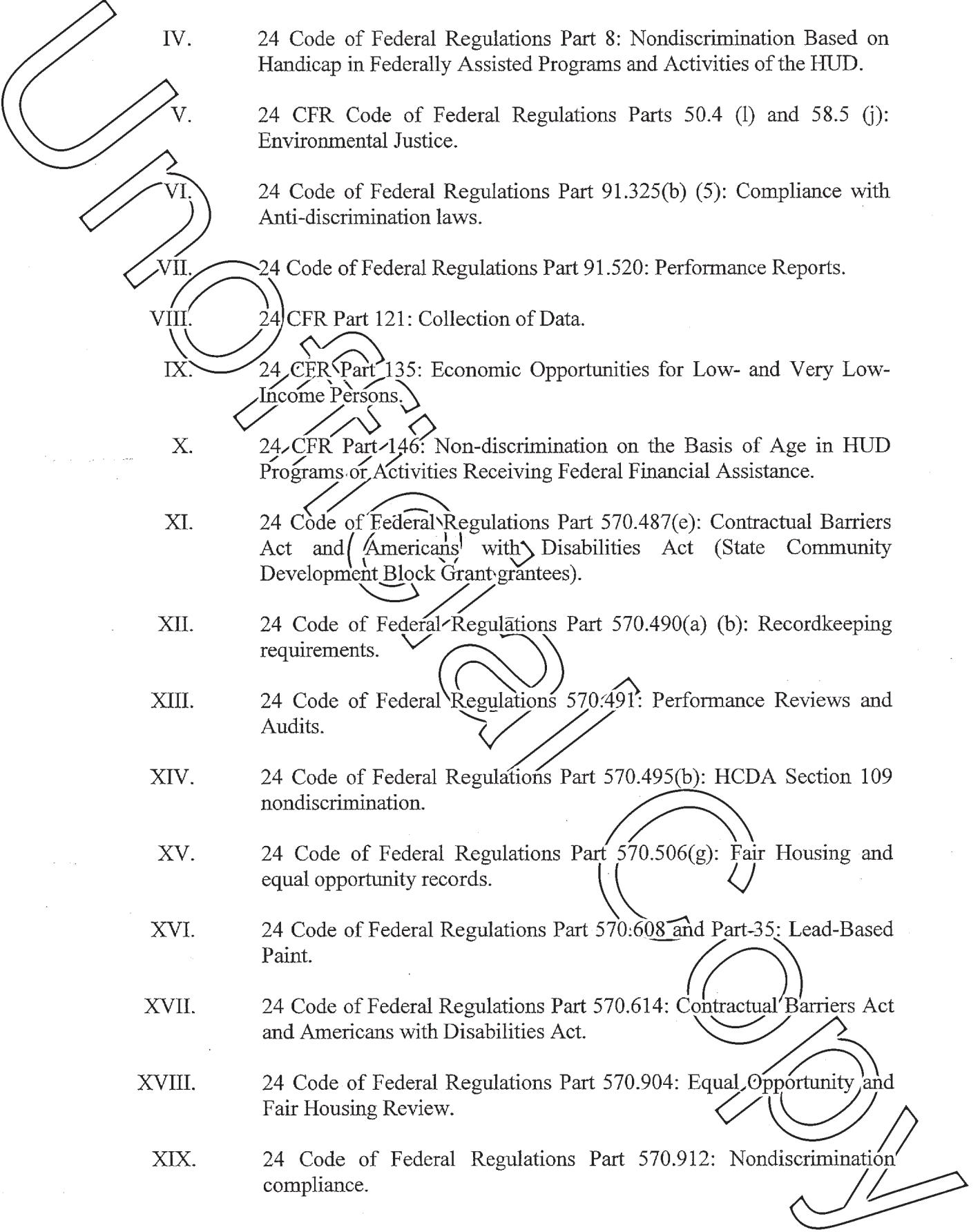
vii.

It will include the provisions of paragraphs (1) through (7) in every contract and sub-contract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each contractor, sub-contractor or vendor. It will take such action with respect to any contract or sub-contract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event the Borrower becomes involved in, or is threatened with, litigation with a contractor, sub-contractor or vendor as a result of such direction, it may request the United States to enter into such litigation to protect the interests of the United States.

- b. Executive Order 12086: Consolidation of Contracts compliance functions for equal employment opportunity, October 5, 1978.
- c. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994.
- d. Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency, August 11, 2000.

And Borrower affirms it will comply with implementing regulations for the above:

- I. 24 Code of Federal Regulations Part 1: Nondiscrimination in Federally Assisted Programs of HUD.
- II. 24 Code of Federal Regulations Part 5.105: Other Federal Requirements.
- III. 24 Code of Federal Regulations Part 6: Nondiscrimination in Programs, Activities Receiving Assistance under Title I of the Housing and Development Act of 1974.



- IV. 24 Code of Federal Regulations Part 8: Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the HUD.
- V. 24 CFR Code of Federal Regulations Parts 50.4 (l) and 58.5 (j): Environmental Justice.
- VI. 24 Code of Federal Regulations Part 91.325(b) (5): Compliance with Anti-discrimination laws.
- VII. 24 Code of Federal Regulations Part 91.520: Performance Reports.
- VIII. 24 CFR Part 121: Collection of Data.
- IX. 24 CFR Part 135: Economic Opportunities for Low- and Very Low-Income Persons.
- X. 24 CFR Part 146: Non-discrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance.
- XI. 24 Code of Federal Regulations Part 570.487(e): Contractual Barriers Act and Americans with Disabilities Act (State Community Development Block Grant grantees).
- XII. 24 Code of Federal Regulations Part 570.490(a) (b): Recordkeeping requirements.
- XIII. 24 Code of Federal Regulations 570.491: Performance Reviews and Audits.
- XIV. 24 Code of Federal Regulations Part 570.495(b): HCDA Section 109 nondiscrimination.
- XV. 24 Code of Federal Regulations Part 570.506(g): Fair Housing and equal opportunity records.
- XVI. 24 Code of Federal Regulations Part 570.608 and Part 35: Lead-Based Paint.
- XVII. 24 Code of Federal Regulations Part 570.614: Contractual Barriers Act and Americans with Disabilities Act.
- XVIII. 24 Code of Federal Regulations Part 570.904: Equal Opportunity and Fair Housing Review.
- XIX. 24 Code of Federal Regulations Part 570.912: Nondiscrimination compliance.

13. Section 503 of the Rehabilitation Act of 1973 requires the following clauses in all contracts and sub-contracts involving federal funds of \$10,000 or more.

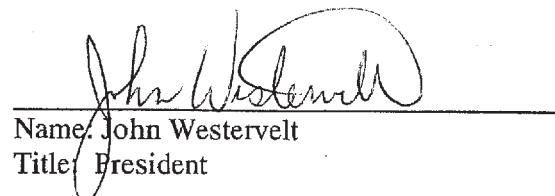
1. Borrower will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. Borrower agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
2. Borrower agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
3. In the event of the Borrower's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations and relevant orders of the secretary of labor issued pursuant to the Act.
4. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices stating the Borrower's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.
5. Borrower will notify each labor union or representative of workers with which it has a collective bargaining agreement or other Loan Documents understanding, that the Borrower is bound by the terms of Section 503 of the Rehabilitation of 1973, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.
6. Borrower will include the provisions of this clause in every contract, sub-contract or purchase order of \$10,000 or more of federal funding unless exempted by rules, regulations, or orders of the (federal) secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each contractor, sub-contractor or vendor. The Borrower will take such action with respect to any contract, sub-contract and purchase order as the director of the Office of Federal Loan Documents Compliance Programs may direct to enforce such provisions, including action for non-compliance (41-CFR 60-741.4.4).

Unofficial Copy

BORROWER:

HARRISON SENIOR URBAN RENEWAL, LP

By: Harrison Senior GP Corp.,
Its General Partner



Name: John Westervelt
Title: President

File No: NJFA13-0309

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in **Harrison Town**, County of **Hudson** and State of New Jersey, being more particularly described as follows:

Tract I:

BEGINNING at a point in the Northerly line of Harrison Avenue distant 474.83 feet Westerly from the Northwest corner of Harrison and Schuyler Avenues; thence

(1) North 01 degrees 48 minutes East 101.86 feet; thence

(2) Southerly 87 degrees 50 minutes West 44.51 feet; thence

(3) Southerly 02 degrees 10 minutes East 101.43 feet to Harrison Avenue; thence

(4) Northerly 88 degrees 8 minutes East along the Northerly line of Harrison Avenue 37.53 feet to the point and place of Beginning.

Tract II:

BEGINNING in the Northerly line of Harrison Avenue at a point therein distant 41 feet Easterly from the Northeast corner of the same and Franklin Avenue as laid down on a map of Tract #1 of property belonging to John Frank in the Town of Harrison, Hudson County, N.J., made by C. Melville Bowie, Surveyors, June 1906; thence running

(1) North 02 degrees 10 minutes West and parallel with Franklin Avenue 100.77 feet; thence

(2) North 87 degrees 50 minutes East 4.00 feet; thence

(3) South 2 degrees 10 minutes East 100.78 feet to the aforesaid line of Harrison Avenue; thence

(4) Running along the same South 88 degrees 04 minutes West 4 feet to the place of Beginning.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 6, Block 50.02, on the Official Tax Map of Harrison Town
BEING commonly known as 774 Harrison Avenue, Harrison, New Jersey

END OF LEGAL DESCRIPTION

FILED
20140313010018520
03/13/2014 03:35:10 PM
NUMBER OF PAGES: 49
JPISCOPPO

100

Hudson County Register 20140313010018510 Bk: 8961 Pg:495 1/5

03/13/2014 03:35:10 PM DEED

Pamela E. Gardner

Hudson County, Register of Deeds

Receipt No. 887730

20140313010018510
3/13/2014 3:35:00 PM
Consideration: \$1.00 Exempt.Code: Exempt
County:\$0.00 State:\$0.00
NJAHTF : \$0.00 PHPF: \$0.00
State E.A.A:\$0.00 General:\$0.00
Buyer's Fee: \$0.00
Total RTF: \$0.00

Prepared by:

James P. Bruno

DEED

THIS DEED is made and delivered on January 29, 2014,

Between **TOWN OF HARRISON,**

having an address of 318 Harrison Avenue, Harrison, New Jersey 07029, referenced as the "Grantor".

And **HARRISON SENIOR URBAN RENEWAL, LP, a New Jersey limited partnership**

having an address at 590 North Street, Newark, New Jersey 07107, referred to as the Grantee.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) all of its ownership interest in the property described below to the Grantee. This transfer is made for one dollar and other good and valuable consideration.

Tax Map Reference. (N.J.S.A. 46:15-2.1) Town of Harrison, Block No. 50.02, Lot 6.

Property. The property consists of all that certain lot, piece or parcel of land with the buildings, structures, and improvements erected on the land described below located in the Town of Harrison, County of Hudson, and State of New Jersey. The legal description of the land is:

SEE EXHIBIT A ATTACHED HERETO

The Property conveyed by the Grantor to the Grantee is and is intended to be the same property acquired by the Grantor by Deed from New Town Community Development Corporation dated September 6, 2011, recorded in the Hudson County Register's Office on September 26, 2011 in Deed Book 8812, Page 129.

To have and to hold the premises conveyed by this Deed only so long as the Property is being prepared to be used for and is actually being used for the housing of senior citizens of low and moderate income and for the handicapped, and if the Property is used for any other purpose not approved by the Town of Harrison, then, in such event, title shall revert to the Town of Harrison without any further action by or cost to the Town, and Town officials shall have the right immediately to reenter the Property.

The Town's rights under the above reverter shall not be exercised unless it has first given the Grantee and the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") written notice of its intention to exercise such rights and such Grantee or NJHMFA are given a ninety (90) day opportunity to cure the conditions upon which the Town claims its right to act under the reverter provision. This reverter provision shall be subject and subordinate to the mortgage of NJHMFA in the estimated amount of \$1,800,000. The Town agrees to release the reverter provision upon issuance of the certificate of occupancy of the completed project to the Grantee.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the Property. The Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor). This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6).

Signatures. The Grantor signs this Deed to be effective as of the date at the top of the first page.

WITNESS:

Paul Zarbetski, Town Clerk

TOWN OF HARRISON

By:

Raymond J. McDonough, Mayor

STATE OF NEW JERSEY

)
ss.
)

COUNTY OF Hudson

I CERTIFY that on January 29, 2014, Raymond J. McDonough came before me and acknowledged under oath, to my satisfaction, that:

- (a) he is the Mayor of the Town of Harrison, the Grantor named in this Deed;
- (b) he signed and delivered this Deed as the voluntary act and deed of the Town by virtue of authority of its governing body; and
- (c) the Grantor made this Deed for \$1.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

RECORD & RETURN TO:

ISABEL SIMOES
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 3/19/2014



*First American
Title Insurance Company*

SCHEDULE C

LEGAL DESCRIPTION

File No. NJFA13-0309MM

Policy No. PROFORMA

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Harrison Town, County of Hudson and State of New Jersey, being more particularly described as follows:

Tract I:

BEGINNING at a point in the Northerly line of Harrison Avenue distant 474.83 feet Westerly from the Northwest corner of Harrison and Schuyler Avenues; thence

- (1) North 01 degrees 48 minutes East 101.86 feet; thence
- (2) Southerly 87 degrees 50 minutes West 44.51 feet; thence
- (3) Southerly 02 degrees 10 minutes East 101.43 feet to Harrison Avenue; thence

(4) Northerly 88 degrees 8 minutes East along the Northerly line of Harrison Avenue 37.53 feet to the point and place of Beginning.

Tract II:

BEGINNING in the Northerly line of Harrison Avenue at a point therein distant 41 feet Easterly from the Northeast corner of the same and Franklin Avenue as laid down on a map of Tract #1 of property belonging to John Frank in the Town of Harrison, Hudson County, N.J., made by C. Melville Bowie, Surveyors, June 1906; thence running

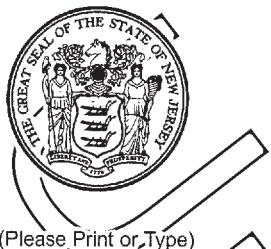
- (1) North 02 degrees 10 minutes West and parallel with Franklin Avenue 100.77 feet; thence
- (2) North 87 degrees 50 minutes East 4.00 feet; thence
- (3) South 2 degrees 10 minutes East 100.78 feet to the aforesaid line of Harrison Avenue; thence
- (4) Running along the same South 88 degrees 04 minutes West 4 feet to the place of Beginning.

TOGETHER with the rights granted in that certain Agreement dated September 23, 1924, and recorded in Book 1537 at page 308.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 6, Block 50.02, on the Official Tax Map of Harrison Town
BEING commonly known as 774 Harrison Avenue, Harrison, New Jersey

END OF LEGAL DESCRIPTION



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (See Instructions, Page 2)

Names(s) / \
Town of Harrison

Current Resident Address:
Street: 318 Harrison Avenue

City, Town, Post Office / \ State / \ Zip Code
Harrison NJ 07029

PROPERTY INFORMATION (Brief Property Description)

Block(s) / \ Lot(s) / \ Qualifier
50.02 6

Street Address: / \
774 Harrison Avenue

City, Town, Post Office / \ State / \ Zip Code
Harrison NJ 07029

Seller's Percentage of Ownership / \ Consideration / \ Closing Date
100% \$1.00 1-29-2014

SELLER ASSURANCES (Check the Appropriate Box) (Boxes 2 through 10 apply to Residents and Non-residents)

- I am a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
- The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.121.
- I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
- Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
- Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A.54A:1-1 et seq.
- The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
- The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).
- No non-like kind property received.
- Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.
- The property being sold is subject to a short sale instituted by the mortgagee, whereby the seller has agreed not to receive any proceeds from the sale and the mortgagee will receive all proceeds paying off an agreed amount of the mortgage.
- The deed being recorded is a deed dated prior to the effective date of P.L. 2004, c. 55 (August 1, 2004), and was previously unrecorded.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box I certify that the Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

JAN. 29, 2014

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

RTF-1 (Rev. 7/14/10)
MUST SUBMIT IN DUPLICATE

STATE OF NEW JERSEY

AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L.1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY

Hudson

}ss. County Municipal Code
0904

MUNICIPALITY OF PROPERTY LOCATION Harrison

FOR RECORDER'S USE ONLY

Consideration \$ _____
RTF paid by seller \$ _____
Date _____ By _____

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (Instructions #3 and #4 on reverse side)

Deponent, Raymond J. McDonough, being duly sworn according to law upon his/her oath, deposes and says that he/she is the Mayor of the Town of Harrison in a deed dated January 29, 2014 transferring (Grantor; Legal Representative, Corporate Officer, Officer of Title Company, Lending Institution, etc.)

real property identified as Block number 50.02 Lot number 6 located at 774 Harrison Avenue, Harrison and annexed thereto.

(Street Address, Town)

(2) CONSIDERATION \$ 1.00 (Instructions #1 and #5 on reverse side) no prior mortgage to which property is subject.(3) Property transferred is Class 4A 4B 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.

(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A (COMMERCIAL) PROPERTY TRANSACTIONS: (Instructions #5A and #7 on reverse side)

$$\text{Total Assessed Valuation} \div \text{Director's Ratio} = \text{Equalized Assessed Valuation}$$

\$ + % = \$

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

(a) For consideration of less than \$100; (b) By or to the United States of America, this State, or any instrumentality, agency or subdivision

(5) PARTIAL EXEMPTION FROM FEE (Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic, Supplemental, and General Purpose Fees, as applicable, imposed by C. 176, P.L. 1975; C. 113, P.L. 2004, and C. 66, P.L. 2004 for the following reason(s):

A. **SENIOR CITIZEN** Grantor(s) 62 years of age or over.* (Instruction #9 on reverse side for A or B)

B. **BLIND PERSON** Grantor(s) legally blind or; **DISABLED PERSON** Grantor(s) permanently and totally disabled receiving disability payments not gainfully employed*

Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:

Owned and occupied by grantor(s) at time of sale. Resident of State of New Jersey.
 One or two-family residential premises. Owners as joint tenants must all qualify.

*IN CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEED QUALIFY IF TENANTS BY THE ENTIRETY.

C. **LOW AND MODERATE INCOME HOUSING** (Instruction #9 on reverse side)

Affordable according to H.U.D. standards. Reserved for occupancy.
 Meets income requirements of region. Subject to resale controls.

(6) NEW CONSTRUCTION (Instructions #2, #10, #12 on reverse side)

FILED

20140313010018510

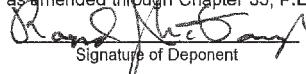
Entirely new improvement. Not previously occupied 2013/2014 03:35:10 PM
 Not previously used for any purpose. "NEW CONSTRUCTION" printed clearly at top of first page of the deed.

(7) RELATED LEGAL ENTITIES TO LEGAL ENTITIES (Instructions #5, #12, #14 on reverse side)

No prior mortgage assumed or to which property is subject at time of sale.
 No contributions to capital by either grantor or grantee legal entity.
 No stock or money exchanged by or between grantor or grantee legal entities.

(8) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me
this 29 day of January, 2014


Signature of Deponent

Town of Harrison
Grantor Name

318 Harrison Avenue, Harrison

318 Harrison Avenue, Harrison, NJ

Deponent Address

Grantor Address at Time of Sale

XXX-XXX-966

Name/Company of Settlement Officer

Last three digits in Grantor's Social Security Number

FOR OFFICIAL USE ONLY

Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

County recording officers shall forward one copy of each RTF-1 form when Section 3A is completed to:

STATE OF NEW JERSEY
PO BOX 251

TRENTON, NJ 08695-0251

ATTENTION: REALTY TRANSFER FEE UNIT

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and it may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division's website at: www.state.nj.us/treasury/taxation/lpt/localtax.shtml.

**Harrison Project
Closeout Final Billings**

	<u>Amount</u>
Final Billing - Town of Harrison	
Harrison permits - Domus	\$ 242
Development fee - Domus	\$ 68,420
Elevator certificate - St NJ (Domus)	\$ 76
Project Operating Deficit Reserve	\$ 154,288
Working Capital Reserve - HMFA	\$ 22,245
Insurance Escrow - HMFA	\$ 6,360
Tax escrow - HMFA	\$ 1,814
Use of Hard Cost Contingency - Lobby	\$ 79,905
Renovations - Del Sano Contracting	
Total	\$ 333,350

THE RED THERMO SECURED "SP" LOGO IN THE LOWER CORNER OF THIS CHECK MUST FADE TEMPORARILY WHEN WARMED BY TOUCH OR FRICTION. SEE BACK FOR ADDITIONAL FEATURES.

DOMUS CORPORATION
590 N. 7TH STREET
NEWARK, NJ 07107

DATE 2/24/14

001697

11-24/1210

PAY
TO THE
ORDER OF

Township of Harrison

\$ 241.00

WELL'S
FARGO Wells Fargo Bank, N.A.

MEMO Bulky Permit # 20140040(3)

DOLLARS

H. Harrison

1000669710 16210002481 20300008769301

THE RED THERMO SECURED "SP" LOGO IN THE LOWER CORNER OF THIS CHECK MUST FADE TEMPORARILY WHEN WARMED BY TOUCH OR FRICTION. SEE BACK FOR ADDITIONAL FEATURES.

Department
of
Construction Inspection
Harrison, New Jersey



Date Issued 2/24/14
Control # 13629, 13759
Permit # 20140040-Update 1+2

CONSTRUCTION PERMIT NOTICE

Block 50.02 Lot 6 Qualification Code

Work Site Location: 774 Harrison Ave.
Harrison, NJ 07029

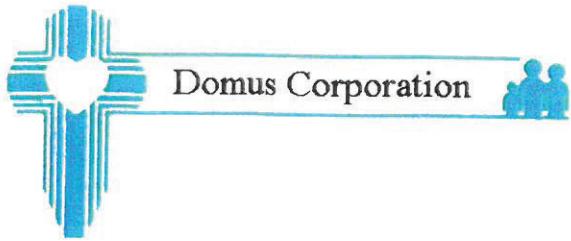
AUTHORIZED FOR:

- BUILDING
- PLUMBING
- ELEVATOR DEVICES
- OTHER Install New 4 Story 15 Unit

Description of Work: Senior Residence
(Modular Construction)

This notice shall be posted conspicuously at the work site and shall remain so until issuance of a certificate.

U.C.C. F180
(rev. 3/03)



Domus Corporation

Office of the President

590 North 7th Street

Newark, NJ 07107

973.596.3984, jwestervelt@ccannj.org

Invoice # 8
October 26, 2015

This invoice represents amount due for the developer Fee for Harrison Senior Res. project located at 774 Harrison Ave Harrison NJ.

Total Due Domus Corp.	\$ 68,420.00
-----------------------	--------------

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF CODES AND STANDARDS
BUREAU OF CODE SERVICES
ELEVATOR SAFETY UNIT

APPLICATION FOR REGISTRATION

OWNER NAME AND ADDRESS:

HARRISON SENIOR RESIDENCE L.P.
590 N. 7th St.
NEWARK, NJ 07107

DATE ISSUED:

BUILDING NAME AND ADDRESS:

HARRISON SENIOR RESIDENCE
274 HARRISON AVE
HARRISON, NJ 07029

APPLICATION #:

PRINT or TYPE all information. Application is due 30 days after receipt.
Please see attached for instructions and payment information.

SECTION I BUILDING INFORMATION

PAYMENT AMOUNT ENCLOSED: \$ 76.00

Building Name: HARRISON SENIOR RESIDENCE

Building Street Number: 774 Building Street Name: HARRISON AVE

Building City: HARRISON

Municipality: HARRISON / ESSEX
(To which taxes are paid)

Lot: 6 Block: 50.02 Use Group: R-2 (see instructions)

SECTION II: OWNER INFORMATION

Owners Name (1): HARRISON SENIOR RESIDENCE L.P.

FOR OFFICE USE ONLY
COMU CODE:

Owners Name (2): _____

Owners Street Address: 590 N. 7th St.

Owners City: Newark State: NJ Zip-Code: 07107

Owners Phone Number: 973-596-3827 Fax Number: 973-586-4059

Ownership Type: Corporate Individual/Sole Proprietorship Partnership
(Please Check) Government-Type Other- explain _____

SECTION III: CONTACT INFORMATION

Contact Name: R.P. MARZULLI Co. Inc.

Contact Street Address: 264 Belleville Ave.

Contact City: Bloomfield State: NJ Zip-Code: 07003

Contact Phone Number: 973-743-2300 Fax Number: 973-743-8021

Give Check
to
Dan Murphy



Del-Sano Contracting Corp

Design Build

General Construction

Construction Management

Project:

Harrison Senior Housing - Finish Upgrades

Location:

Harrison, NJ

Date:

Tuesday October 13th 2015

General

Del-Sano Contracting Corp

Contractor:

2037 Morris Ave Union, New Jersey 07083

Alex Kenny (908) 688-8891 ext. 39

Proposal

Del-Sano Contracting is pleased to present the following:

1. Division 01 – General Requirements:
 - a. Del-Sano anticipates a construction timeline of approximately **3 week** duration.
 - b. Project management and accounting
 - c. Sales Tax is **excluded**.
 - d. Pricing is based on **Residential Prevailing Wage** rates.
2. Division 06 – Interior Architectural Woodwork:
 - a. Per drawings A2.03 and A2.04, both revision 5 dated 4-8-14, Del-Sano is furnishing and installing stain-grade red oak or poplar trim wainscot in the lobby, and all common hallways on floors 1-4.
 - b. Crown molding is based on Dykes Lumber #611 in red oak or poplar, stain grade.
 - c. Wainscot will be limited to hallways, lobby, and Activity Room.
 - d. Trim around the doors is excluded.
3. Division 08 – Openings:
 - a. Swap out 23 hardware sets. Material allowance per set: \$150.00
4. Division 09 – Finishes:
 - a. Vinyl Wall Covering is to be applied over existing painted walls in the hallways, main lobby, and Activity Room. Total area: approximately 350 square yards.
5. Division 26 – Lighting:
 - a. Swap-out the following quantities:



26400 Swap Out Fixtures: F2	6 EA	Metalux GR LED Series LED Troffer
26400 Swap Out Fixtures: A	2 EA	Sea Gull Lighting Decorative Drop Lens Espresso Ceiling Fluorescent Light
26400 Swap Out Fixtures: A-E	1 EA	Sea Gull Lighting Decorative Drop Lens Espresso Ceiling Fluorescent Light
26400 Swap Out Fixtures: D42	13 EA	Utilitech Pro 100-Watt Equivalent White LED Recessed Retrofit Downlight



Del-Sano Contracting Corp

Design Build

* General Construction

* Construction Management

Bid Breakdown

Millwork: \$ 47,713

Hardware: \$ 5,234

Finishes: \$ 8,369

Electrical: \$ 7,032

General Conditions,
Overhead and Fee: \$ 11,554

Total: \$ 79,905

APPENDIX E

ASH Affordable Senior Housing Zone Documentation:

- **Ordinance #1404 amending Land Development Ordinance to include provisions for the ASH Affordable Senior Housing Zone (Adopted April 7, 2020)**

TOWN OF HARRISON

COUNTY OF HUDSON

ORDINANCE NO. 1404

**AN ORDINANCE AMENDING CHAPTER 17 ENTITLED "LAND DEVELOPMENT ORDINANCE"
OF THE CODE OF THE TOWN OF HARRISON TO INCLUDE PROVISIONS FOR THE
AFFORDABLE SENIOR HOUSING ZONE**

WHEREAS, the Mayor and Council of the Town of Harrison have the power to adopt or amend zoning ordinances provided such ordinances or amendments are either (i) substantially consistent with the Land Use Plan Element and the Housing Element of the Master Plan or (ii) designed to effectuate such plan elements pursuant to N.J.S.A. 40:55D-62; and

WHEREAS, the Mayor and Council of the Town of Harrison desire to create a realistic opportunity for the creation of affordable housing within the Town; and

WHEREAS, the Mayor and Council of the Town of Harrison has determined that certain land within the Town is suited for age-restricted affordable development; and

WHEREAS, the Town wishes to foster development that provides affordable housing for seniors; and

WHEREAS, the Town has a constitutional obligation to create a realistic opportunity for the construction of its fair share of the region's need for affordable housing; and

WHEREAS, pursuant to that obligation, the Town entered into a settlement agreement with Fair Share Housing Center ("FSHC"), which was signed by the Mayor on November 12, 2019, which provides for a new affordable senior housing zone along Supor Boulevard; and

WHEREAS, a Housing Element and Fair Share Plan was prepared and adopted by the Planning Board on December 17, 2019 ("HEFSP") recommending the implementation of an affordable senior housing zone.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF HARRISON, IN THE TOWN OF HARRISON AS FOLLOWS:

THAT: Ordinance Section 17-81.1, entitled "Establishment of Zones," is hereby amended to remove the "AH Affordable Housing Overlay" and the "SAH/SH Senior and Affordable Housing Zone" and include the "ASH Affordable Senior Housing Zone."

THAT: Ordinance Section 17-81.2, entitled "Zoning Map" is hereby amended to read as follows:
"The location and boundaries of the above zones are hereby established on the Zoning Map, dated January 2020, which is attached hereto and made part of this Chapter."

THAT: The Official Zoning Map of the Town of Harrison is hereby amended in accordance with Attachment A to rezone the following parcels to the ASH Affordable Housing Zone:

Block 89	Lots 1, 5, 6, 7, 8, 27, and 33
Block 189	Lot 1
Block 193	Lots 1, 2, 4, 5, 27, and 32
Block 198	Lot 1
Block 199	Lots 1, 5, 9, 13, 19, 20, 21, and 23
Block 202	Lot 1, 13, 17, and 21

THAT: Ordinance Section 17-83, entitled "Affordable Housing Overlay" is deleted in its entirety and replaced with the following:

17-83 ASH Affordable Senior Housing Zone

- A. Purpose. The principal purpose of the ASH Affordable Senior Housing Zone is to provide areas within the Town for age-restricted affordable development in the form of multi-family, townhouse, and/or mixed-use development. The development shall include age-restricted affordable housing that will be incorporated into the multi-family, townhouse, and/or mixed-use development. A minimum of 98 age-restricted affordable units shall be generated from this zone.

The units may be delivered as part of an inclusionary development and/or as a 100% affordable development.

B. Permitted Principal Uses.

1. Multi-Family Housing. Multi-family housing is a building containing (4) or more dwelling units where each unit is joined to other dwelling units above, adjacent, and/or below. Also known as an “apartment building.”
2. Townhouse. A townhouse is a single-family dwelling in a row of at least three such attached dwellings in which each dwelling has its own front and rear access to the outside. No dwelling is located over another dwelling and each dwelling is separated from all other attached dwellings by one or more vertical common fire-resistant walls.
3. Mixed-Use Development. Mixed-use development is the development of a tract of land or building or structure with two or more permitted uses, one of which shall be residential. Permitted non-residential uses include office/co-working space, retail, restaurants, medical uses, TV and film studios, adult educational facilities/schools. Office/co-working space is an arrangement where multiple companies share an office space in order to save costs through the utilization of common facilities, including office space, equipment, utilities, and administrative staff such as a receptionist and/or IT personnel.

C. Permitted Accessory Uses.

1. All uses accessory and incidental to the principal use

D. Area and Yard Requirements

1. Minimum lot area: 20,000 square feet
2. Minimum setback from the public right-of-way:
 - i. Residential-only development: 10 feet
 - ii. Mixed-use development: 5 feet

E. Maximum Height

1. 6 stories if parking is provided under the building
2. 5 stories if no parking is provided under the building

F. Maximum Density

1. 55 dwelling units per acre

G. Minimum Off-Street Parking

1. Age-restricted residential: 1 space per unit
2. Office/Retail/Financial Institutions/TV and Film Studios: 1 space per 1,000 square feet of gross floor area
3. Off-site parking is permitted for non-residential uses only if the developer can provide a long-term parking arrangement to the satisfaction of the Planning Board.

H. Affordable Housing

1. A minimum on-site affordable housing set-aside of 15% shall be required for rental residential inclusionary development and 20% for sales inclusionary development.
2. The development of all affordable units shall comply with the executed Settlement Agreement between the Town and Fair Share Housing Center (signed by the Town on November 12, 2019), the Uniform Housing Affordability Controls (“UHAC”) found at N.J.A.C. 5:80-26.1 et. seq. or any successor legislation; COAH’s applicable regulations including but not limited to the phasing requirements of N.J.A.C. 5:97-6.4(d); the Fair Housing Act, and all other relevant law, including but not limited to, affirmative marketing requirements, bedroom and income distribution requirements, and deed-restriction requirements.

3. A minimum of 50% of all affordable units shall be affordable to very low and low-income households. A minimum of 13% of all affordable units shall be affordable to very low-income households. All other affordable units may be affordable to moderate-income households.
4. Affordable units shall remain affordable for a period of at least thirty (30) years from the date of their initial occupancy.
5. The developer's obligations related to the creation of Affordable Housing shall, as a condition of any site plan approval, be incorporated into a developer's agreement with the Town of Harrison.
6. A 100% age-restricted affordable development is permitted.

- I. Article V, "Development Requirements and Standards" of the Harrison Land Development Ordinance shall apply. Should the standards in Article V conflict with the standards in this ordinance section, the standards in this section shall apply.

THAT: Zoning Schedule I, entitled "Bulk Regulations – All Districts," and Zoning Schedule II-A, entitled "Use Regulations – Residential Districts," is hereby amended to remove all references to the SH Senior Housing Zone and AH Affordable Housing Overlay and shall include the following additional language:

"ASH Affordable Senior Housing Zone: see Ordinance Section 17-83
Affordable Senior Housing Zone for all use and bulk regulations"

BE IT FURTHER ORDAINED that all prior Ordinances which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

BE IT FURTHER ORDAINED that this Ordinance shall become effective immediately upon final passage and publication as required by law.

/s/ Ellen Mendoza
Councilwoman Ellen Mendoza

Introduced: 04-07-2020

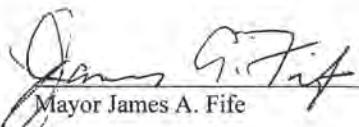
I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council held on April 7, 2020, the foregoing Ordinance passed on first reading.

/s/ Paul J. Zarbetski
Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT		X	X			
M. CAMANO			X			
M. DOIAGHAN			X			
J. DORAN	X		X			
J. HUARANGA			X			
E. MENDOZA			X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

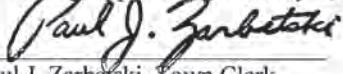
Adopted: 06-30-2020

Approved:



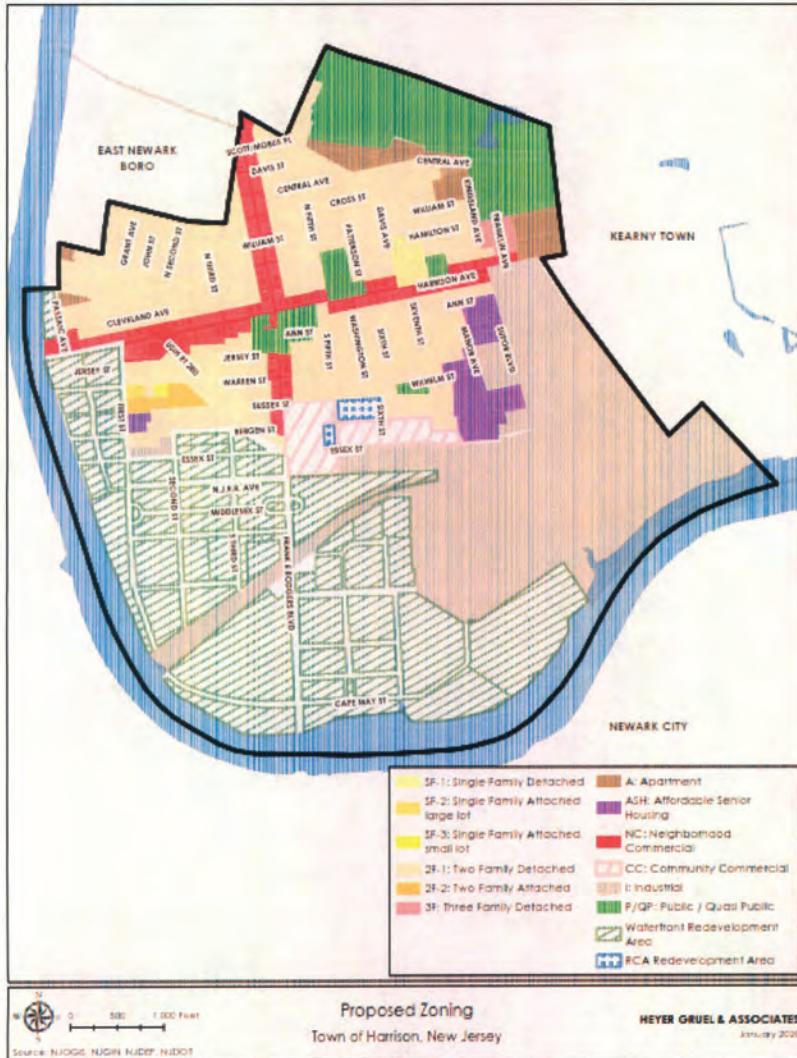
Mayor James A. Fife

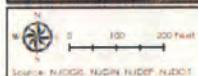
I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council duly held on June 30, 2020 the foregoing Ordinance, previously published according to law, was adopted on second reading, approved by the Mayor, spread in full in the ordinance book, and published according to law.



Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT		X	X			
M. CAMANO	X		X			
M. DOLAGHAN			X			
J. DORAN			X			
J. HUARANGA			X			
E. MENDOZA			X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			





Easterly ASH-Zoned Lots

Town of Harrison, New Jersey

HEYER GRUEL & ASSOCIATES
January 2020



 N
0 40 80 Feet
Source: NJDOG, NJDEP, NJDOT

Westerly ASH-Zoned Lots
Town of Harrison, New Jersey

HEYER GRUEL & ASSOCIATES
January 2000

TOWN OF HARRISON

COUNTY OF HUDSON

ORDINANCE NO. 1414

AN ORDINANCE OF THE TOWN OF HARRISON, COUNTY OF HUDSON, STATE OF NEW JERSEY ADOPTING AMENDMENTS TO THE REDEVELOPMENT PLAN FOR THE WATERFRONT REDEVELOPMENT AREA

WHEREAS, the Mayor and Council of the Town of Harrison ("Town") desires to adopt amendments to the Waterfront Redevelopment Plan prepared by Heyer, Gruel, & Associates PA; and

WHEREAS, the Town previously established a Redevelopment Area, pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.), which area is commonly referred to as the "Waterfront Redevelopment Area"; and

WHEREAS, a Redevelopment Plan for the redevelopment area, entitled "Harrison Waterfront Redevelopment Plan," was prepared by Heyer, Gruel, & Associates and adopted by Ordinance Number 1077 on July 23, 2003; and

WHEREAS, an Amended Redevelopment Plan for the redevelopment area entitled, "Amended Harrison Waterfront Redevelopment Plan 2012," was prepared by Heyer, Gruel, & Associates and adopted by Ordinance Number 1262 on April 24, 2012; and

WHEREAS, since the adoption of the Amended Redevelopment Plan (hereinafter the "Plan"), several supplemental amendments have been adopted; and

WHEREAS, since the adoption of the Plan and the supplemental amendments, there have been changes in conditions and circumstances; and

WHEREAS, one of such changes includes the Town's current efforts to address its constitutional obligation to provide for its fair share of very low-, low-, and moderate-income housing, as directed by the Superior Court and consistent with N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985, N.J.S.A.52:27D-301 et. seq.; and

WHEREAS, Redevelopment Plans are permitted to require the provision of affordable housing units per the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-7.b); and

WHEREAS, pursuant to that obligation, the Town entered into an amended settlement agreement with Fair Share Housing Center ("FSHC"), which was signed by the Town on November 12, 2019, which provides for inclusionary development within certain portions of the Waterfront Redevelopment Area; and

WHEREAS, a Housing Element and Fair Share Plan was prepared by the Town Planner and adopted by the Planning Board on December 14, 2017 ("2017 HEFSP"); and

WHEREAS, subsequent to the adoption of the 2017 HEFSP, revisions were made to the Plan and on December 17, 2019 the Planning Board adopted an amended HEFSP ("2019 HEFSP") recommending the implementation of inclusionary development within certain portions of the Waterfront Redevelopment Area; and

WHEREAS, the amendments will not compromise the core principles and goals of the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HARRISON AS FOLLOWS:

THAT: The "PLAN GOALS" shall be amended to include the following new goal:

"Address a portion of the Town's affordable housing obligation by redeveloping a portion of the Area for residential inclusionary development."

THAT: The Purpose of the "Residential District" section of the "LAND USE PLAN" shall be amended to read as follows:

"To provide opportunities for residential development, both market rate and affordable (on two blocks as indicated below), that will serve the needs of the Area in a neighborhood setting that will be integrated with the other Districts in the Area. In accordance with the Town's Settlement Agreement and pursuant to the sections below, 116 family rental affordable units will be produced in the Residential District."

THAT: The first paragraph of the Principal Permitted Uses of the "Residential District" section of the "LAND USE PLAN" shall be amended to read as follows:

"Multi-family and single-family attached housing, Offices, Retail sales and service, Restaurants, Financial institutions, Child care, Fitness centers, School, Parks, Public uses, Structured parking, Mixed-use development, and Inclusionary residential development (either within multi-family or mixed-use development) pursuant to the provisions of the "Affordable Housing" section below. Private social events such as weddings shall be permitted on the roof of the parking garage subject to approval of the Harrison Redevelopment Agency."

THAT: The "Residential District" section of the "LAND USE PLAN" shall be amended to include the following subsection, entitled "Affordable Housing":

"Affordable Housing:

The block bound by Burlington Street to the north, Second Street to the east, the railroad right-of-way to the south, and the proposed extension of First Street to the west (portion of Block 86 Lot 1.03) is required to be developed with multi-family inclusionary development at a maximum density of 110 units per acre with a required 15% affordable set-aside. A minimum of 70 affordable family rental units shall be generated on site.

The block bound by Burlington Street to the north, Third Street to the east, the railroad right-of-way to the south, and Second Street to the west (Block 103 Lot 1) is required to be developed with multi-family inclusionary development at a density of 110 units per acre with a required 15% affordable set-aside. A minimum of 46 affordable family rental units shall be generated on site.

In conformance with the Amended Settlement Agreement, residential development within the Residential District is required to provide 116 affordable family rental units. Residential units shall be developed in conformance with the approved Amended Settlement Agreement and all affordable housing units shall comply with the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et. seq. or any successor legislation, with the exception that in lieu of 10% of affordable units in rental projects being required to be affordable households earning at or below 35% of the regional median household income, a minimum of 13% of affordable units in such projects within each bedroom size is required to be affordable to households earning at or below 30% of the regional median household income. The proposed affordable units will comply with UHAC regulations, the FHA, applicable COAH regulations, the Harrison municipal affordable housing ordinance, and all other applicable laws.

The residential units in any redevelopment agreement that includes affordable housing shall comply with N.J.A.C. 5:97-6.6 and 6.4, including the phasing requirements of N.J.A.C. 5:97-6.4(d)."

THAT: The first paragraph of the Purpose of the "Planned Office District" section of the "LAND USE PLAN" shall be amended to read as follows:

"To provide for large-scale non-residential, comprehensively planned development on the 20-acre PSE&G site south of the PATH station. The District is envisioned to consist of towers, 10 to 25 stories in height, designed as signature buildings. The ground floors may contain restaurants and other uses that will provide amenities to the occupants of the buildings. The upper floors may contain offices, hotel space, and health clubs. Additionally, in accordance with the Town's Amended Settlement Agreement and pursuant to the sections below, approximately 8 acres of the site shall be developed for inclusionary residential development, which shall generate a minimum of 120 family affordable units on site."

THAT: The "Planned Office District" section of the "LAND USE PLAN" shall be amended to amend the Principal Permitted Uses subsection and add an additional subsection, entitled "Affordable Housing":

"Principal Permitted Uses:

Office, Retail sales and service, Fitness centers, Wellness centers, Hotels (minimum 110 rooms), Financial institutions, Restaurants, Mixed-use development, Childcare facilities, Public spaces, Parks, Public uses and Structured parking. Telecommunications antennae are permitted on buildings but must be below the roofline and painted the color of the building. Inclusionary residential development within a mixed-use project is permitted pursuant to the provisions of the "Affordable Housing" section below. Drive-thru uses are not permitted.

"Affordable Housing:

A maximum of eight (8) acres of the Planned Office District are required to be developed with multi-family inclusionary development at a density of 100 units per acre with a required 15%

affordable set-aside. A minimum of 120 affordable family rental units shall be generated on site.

In conformance with the Amended Settlement Agreement, residential development within the Planned Office District is required to provide 120 affordable family rental units. Residential units shall be developed in conformance with the approved Settlement Agreements and all affordable housing units shall comply with the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et. seq. or any successor legislation, with the exception that in lieu of 10% of affordable units in rental projects being required to be affordable households earning at or below 35% of the regional median household income, a minimum of 13% of affordable units in such projects within each bedroom size is required to be affordable to households earning at or below 30% of the regional median household income. The proposed affordable units will comply with UHAC regulations, the FHA, applicable COAH regulations, the Harrison municipal affordable housing ordinance, and all other applicable laws.

The residential units in any redevelopment agreement that includes affordable housing shall comply with N.J.A.C. 5:97-6.6 and 6.4, including the phasing requirements of N.J.A.C. 5:97-6.4(d)."

BE IT FURTHER ORDAINED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HARRISON:

THAT: All prior Ordinances, which are inconsistent with the provisions of this Ordinance, as well as any prior versions of the above referenced maps, are hereby repealed to the extent of such inconsistency.

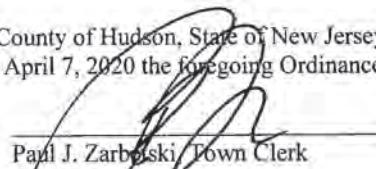
THAT: This Ordinance shall become effective immediately upon final passage and publication as requires by law.

/s/ Ellen Mendoza

Councilwoman Ellen Mendoza

Introduced: 04-07-2020

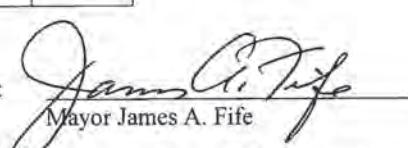
I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council held on April 7, 2020 the foregoing Ordinance passed on first reading.


Paul J. Zarbetski, Town Clerk

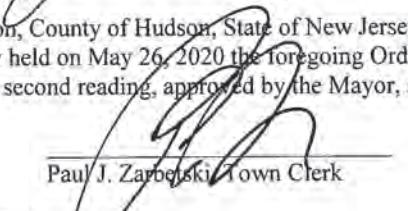
Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT		X	X			
M. CAMANO			X			
M. DOLAGHAN			X			
J. DORAN	X		X			
J. HUARANGA			X			
E. MENDOZA			X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

Adopted: 05-26-2020

Approved:


Mayor James A. Fife

I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council duly held on May 26, 2020 the foregoing Ordinance, previously published according to law, was adopted on second reading, approved by the Mayor, spread in full in the ordinance book, and published according to law.


Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT			X			
M. CAMANO	X		X			
M. DOLAGHAN			X			
J. DORAN			X			
J. HUARANGA			X			
E. MENDOZA		X	X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

APPENDIX F

Waterfront Redevelopment Area Documentation:

- **Ordinance #1414 amending Waterfront Redevelopment Plan (Adopted May 26, 2020)**

TOWN OF HARRISON

COUNTY OF HUDSON

ORDINANCE NO. 1414

AN ORDINANCE OF THE TOWN OF HARRISON, COUNTY OF HUDSON, STATE OF NEW JERSEY ADOPTING AMENDMENTS TO THE REDEVELOPMENT PLAN FOR THE WATERFRONT REDEVELOPMENT AREA

WHEREAS, the Mayor and Council of the Town of Harrison ("Town") desires to adopt amendments to the Waterfront Redevelopment Plan prepared by Heyer, Gruel, & Associates PA; and

WHEREAS, the Town previously established a Redevelopment Area, pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.), which area is commonly referred to as the "Waterfront Redevelopment Area"; and

WHEREAS, a Redevelopment Plan for the redevelopment area, entitled "Harrison Waterfront Redevelopment Plan," was prepared by Heyer, Gruel, & Associates and adopted by Ordinance Number 1077 on July 23, 2003; and

WHEREAS, an Amended Redevelopment Plan for the redevelopment area entitled, "Amended Harrison Waterfront Redevelopment Plan 2012," was prepared by Heyer, Gruel, & Associates and adopted by Ordinance Number 1262 on April 24, 2012; and

WHEREAS, since the adoption of the Amended Redevelopment Plan (hereinafter the "Plan"), several supplemental amendments have been adopted; and

WHEREAS, since the adoption of the Plan and the supplemental amendments, there have been changes in conditions and circumstances; and

WHEREAS, one of such changes includes the Town's current efforts to address its constitutional obligation to provide for its fair share of very low-, low-, and moderate-income housing, as directed by the Superior Court and consistent with N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985, N.J.S.A.52:27D-301 et. seq.; and

WHEREAS, Redevelopment Plans are permitted to require the provision of affordable housing units per the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-7.b); and

WHEREAS, pursuant to that obligation, the Town entered into an amended settlement agreement with Fair Share Housing Center ("FSHC"), which was signed by the Town on November 12, 2019, which provides for inclusionary development within certain portions of the Waterfront Redevelopment Area; and

WHEREAS, a Housing Element and Fair Share Plan was prepared by the Town Planner and adopted by the Planning Board on December 14, 2017 ("2017 HEFSP"); and

WHEREAS, subsequent to the adoption of the 2017 HEFSP, revisions were made to the Plan and on December 17, 2019 the Planning Board adopted an amended HEFSP ("2019 HEFSP") recommending the implementation of inclusionary development within certain portions of the Waterfront Redevelopment Area; and

WHEREAS, the amendments will not compromise the core principles and goals of the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HARRISON AS FOLLOWS:

THAT: The "PLAN GOALS" shall be amended to include the following new goal:

"Address a portion of the Town's affordable housing obligation by redeveloping a portion of the Area for residential inclusionary development."

THAT: The Purpose of the "Residential District" section of the "LAND USE PLAN" shall be amended to read as follows:

"To provide opportunities for residential development, both market rate and affordable (on two blocks as indicated below), that will serve the needs of the Area in a neighborhood setting that will be integrated with the other Districts in the Area. In accordance with the Town's Settlement Agreement and pursuant to the sections below, 116 family rental affordable units will be produced in the Residential District."

THAT: The first paragraph of the Principal Permitted Uses of the "Residential District" section of the "LAND USE PLAN" shall be amended to read as follows:

"Multi-family and single-family attached housing, Offices, Retail sales and service, Restaurants, Financial institutions, Child care, Fitness centers, School, Parks, Public uses, Structured parking, Mixed-use development, and Inclusionary residential development (either within multi-family or mixed-use development) pursuant to the provisions of the "Affordable Housing" section below. Private social events such as weddings shall be permitted on the roof of the parking garage subject to approval of the Harrison Redevelopment Agency."

THAT: The "Residential District" section of the "LAND USE PLAN" shall be amended to include the following subsection, entitled "Affordable Housing":

"Affordable Housing:

The block bound by Burlington Street to the north, Second Street to the east, the railroad right-of-way to the south, and the proposed extension of First Street to the west (portion of Block 86 Lot 1.03) is required to be developed with multi-family inclusionary development at a maximum density of 110 units per acre with a required 15% affordable set-aside. A minimum of 70 affordable family rental units shall be generated on site.

The block bound by Burlington Street to the north, Third Street to the east, the railroad right-of-way to the south, and Second Street to the west (Block 103 Lot 1) is required to be developed with multi-family inclusionary development at a density of 110 units per acre with a required 15% affordable set-aside. A minimum of 46 affordable family rental units shall be generated on site.

In conformance with the Amended Settlement Agreement, residential development within the Residential District is required to provide 116 affordable family rental units. Residential units shall be developed in conformance with the approved Amended Settlement Agreement and all affordable housing units shall comply with the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et. seq. or any successor legislation, with the exception that in lieu of 10% of affordable units in rental projects being required to be affordable households earning at or below 35% of the regional median household income, a minimum of 13% of affordable units in such projects within each bedroom size is required to be affordable to households earning at or below 30% of the regional median household income. The proposed affordable units will comply with UHAC regulations, the FHA, applicable COAH regulations, the Harrison municipal affordable housing ordinance, and all other applicable laws.

The residential units in any redevelopment agreement that includes affordable housing shall comply with N.J.A.C. 5:97-6.6 and 6.4, including the phasing requirements of N.J.A.C. 5:97-6.4(d)."

THAT: The first paragraph of the Purpose of the "Planned Office District" section of the "LAND USE PLAN" shall be amended to read as follows:

"To provide for large-scale non-residential, comprehensively planned development on the 20-acre PSE&G site south of the PATH station. The District is envisioned to consist of towers, 10 to 25 stories in height, designed as signature buildings. The ground floors may contain restaurants and other uses that will provide amenities to the occupants of the buildings. The upper floors may contain offices, hotel space, and health clubs. Additionally, in accordance with the Town's Amended Settlement Agreement and pursuant to the sections below, approximately 8 acres of the site shall be developed for inclusionary residential development, which shall generate a minimum of 120 family affordable units on site."

THAT: The "Planned Office District" section of the "LAND USE PLAN" shall be amended to amend the Principal Permitted Uses subsection and add an additional subsection, entitled "Affordable Housing":

"Principal Permitted Uses:

Office, Retail sales and service, Fitness centers, Wellness centers, Hotels (minimum 110 rooms), Financial institutions, Restaurants, Mixed-use development, Childcare facilities, Public spaces, Parks, Public uses and Structured parking. Telecommunications antennae are permitted on buildings but must be below the roofline and painted the color of the building. Inclusionary residential development within a mixed-use project is permitted pursuant to the provisions of the "Affordable Housing" section below. Drive-thru uses are not permitted.

"Affordable Housing:

A maximum of eight (8) acres of the Planned Office District are required to be developed with multi-family inclusionary development at a density of 100 units per acre with a required 15%

affordable set-aside. A minimum of 120 affordable family rental units shall be generated on site.

In conformance with the Amended Settlement Agreement, residential development within the Planned Office District is required to provide 120 affordable family rental units. Residential units shall be developed in conformance with the approved Settlement Agreements and all affordable housing units shall comply with the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et. seq. or any successor legislation, with the exception that in lieu of 10% of affordable units in rental projects being required to be affordable households earning at or below 35% of the regional median household income, a minimum of 13% of affordable units in such projects within each bedroom size is required to be affordable to households earning at or below 30% of the regional median household income. The proposed affordable units will comply with UHAC regulations, the FHA, applicable COAH regulations, the Harrison municipal affordable housing ordinance, and all other applicable laws.

The residential units in any redevelopment agreement that includes affordable housing shall comply with N.J.A.C. 5:97-6.6 and 6.4, including the phasing requirements of N.J.A.C. 5:97-6.4(d)."

BE IT FURTHER ORDAINED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF HARRISON:

THAT: All prior Ordinances, which are inconsistent with the provisions of this Ordinance, as well as any prior versions of the above referenced maps, are hereby repealed to the extent of such inconsistency.

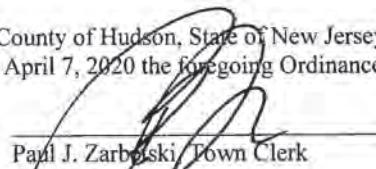
THAT: This Ordinance shall become effective immediately upon final passage and publication as requires by law.

/s/ Ellen Mendoza

Councilwoman Ellen Mendoza

Introduced: 04-07-2020

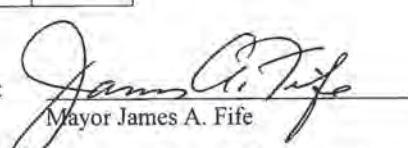
I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council held on April 7, 2020 the foregoing Ordinance passed on first reading.


Paul J. Zarbetski, Town Clerk

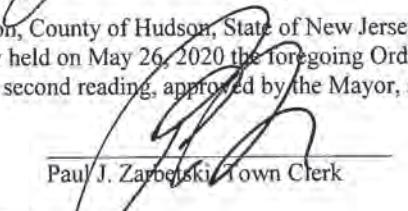
Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT		X	X			
M. CAMANO			X			
M. DOLAGHAN			X			
J. DORAN	X		X			
J. HUARANGA			X			
E. MENDOZA			X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

Adopted: 05-26-2020

Approved:


Mayor James A. Fife

I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council duly held on May 26, 2020 the foregoing Ordinance, previously published according to law, was adopted on second reading, approved by the Mayor, spread in full in the ordinance book, and published according to law.


Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT			X			
M. CAMANO	X		X			
M. DOLAGHAN			X			
J. DORAN			X			
J. HUARANGA			X			
E. MENDOZA		X	X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

APPENDIX G

100% Affordable Development Documentation:

- **Ordinance #1429 providing funding for the purchase of Lots 6 and 10 in Block 196 for the purpose of developing 100% affordable housing (Adopted December 15, 2020)**
- **Resolution #2021-56 appropriating funds in the event of a shortfall in funding for the Town's affordable housing programs (Adopted March 16, 2021)**

TOWN OF HARRISON

COUNTY OF HUDSON

ORDINANCE NO. 1429

AN ORDINANCE PROVIDING FOR THE PURCHASE OF LAND DESCRIBED ON THE OFFICIAL TAX MAP OF THE TOWN OF HARRISON AS BLOCK 196, LOTS 6 & 10

WHEREAS: The Town of Harrison (hereafter "Town") has certain obligations regarding the building of affordable housing in the Town of Harrison (hereafter "Obligations"); and

WHEREAS: The Town has an affordable housing trust fund (hereafter "Fund"), which Fund may be used by the Town to satisfy part or all of its Obligations; and

WHEREAS: The Town wishes to satisfy part of its Obligations by purchasing certain real property in Harrison to be developed as affordable housing.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Harrison in the County of Hudson, State of New Jersey, as follows:

Section 1. All of the "Whereas" clauses above are incorporated herein by reference as if same were set forth at length herein.

Section 2. In accordance with the power and authority granted by *N.J.S.A. 40A:12-1, et seq.*, the Town of Harrison shall acquire by purchase (hereinafter the "Purchase") all of the land, buildings, improvements, and fixtures on the land described on the Official Tax Map of the Town of Harrison as Block 196, Lot 6, also known as 717-719 Harrison Avenue, from Mulock Properties, LLC (hereinafter "Lot 6"), and Block 196, Lot 10, also known as 709-711 Harrison Avenue, from West Hudson Properties, LLC (hereinafter "Lot 10").

Section 3. The purchase price is \$510,000 for Lot 6, and \$510,000 for Lot 10, and the money necessary for the Purchase shall come exclusively from the Fund.

Section 4. The Purchase shall be conditioned on and subject to all of the terms and conditions of a Contract of Sale, to be negotiated between the parties, with such contingencies and preconditions as shall be negotiated by the parties including, but not limited to:

- A. Availability of funds from the Fund sufficient for the Purchase, with such approvals required for same;
- B. Such due diligence deemed necessary by counsel for the Town such as title work, environmental assessment, etc.

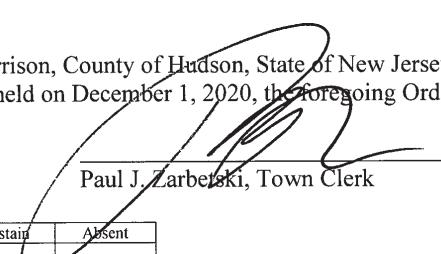
Section 5. The Mayor and the Town Clerk are hereby authorized and empowered to execute a Contract of Sale, on behalf of the Mayor and Council of the Town, in a form acceptable to legal counsel to the Town.

Section 6. This ordinance shall take effect after final passage and publication according to law.

/s/ Ellen Mendoza
Councilwoman Ellen Mendoza

Introduced: 12-01-2020

I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council held on December 1, 2020, the foregoing Ordinance passed on first reading.


Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	X		X			
M. CAMANO			X			
M. DOLAGHAN			X			
J. DORAN				X		
J. HUARANGA				X		
E. MENDOZA			X			
F. NASCIMENTO			X			
E. VILLALTA		X	X			
J. FIFE			X			

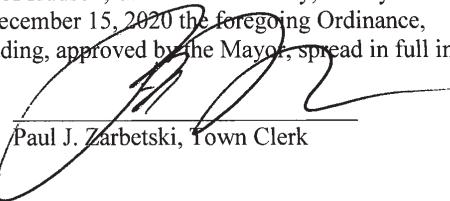
Adopted: 12-15-2020

Approved:



Mayor James A. Fife

I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council duly held on December 15, 2020 the foregoing Ordinance, previously published according to law, was adopted on second reading, approved by the Mayor, spread in full in the ordinance book, and published according to law.


Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	X		X			
M. CAMANO			X			
M. DOLAGHAN			X			
J. DORAN				X		
J. HUARANGA					X	
E. MENDOZA		X	X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

TOWN OF HARRISON

Meeting Date: 03/16/2021

Resolution #: R-2021-56



Committee: Legal

Presented by Councilperson:
Ellen Mendoza

HUDSON COUNTY

A RESOLUTION OF THE TOWN OF HARRISON TO APPROPRIATE FUNDS OR BOND IN THE EVENT OF A SHORTFALL IN FUNDING FOR THE TOWN'S AFFORDABLE HOUSING PROGRAMS

WHEREAS: The Town of Harrison has prepared a Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301); and

WHEREAS: The Town adopted a Housing Element and Fair Share Plan on or about May 11, 2020; and

WHEREAS: Due to changes in circumstances, the Town is in the process of amending its Housing Element and Fair Share Plan to reflect those changes in circumstances; and

WHEREAS: The Town has prepared an Amended Spending Plan consistent with P.L.2008, c.46, COAH regulations, which includes purchasing of lots for a 100% affordable housing project along Harrison Avenue (the "Purchase"); and

WHEREAS: In the event funding sources as identified in the proposed Spending Plan prove inadequate to complete the Purchase, and to the extent permitted by law, the Town shall provide sufficient funding to address any shortfalls.

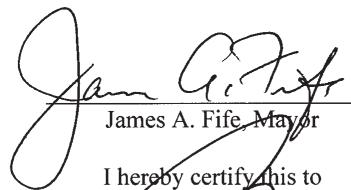
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:

THAT: To the extent permitted by law, the Town does hereby agree to appropriate funds or authorize the issuance of debt to fund any shortfall in the Purchase set forth in this Resolution; and

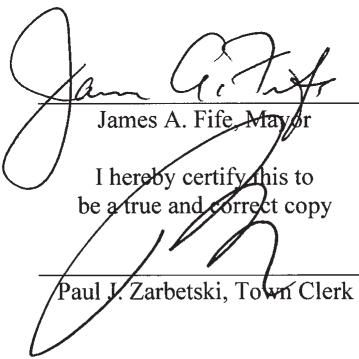
THAT: The Town agrees to appropriate funds or authorize the issuance of debt within 90 days of written notification by the Council on Affordable Housing or a court of competent jurisdiction; and

THAT: The Town may repay debt through future collections of development fees, as such funds come available.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. CAMANO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. DOLAGHAN	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. HUARANGA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. NASCIMENTO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


James A. Fife, Mayor

I hereby certify this to
be a true and correct copy


Paul J. Zarbetski, Town Clerk

APPENDIX H

2021 Adopted and Court-Approved Amended Spending Plan

TOWN OF HARRISON

Meeting Date: 04/20/2021

Committee: Legal

Resolution #: R-2021-64

Presented by Councilperson:
Ellen Mendoza



HUDSON COUNTY

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HARRISON, COUNTY OF HUDSON STATE OF NEW JERSEY ADOPTING THE SPENDING PLAN FOR THE AFFORDABLE HOUSING TRUST FUND

WHEREAS: The Town of Harrison has prepared a Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301); and

WHEREAS: A Development Fee Ordinance was originally adopted by the Town Council on December 5, 2006, and has subsequently been amended several times to reflect current regulations, and which established standards for collection, maintenance, and expenditure of development fees to be used for providing very low, low- and moderate-income housing in the Town; and

WHEREAS: The Development Fee Ordinance established an affordable housing trust fund that includes but is not limited to development fees, payments from developers in lieu of construction of affordable housing units on-site, barrier free escrow funds, repayments from affordable housing program loans, recapture funds, and proceeds from the sale of affordable units; and

WHEREAS: N.J.A.C. 5:97-8.1(d) requires municipalities with an affordable housing trust fund to receive approval of a Spending Plan from the Council on Affordable Housing or a court of competent jurisdiction prior to spending any of the funds in its housing trust fund; and

WHEREAS: The Town of Harrison prepared a Spending Plan consistent with N.J.A.C. 5:97-8.1 – 8.14 and P.L. 2008, c.46; and

WHEREAS: The Town of Harrison adopted the Spending Plan on May 26, 2020 and such Spending Plan was approved by the Court as a component of the Town's Judgment of Compliance and Repose (JOR) via an Order dated June 4, 2020; and

WHEREAS: Subsequent to the Town receiving its JOR, the Town realized additional opportunities to provide affordable housing and resolved to amend the Spending Plan to account for those additional opportunities; and

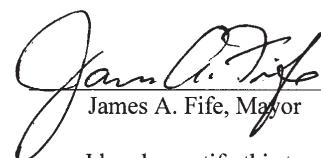
WHEREAS: The Town has prepared an amended Spending Plan, dated March 26, 2021, consistent with N.J.A.C. 5:97-8.1 – 8.14 and P.L. 2008, c.46; and

WHEREAS: The Town has submitted the amended Spending Plan to the Court for review and approval.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:

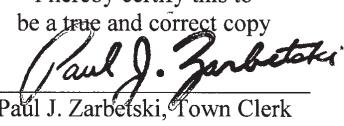
THAT: The Town hereby adopts the Spending Plan that is attached hereto as Exhibit A.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. CAMANO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. DOLAGHAN	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. HUARANGA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. NASCIMENTO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



James A. Fife, Mayor

I hereby certify this to
be a true and correct copy



Paul J. Zarbetski, Town Clerk

TOWN OF HARRISON

AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

Adopted by Town Council May 26, 2020

Approved by the Court as a component
of the Town's JOR via an Order dated June 4, 2020

Adopted by Town Council ___, 2021

Approved by Court ___, 2021

Town of Harrison
Hudson County, New Jersey

Prepared By:



Heyer, Gruel & Associates

Community Planning Consultants

236 Broad Street, Red Bank, NJ 07701

(732) 741-2900

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12

Susan S. Gruel, P.P. #1955

M. McKinley Mertz, AICP, P.P. #6368

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Attachments

Attachment A: Ordinance #1429 Providing for the Purchase of Land Described on the Official Tax Map of the Town of Harrison as Block 196, Lots 6 & 10

Attachment B: Resolution 2021-56 To Appropriate Funds or Bond in the Event of Shortfall in Funding for the 100% Affordable Development on Harrison Avenue.

Attachment C: Affordability Assistance Manual – For-Sale and Rental Units

INTRODUCTION

The Town of Harrison, Hudson County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). A development fee ordinance (Ordinance No. 1145) creating a dedicated revenue source for affordable housing was approved by COAH on June 23, 2006 and adopted by the Town on December 5, 2006. The development fee ordinance established standards for the collection, maintenance, and expenditure of development fees consistent with COAH rules and P.L.2008, c.46 (C.52:27D-329.1 et al.).

As of December 31, 2020, the Town had collected a total of \$5,633,432.26 in development fees, payments in lieu of construction, interest, and other income. Harrison has spent a total of \$333,350, leaving a balance of \$5,300,082.26. All development fees, payments in lieu of constructing affordable units on site, interest generated by the fees as well as any other source of income are deposited into this separate, interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93, or applicable regulations, as described in the sections that follow. The Town's trust fund is held at Valley National Bank.

Harrison's first Spending Plan was approved by COAH on February 7, 2014. An Amended Spending Plan was adopted by the Town Council on May 26, 2020 and approved by the Court as a component of the Town's JOR via an Order dated June 4, 2020. This Amended 2021 Spending Plan has been prepared as part of the Town's current efforts to address their fair share of the affordable housing need and supersedes all prior Spending Plans.

In accordance with the executed settlement agreement with Fair Share Housing Center (FSHC), dated November 12, 2019, the expenditures of funds contemplated under the FSHC agreement constitute a "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning 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). Upon approval of this Spending Plan, the Town shall provide an annual Mount Laurel Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to FSHC and posted on the municipal website, using forms developed for this purpose by DCA, COAH, or LGS.

This Amended Spending Plan is submitted to the Superior Court of New Jersey for approval to expend all current and future affordable housing trust fund monies, as necessary, that will contribute to the development of new affordable housing units.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Third Round "Substantive Certification," the Town of Harrison considered the following:

(a) Development fees

\$1,087,750.00

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL)

\$0.00

Actual and committed payments in lieu (PIL) of construction from developers. The Town does not anticipate the collection of a PIL.

(c) Other funding sources

\$0.00

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units. The Town does not anticipate additional funding from other sources.

(d) Projected interest

\$14,793.40

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate. The Town anticipates to collect \$14,793.40 in interest.

(e) Projected Revenues

Projected Revenues-Housing Trust Fund 2021 - 2025							
SOURCE OF FUNDS	Trust Fund balance as of 12/31/2021	2021	2022	2023	2024	2025	Total Revenue
Current Account Balance	\$5,300,082.26						
(a) Development fees/ Financial Agreements:							
1.Approved Development		\$95,000.00	\$251,250.00	\$130,250.00	-	\$376,250.00	\$852,750.00
Harrison Yards - Accordia Phase 1 (Block 133, Lot 1.01)		\$95,000.00	-	-	-	-	\$95,000.00
Harrison Commons Building 4		-	-	\$130,250.00	-	-	\$130,250.00
Riverbend Building D		-	\$251,250.00	-	-	\$251,250.00	\$502,500.00
SUPOR Properties		-	-	-	-	\$125,000.00	\$125,000.00
2.General Development Fees		\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00	\$47,000.00	\$235,000.00
(b) Payment in Lieu		-	-	-	-	-	-
(c) Other		-	-	-	-	-	-
(d) Interest		\$1,931.20	\$4,056.20	\$2,410.60	\$639.20	\$5,756.20	\$14,793.40
Total	\$5,300,082.26	\$143,931.20	\$302,306.20	\$179,660.60	\$47,639.20	\$429,006.20	\$6,402,625.66

*Between 2006 and December 31, 2020, The Town of Harrison had collected a total of \$5,633,432.26 in development fees, payments in lieu of construction, interest, and other income. Harrison has spent \$333,350 on the construction of Harrison Senior Housing, leaving a balance of \$5,300,082.26 as of the writing of this plan.

Based on approved projects, the Town of Harrison anticipates that \$852,750 will be collected between January 1, 2021 and December 31, 2025. The Town anticipates collecting an additional \$235,000 in general development fees based on Department of Community Affairs (DCA) construction data and historical trends of development fees collected by the Town from 2008 through 2019.

An additional \$14,793.40 in interest is projected to be earned. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. In conjunction with the existing trust fund balance of \$5,300,082.26, the Town projects total trust fund revenues and interest of \$6,402,625.66 through December 31, 2025.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues

Collection of development fee revenues shall be consistent with Harrison's development fee ordinance for both residential and non-residential developments.

(b) Distribution of development fee revenues

The Administrative Agent and the Municipal Housing Liaison will manage the projects outlined in this Spending Plan and the Housing Element and Fair Share Plan.

The release of funds requires the adoption of a resolution by the governing body. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

(c) Collection and distribution of barrier free funds

Collection and distribution of barrier free funds shall be consistent with the Town's Affordable Housing Ordinance and in accordance with applicable regulations. A process describing the collection and distribution procedures for barrier free escrow is detailed within the Town's Affordable Housing Ordinance.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

The following represent the anticipated affordable housing projects within the Town of Harrison that will utilize Trust Fund monies.

(a) Rehabilitation and new construction programs and projects (N.J.A.C. 5:93-8.16)

Rehabilitation Program:

As detailed in the Town's Housing Element and Fair Share Plan, the Town has a Present Need/Rehabilitation Share of 155 units.¹ The Town will supplement the County's HOME Program (which is available to both renter and owner-occupied units) with a Town-operated renter/owner rehabilitation program. The Town adopted the Rehabilitation Program Operating Manual on May 5, 2020, which is attached to this Plan as Attachment C. The Town will contribute \$956,342.83 from its Trust Fund to fund a Town-wide rehabilitation program that will supplement the County Rehabilitation Program by providing a minimum of \$10,000 per unit for up to 95 units.

Property Acquisition for 100% Affordable Development:

Block 196 Lots 6 and 10

On December 15, 2020, the Town approved via Ordinance No. 1429 (Attachment A) the purchase of Lots 6 and 10 in Block 196, to take place in 2021 for a total of \$1,020,000 for the purposes of developing 100% affordable housing.

Block 196 Lot 8, 9, and 12

In addition to the acquisition of Lots 6 and 10 in Block 196, the Town will also dedicate the following amounts in late 2021 towards property acquisition for 100% affordable housing: \$591,200 for the purchase of Lot 8 in Block 196, located at 715 Harrison Avenue; \$367,500 for the purchase of Lot 9 in Block 196, located at 713 Harrison Avenue; and \$699,600 for the purchase of Lot 12 in Block 196, located at 701-707 Harrison Avenue.

The Town plans to donate Lots 6, 8, 9, 10 and 12 in Block 196, the total of which measures approximately 25,000 square feet, and working with a 100% affordable developer to create a 25-to 40-unit family rental development.

(b) Affordability Assistance (N.J.A.C. 5:93-8.16)

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93-8.16, the Town is required to dedicate at least 30 percent of all development fees collected and interest earned to provide affordability assistance to low-, and moderate-income households.

¹ Two units were recently created with funds from the HOME Investment Partnership Program ("HOME"), bringing the Present Need/Rehabilitation Share to 153. The Town is in the process of amending its Housing Element and Fair Share Plan where additional information on these units will be provided.

In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very-low income households.

The calculation of available affordability assistance funds is performed by considering the lifetime of the Trust Fund. To project the funding amount that is dedicated to affordability assistance, all actual expenditures spent on new construction activities as well as rehabilitation activities from the inception of the fund are subtracted from the sum of the actual and projected development fees and interest. That total is multiplied by 30 percent to determine the 30 percent requirement. The actual affordability assistance expenditures from inception of the fund are then subtracted from the overall 30 percent requirement. This final outcome is the total remaining funds that must be dedicated to affordability assistance for the period moving forward.

The Town of Harrison has collected a total of \$5,633,432.26 in development fees and interest through December 31, 2020. The Town projects an additional \$1,087,750 in development fees and \$14,793.40 in interest through 2025. The Town has spent \$333,350 on the construction of the Harrison Senior Housing development. The Town has spent \$0.00 on affordability assistance at this time, leaving a total of \$1,920,787.70 to spend on affordability assistance.

Affordability Assistance		
Fees and interest collected through 12/31/2020		\$5,633,432.26
Projected Development fees 2021-2025	+	\$1,087,750.00
Projected Trust Fund Interest 2021-2025	+	\$14,793.40
Less Housing Activity Through 12/31/2020	-	\$333,350.00
Total	=	\$6,402,625.66
30 percent requirement	x 0.30 =	\$1,920,787.70
Less Affordability Assistance Expenditures through 3/31/2020	-	\$0.00
Projected Minimum Affordability Assistance Requirement 01/01/2021 through 12/31/2025	=	\$1,920,787.70
Projected Minimum Very Low-Income Affordability Assistance Requirement 01/01/2021 through 12/31/2025	÷ 3 =	\$640,262.57

The Town, therefore, will dedicate at least \$1,920,787.70 from the affordable housing trust fund to render units more affordable, including \$640,262.57 to render units more affordable to households earning 30 percent or less of median income. The Town's Affordability Assistance Program Operating Manual can be found in Attachment C of this Plan.

(c) Administrative Expenses (N.J.A.C. 5:93-8.16)

No more than 20 percent of revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop and implement: a rehabilitation program; a new construction program; a Housing Element and Fair Share Plan (HEFSP); and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitor the turnover of sale and rental units; and compliance with monitoring requirements.

The calculation of allowable administrative expenses is performed by considering the lifetime of the Trust Fund. To project the funding amount that will be available for administrative costs, the sum of all development fees actually collected, and all interest earned since the inception of the account will be added to the sum of all projected development fees and interest projected to be collected through the remainder of this round. All payments in lieu of constructing affordable units through July 17, 2008 is then added to this sum. From this amount, any Regional Contribution Agreement (RCA) expenditures made or contractually obligated from the inception of the account is subtracted. This final amount is multiplied by 20 percent and then actual administrative expenditures made from inception is subtracted out. The final outcome of this calculation, as depicted in the following table, is the total remaining funds that will be available for administrative expenses through the end of this Round.

The Town of Harrison has collected a total of \$5,633,432.26 in development fees and interest through December 31, 2020. The Town projects an additional \$1,087,750 in development fees and \$14,793.40 in interest through 2025. The Town has received \$0.00 in payments in lieu of constructing affordable units and has never taken part in an RCA. The Town has not utilized its Affordable Housing Trust Fund for its affordable housing administrative expenses.

Administrative Expenses		
Fees and interest collected through 12/31/2020		\$5,633,432.26
Projected Development fees 2021-2025	+	\$1,087,750.00
Projected Trust Fund Interest 2021-2025	+	\$14,793.40
Payments in lieu prior to 7/17/2008	+	\$0.00
RCA expenditures	-	\$0.00
Total	=	\$6,735,975.66
20 percent maximum permitted on administrative expenses based on total projection	x 0.20 =	\$1,347,195.13
Less Administrative Expenditures through 12/31/2020	-	\$0.00
Projected Allowed Admin. Expenditures*	=	\$1,347,195.13

*While the Town could theoretically spend \$1,347,195.13 on administrative expenses, they will reduce this expenditure to \$847,195.13 and dedicate remaining \$500,000 to supplement the funds for the Town's Rehabilitation Program.

Moving forward, the Town projects that \$1,347,195.13 will be available from the affordable housing trust fund to be used for administrative purposes through the end of this Round. The Town, however, will dedicate \$500,000 from this allotment to support the rehabilitation program. The Town acknowledges that it is not likely it will need to utilize the full \$1,347,195.13 between the writing of this Plan and the end of this Round and that the money would be better used in the rehabilitation program. Therefore, there is \$847,195.13 available to be utilized for administrative expenses.

Projected administrative expenditures, subject to the 20 percent cap, include but are not limited to:

- Administration and expenses associated with Town's affordable housing units.
- Expenses associated with the preparation and implementation of the Housing and Fair Share Plan and monitoring of the current and future housing programs for the Town of Harrison.
- Affirmative Marketing;
- Income qualification; and
- General administration of the Town's affordable housing units.

Legal or other fees related to litigation opposing affordable housing sites are not eligible uses of the affordable housing trust fund.

4. EXPENDITURE SCHEDULE

Program	Projected Expenditure Schedule 2021-2025					
	2021	2022	2023	2024	2025	Total
Rehabilitation	\$100,000	\$200,000	\$200,000	\$200,000	\$256,342.83	\$956,342.83
Property Acquisitions	\$1,020,000.00	\$1,658,300.00	-	-	-	\$2,678,300.00
Total Programs	\$1,120,000	\$1,858,300	\$200,000	\$200,000	\$256,342.83	\$3,634,642.83
Affordability Assistance	\$384,157.00	\$384,157.00	\$384,157.00	\$384,157.00	\$384,159.70	\$1,920,787.70
Administration	\$167,195.13	\$170,000	\$170,000	\$170,000	\$170,000	\$847,195.13
Total	\$1,671,352.13	\$2,412,457	\$754,157	\$754,175	\$810,502.53	\$6,402,625.66

5. EXCESS OR SHORTFALL OF FUNDS

On March 16, 2021, the Town Council adopted Resolution 2021-56 (Attachment B of this Plan) to appropriate funds or bonds in the event of a shortfall in funding to purchase the lots necessary to construct the 100% affordable development on Harrison Avenue as discussed on page 7 of this Plan.

In the event that more funds than anticipated are collected or projected funds exceed the amount necessary to implement the Town's affordable housing projects, these excess funds will be used to fund eligible affordable housing activity pursuant to applicable rules and regulations.

SUMMARY

The Town of Harrison intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93.

As of December 31, 2020, the Town's trust fund has a balance of \$5,300,082.26. Harrison anticipates an additional \$1,102,543.40 in revenues and interest by December 31, 2025. The Town will dedicate \$956,342.83 towards rehabilitation of units, \$2,678,300 towards property acquisitions for 100% affordable housing, \$1,920,787.70 to render units more affordable, and \$847,195.13 to administrative costs.

SPENDING PLAN SUMMARY	
Balance as of December 31, 2020	\$5,300,082.26
Projected REVENUE January 1, 2020 to December 31, 2025	
Development fees	+ \$1,087,750.00
Payments in lieu of construction	+ \$0.00
Other funds	+ \$0.00
Interest	+ \$14,793.40
TOTAL REVENUE + CURRENT BALANCE	= \$6,402,625.66
Projected EXPENDITURES January 1, 2020 to December 31, 2025	
Rehabilitation	- \$956,342.83
Funds used for Property Acquisition	- \$2,678,300.00
Affordability Assistance	- \$1,920,787.70
Administration	- \$847,195.13
Excess Funds for Additional Housing Activity	= \$0.00
TOTAL PROJECTED EXPENDITURES	= \$6,402,625.66
REMAINING BALANCE	= \$0.00

ATTACHMENT A

**ORDINANCE NO. 1429 PROVIDING FOR THE PURCHASE OF LAND DESCRIBED ON THE
OFFICIAL TAX MAP OF THE TOWN OF HARRISON AS BLOCK 196, LOTS 6 & 10**

TOWN OF HARRISON

COUNTY OF HUDSON

ORDINANCE NO. 1429

AN ORDINANCE PROVIDING FOR THE PURCHASE OF LAND DESCRIBED ON THE OFFICIAL TAX MAP OF THE TOWN OF HARRISON AS BLOCK 196, LOTS 6 & 10

WHEREAS: The Town of Harrison (hereafter "Town") has certain obligations regarding the building of affordable housing in the Town of Harrison (hereafter "Obligations"); and

WHEREAS: The Town has an affordable housing trust fund (hereafter "Fund"), which Fund may be used by the Town to satisfy part or all of its Obligations; and

WHEREAS: The Town wishes to satisfy part of its Obligations by purchasing certain real property in Harrison to be developed as affordable housing.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Harrison in the County of Hudson, State of New Jersey, as follows:

Section 1. All of the "Whereas" clauses above are incorporated herein by reference as if same were set forth at length herein.

Section 2. In accordance with the power and authority granted by *N.J.S.A. 40A:12-1, et seq.*, the Town of Harrison shall acquire by purchase (hereinafter the "Purchase") all of the land, buildings, improvements, and fixtures on the land described on the Official Tax Map of the Town of Harrison as Block 196, Lot 6, also known as 717-719 Harrison Avenue, from Mulock Properties, LLC (hereinafter "Lot 6"), and Block 196, Lot 10, also known as 709-711 Harrison Avenue, from West Hudson Properties, LLC (hereinafter "Lot 10").

Section 3. The purchase price is \$510,000 for Lot 6, and \$510,000 for Lot 10, and the money necessary for the Purchase shall come exclusively from the Fund.

Section 4. The Purchase shall be conditioned on and subject to all of the terms and conditions of a Contract of Sale, to be negotiated between the parties, with such contingencies and preconditions as shall be negotiated by the parties including, but not limited to:

- A. Availability of funds from the Fund sufficient for the Purchase, with such approvals required for same;
- B. Such due diligence deemed necessary by counsel for the Town such as title work, environmental assessment, etc.

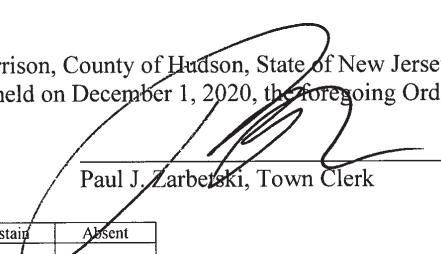
Section 5. The Mayor and the Town Clerk are hereby authorized and empowered to execute a Contract of Sale, on behalf of the Mayor and Council of the Town, in a form acceptable to legal counsel to the Town.

Section 6. This ordinance shall take effect after final passage and publication according to law.

/s/ Ellen Mendoza
Councilwoman Ellen Mendoza

Introduced: 12-01-2020

I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council held on December 1, 2020, the foregoing Ordinance passed on first reading.


Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	X		X			
M. CAMANO			X			
M. DOLAGHAN			X			
J. DORAN				X		
J. HUARANGA				X		
E. MENDOZA			X			
F. NASCIMENTO			X			
E. VILLALTA		X	X			
J. FIFE			X			

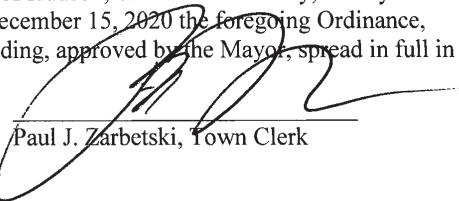
Adopted: 12-15-2020

Approved:



Mayor James A. Fife

I, Paul J. Zarbetski, Town Clerk of the Town of Harrison, County of Hudson, State of New Jersey, hereby certify that at a Meeting of the Mayor and Council duly held on December 15, 2020 the foregoing Ordinance, previously published according to law, was adopted on second reading, approved by the Mayor, spread in full in the ordinance book, and published according to law.


Paul J. Zarbetski, Town Clerk

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	X		X			
M. CAMANO			X			
M. DOLAGHAN			X			
J. DORAN				X		
J. HUARANGA					X	
E. MENDOZA		X	X			
F. NASCIMENTO			X			
E. VILLALTA			X			
J. FIFE			X			

ATTACHMENT B

**RESOLUTION 2021-56 TO APPROPRIATE FUNDS OR BOND IN THE EVENT OF SHORTFALL IN
FUNDING FOR THE 100% AFFORDABLE DEVELOPMENT ON HARRISON AVENUE.**

TOWN OF HARRISON

Meeting Date: 03/16/2021

Resolution #: R-2021-56



Committee: Legal

Presented by Councilperson:
Ellen Mendoza

HUDSON COUNTY

A RESOLUTION OF THE TOWN OF HARRISON TO APPROPRIATE FUNDS OR BOND IN THE EVENT OF A SHORTFALL IN FUNDING FOR THE TOWN'S AFFORDABLE HOUSING PROGRAMS

WHEREAS: The Town of Harrison has prepared a Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301); and

WHEREAS: The Town adopted a Housing Element and Fair Share Plan on or about May 11, 2020; and

WHEREAS: Due to changes in circumstances, the Town is in the process of amending its Housing Element and Fair Share Plan to reflect those changes in circumstances; and

WHEREAS: The Town has prepared an Amended Spending Plan consistent with P.L.2008, c.46, COAH regulations, which includes purchasing of lots for a 100% affordable housing project along Harrison Avenue (the "Purchase"); and

WHEREAS: In the event funding sources as identified in the proposed Spending Plan prove inadequate to complete the Purchase, and to the extent permitted by law, the Town shall provide sufficient funding to address any shortfalls.

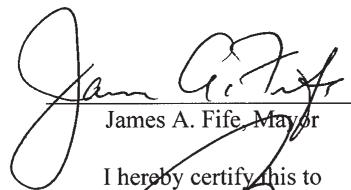
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:

THAT: To the extent permitted by law, the Town does hereby agree to appropriate funds or authorize the issuance of debt to fund any shortfall in the Purchase set forth in this Resolution; and

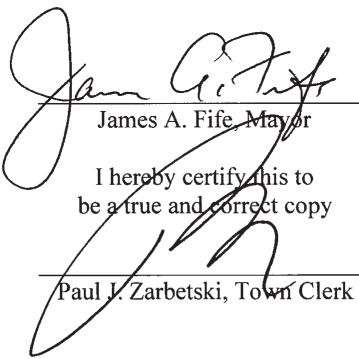
THAT: The Town agrees to appropriate funds or authorize the issuance of debt within 90 days of written notification by the Council on Affordable Housing or a court of competent jurisdiction; and

THAT: The Town may repay debt through future collections of development fees, as such funds come available.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. CAMANO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. DOLAGHAN	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. HUARANGA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. NASCIMENTO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


James A. Fife, Mayor

I hereby certify this to
be a true and correct copy


Paul J. Zarbetski, Town Clerk

ATTACHMENT C

AFFORDABILITY ASSISTANCE MANUAL – FOR-SELL AND RENTAL UNITS

OPERATING MANUAL

FOR THE ADMINISTRATION OF THE

AFFORDABILITY ASSISTANCE PROGRAM

**In Accordance with the Uniform Housing Affordability
Controls**

Town of Harrison

Hudson County, New Jersey

May 2020

Prepared By:



Heyer, Gruel & Associates

Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

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APPENDICES

- A.** AHPNJ Affordable Housing Regional Income Limits Chart (April 2020)
- B.** Harrison For-Sale Affordability Assistance Application
- C.** Harrison Rental Affordability Assistance Application
- D.** Summary of Harrison's Affordability Assistance Program Terms

INTRODUCTION

The purpose of this Operating Manual is to describe the policies and procedures of the Town of Harrison's Affordability Assistance Program. It will serve as a guide to the program staff and the public alike. This manual describes the basic content and operation of the various affordability assistance program components. This manual may be periodically revised to reflect changes in local, state, and federal policies and regulations relative to implementation of the affordable housing programs described herein.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws¹, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.², the substantive rules of the Council on Affordable Housing N.J.A.C. 5:93 as revised and the affordable housing regulations of the Town of Harrison (hereafter referred to as the "Regulations"). In accordance with the Federal Fair Housing Act and Equal Opportunities laws it is unlawful to discriminate against any person making application to buy or rent a home with regard to age, race, religion, national origin, sex, handicapped or familial status.

THE AFFORDABILITY ASSISTANCE PROGRAM

In accordance with N.J.A.C. 5:93-8.16, the Town will dedicate at least 30 percent of all development fees collected and interest earned to provide affordability assistance to low- and moderate-income households. See Appendix A for the Regional Income Limits for Housing Region 1. The types of affordability assistance discussed in this manual are as follows:

Ownership Assistance Programs

- Down Payment Loan Assistance
- Payment of Closing Costs
- Payment of Lender Fees

¹ <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

² <http://www.nj.gov/dca/affiliates/coah/regulations/uham.html>

Rental Assistance Programs

- Moving Expense Assistance
- First Month's Rent Subsidy
- Utility Deposit Assistance
- Very Low-Income Households only: Security Deposit Assistance

OWNERSHIP ASSISTANCE PROGRAMS

The Affordability Assistance Program is available to income-qualified purchasers whose households earn 80 percent or less than the area median income for the housing region. The aim of this Program is to encourage higher rates of homeownership within Harrison Town. The Town currently offers affordability assistance to applicants for ownership units in the form of down payment, closing cost, and lender fee assistance.

To be eligible for **Down Payment Assistance**, the buyer must be able to supply three (3%) percent of the down payment with the buyer's own funds, plus additional closing costs that exceed the amount of the loan. No gifts or other loans may be used to fund the three percent down payment amount but may be used to fund additional closing costs. The loan amount may be made up to 10 percent of the purchase price. The Town must approve the buyer's qualifications and need for the loan. The loan has no prepayment penalty. It is due and payable when the buyer resells, borrows against the property or refinances the First Purchase Money Mortgage. The loan may be subordinated only to the First Purchase Money Mortgage. When calculating the borrowing capacity of the homeowner and the equity in the property, this loan must be included. The buyer must sign a mortgage and mortgage note to the Town.

Payment of Closing Costs may include title work and policy, reasonable attorney's fees for closing of title, preparation of survey, homeowner's insurance, recording fees, and other necessary closing expenses to third parties. Utility deposits, i.e., gas and electric, paid to utility companies are to be repaid to the Town Affordable Housing Trust Fund upon resale of the unit. The buyer will execute documents required to secure payment to Harrison Town.

Payment of Lender Fees includes mortgage points, application fees, appraisal fees, bank attorney review fees, and necessary mortgage closing expenses. The buyer will execute documents required to secure payment to Harrison Town.

Ownership Affordability Assistance Procedures

The procedure for Ownership Affordability Assistance is as follows:

1. Applicant submits application (Appendix B) and proof of Determination of Eligibility.
2. Administrative Agent reviews and processes application.
3. Administrative Agent notifies Town and prepares resolution authorizing award.
4. Town adopts Resolution.
5. For Down Payment and Closing Cost Assistance: Town disperses funds directly to escrow account. For Payment of Lender Fees: Town sends assistance directly to lending company.
6. For Down Payment and Closing Cost Assistance: The Repayment Agreement, Mortgage and Mortgage Note will be executed at closing.
7. For Down Payment and Closing Cost Assistance: Title Company will record the Mortgage as part of the closing documents.
8. Administrative Agent records assistance on master reporting spreadsheet.

RENTAL ASSISTANCE PROGRAMS

The Affordability Assistance Program can be utilized to help improve the affordability of rental units within Harrison Town. Rental assistance does not need to be repaid by the tenant. The amount of the rental subsidy will be calculated initially based on the tenant's actual income and the rent level of the affordable units to help bring the total shelter costs down to 30 percent of the total household income or lower, if warranted by the particular household circumstances. The Town offers affordability assistance to applicants for very low-, low- and moderate-income rental units. The following assistance is available to very low-, low- and moderate-income households:

1. Payment of "moving expenses" based upon verified receipts, in an amount not to exceed five hundred dollars (\$500.00) per household
2. Rent subsidy for the first month's rent
3. Utility deposit assistance

The following assistance is available to very low-income households:

1. Payment of "moving expenses" based upon verified receipts, in an amount not to exceed one thousand five hundred dollars (\$1,500.00) per household
2. Rental security deposit paid to a landlord on behalf of a tenant—Security deposits paid to a landlord are to be repaid to the Town's Affordable Housing Trust Fund upon termination of tenancy. The tenant is not responsible for returning the security deposit back to the Town. This transaction is completely between the landlord and the Town.
3. Rent subsidy for the first month's rent
4. Utility deposit assistance

Rental Affordability Assistance Procedures

The procedure for Rental Affordability Assistance is as follows:

1. Applicant submits application (Appendix C) and proof of Determination of Eligibility.
2. Administrative Agent reviews and processes application.
3. Administrative Agent notifies the Town and prepares resolution authorizing grant.
4. Town adopts Resolution.
5. For First Month's Rent Subsidy and Security Deposit Assistance: Town sends assistance directly to landlord.
6. For Utility Deposit Assistance: the check is given directly to utility company.
7. For Moving Expense Assistance: the check is given directly to the moving or truck rental company.
8. Administrative Agent records assistance on master reporting spreadsheet.

ADMINISTRATION

Harrison's Affordability Assistance Programs will be managed by the Town Affordable Housing Administrative Agent. The availability of the Program shall be advertised continually on the Town's website. After an applicant is income qualified by the Administrative Agent pursuant to the Uniform Housing Affordability Controls, the applicant will complete and provide an affordability assistance application to the Administrative Agent.

For qualified and approved payment of moving expenses, the Administrative Agent will follow the Town purchasing and requisition process for generating a check that is made out to the moving or truck company. Once the check is produced, the Administrative Agent provides it to the moving or truck company.

For qualified and approved payment of utility deposit, the Administrative Agent follows the Town purchasing and requisition process for generating a check that is made out to the utility company. Once the check is produced, the Administrative Agent provides it to the utility company.

The affordability assistance recipient will sign a contract with the Town of Harrison that states, at a minimum: the amount of funds granted, interest information, procedures, duration and conditions of affordability assistance, and repayment information if required.

The availability of any Affordability Assistance Programs must be noticed to all tenants of affordable units within the Town and provided to all Administrative Agents of affordable units within Harrison and advertised on the Town's website.

An income eligible occupant or applicant for an affordable unit within the Town may not be denied participation in the Affordability Assistance Program(s) unless funding is no longer available pursuant to the Spending Plan.

ELIGIBILITY

The Affordability Assistance Program is open to all income-qualified households and is provided on a first-come, first-serve basis according to the following criteria:

1. The applicant is income certified. Applicants for assistance with first month's rent will have already been income certified. Applicants applying for all other types of assistance will require income certification at the time of application.
2. The applicant rents/owns a deed-restricted affordable unit in Harrison Town that they maintain as their primary residence.
3. The applicant has not received an affordability assistance grant in the past. Only one award per household is permitted. This requirement can be waived with justification.

4. There are Affordability Assistance Funds remaining in the budget for the year. This will include whether sufficient funds have been allocated to very low-income households.

ANNUAL BUDGET

The annual budget is provided in Appendix D of this manual as well as in the Town's Spending Plan. Please note that these are rough funding numbers which are subject to change.

MAXIMUM AMOUNT

The maximum amount of assistance that may be provided is detailed in Appendix D.

APPENDICES

- A.** AHPNJ Affordable Housing Regional Income Limits Chart (April 2020)
- B.** Harrison For-Sale Affordability Assistance Application
- C.** Harrison Rental Affordability Assistance Application
- D.** Summary of Harrison Town's Affordability Assistance Program Terms

APPENDIX A

AHPNJ Affordable Housing Regional Income Limits Chart (April 2020)

2020 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

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

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase	Rents**	Sales***	Regional Asset Limit****
Region 1	Median	\$67,166	\$71,964	\$76,761	\$86,357	\$95,952	\$99,790	\$103,628	\$111,304	\$118,980	\$126,656				
Bergen, Hudson, Passaic and Sussex	Moderate	\$53,733	\$57,571	\$61,409	\$69,085	\$76,761	\$79,832	\$82,902	\$89,043	\$95,184	\$101,325	1.9%	0.84%	\$185,539	
	Low	\$33,583	\$35,982	\$38,381	\$43,178	\$47,976	\$49,895	\$51,814	\$55,652	\$59,490	\$63,328				
	Very Low	\$20,150	\$21,589	\$23,028	\$25,907	\$28,786	\$29,937	\$31,088	\$33,391	\$35,694	\$37,997				
Region 2	Median	\$73,857	\$79,132	\$84,408	\$94,959	\$105,510	\$109,730	\$113,951	\$122,391	\$130,832	\$139,273				
Essex, Morris, Union and Warren	Moderate	\$59,085	\$63,306	\$67,526	\$75,967	\$84,408	\$87,784	\$91,160	\$97,913	\$104,666	\$111,418	1.9%	4.71%	\$202,419	
	Low	\$36,928	\$39,566	\$42,204	\$47,479	\$52,755	\$54,865	\$56,975	\$61,196	\$65,416	\$69,636				
	Very Low	\$22,157	\$23,740	\$25,322	\$28,488	\$31,653	\$32,919	\$34,185	\$36,717	\$39,250	\$41,782				
Region 3	Median	\$83,650	\$89,625	\$95,600	\$107,550	\$119,500	\$124,280	\$129,060	\$138,620	\$148,180	\$157,740				
Hunterdon, Middlesex and Somerset	Moderate	\$66,920	\$71,700	\$76,480	\$86,040	\$95,600	\$99,424	\$103,248	\$110,896	\$118,544	\$126,192	1.9%	1.01%	\$227,546	
	Low	\$41,825	\$44,813	\$47,800	\$53,775	\$59,750	\$62,140	\$64,530	\$69,310	\$74,090	\$78,870				
	Very Low	\$25,095	\$26,888	\$28,680	\$32,265	\$35,850	\$37,284	\$38,718	\$41,586	\$44,454	\$47,322				
Region 4	Median	\$76,469	\$81,931	\$87,393	\$98,317	\$109,242	\$113,611	\$117,981	\$126,720	\$135,460	\$144,199				
Mercer, Monmouth and Ocean	Moderate	\$61,175	\$65,545	\$69,915	\$78,654	\$87,393	\$90,889	\$94,385	\$101,376	\$108,368	\$115,359	1.9%	5.96%	\$205,486	
	Low	\$38,235	\$40,966	\$43,697	\$49,159	\$54,621	\$56,806	\$58,990	\$63,360	\$67,730	\$72,099				
	Very Low	\$22,941	\$24,579	\$26,218	\$29,495	\$32,772	\$34,083	\$35,394	\$38,016	\$40,638	\$43,260				
Region 5	Median	\$67,620	\$72,450	\$77,280	\$86,940	\$96,600	\$100,464	\$104,328	\$112,056	\$119,784	\$127,512				
Burlington, Camden and Gloucester	Moderate	\$54,096	\$57,960	\$61,824	\$69,552	\$77,280	\$80,371	\$83,462	\$89,645	\$95,827	\$102,010	1.9%	7.21%	\$179,028	
	Low	\$33,810	\$36,225	\$38,640	\$43,470	\$48,300	\$50,232	\$52,164	\$56,028	\$59,892	\$63,756				
	Very Low	\$20,286	\$21,735	\$23,184	\$26,082	\$28,980	\$30,139	\$31,298	\$33,617	\$35,935	\$38,254				
Region 6	Median	\$57,458	\$61,156	\$65,666	\$73,874	\$82,083	\$85,366	\$88,649	\$95,216	\$101,782	\$108,349				
Atlantic, Cape May, Cumberland, and Salem	Moderate	\$45,966	\$49,250	\$52,533	\$59,100	\$65,666	\$68,293	\$70,919	\$76,173	\$81,426	\$86,679	1.9%	6.97%	\$153,730	
	Low	\$28,729	\$30,781	\$32,833	\$36,937	\$41,041	\$42,683	\$44,325	\$47,608	\$50,891	\$54,175				
	Very Low	\$17,237	\$18,469	\$19,700	\$22,162	\$24,625	\$25,610	\$26,595	\$28,565	\$30,535	\$32,505				

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

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

**This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3 (Consumer price Index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, 2017, 2018 or 2019 because of the lack of authority to do so, may increase rent by up to the applicable combined percentage including 2020 or 9.0% whichever is less in accordance with N.J.A.C. 5:97-9.3(c). In no case can rent for any particular apartment be increased more than one time per year.

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

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

**** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.1(b)3.

APPENDIX B

Harrison For-Sale Affordability Assistance Application

TOWN OF HARRISON, HUDSON COUNTY

For-Sale Affordability Assistance Grant Application

The Affordability Assistance Program is available to income-qualified purchasers whose households earn 80 percent or less than the area median income for the housing region. The aim of this Program is to encourage higher rates of homeownership within Harrison Town. The Town currently offers affordability assistance to applicants for ownership units in the form of down payment, closing cost, and lender fee assistance.

To be eligible for **Down Payment Assistance**, the buyer must be able to supply three (3%) percent of the down payment with the buyer's own funds, plus additional closing costs that exceed the amount of the loan. No gifts or other loans may be used to fund the three percent down payment amount but may be used to fund additional closing costs. The loan amount may be made up to 10 percent of the purchase price. The Town must approve the buyer's qualifications and need for the loan. The loan has no prepayment penalty. It is due and payable when the buyer resells, borrows against the property or refinances the First Purchase Money Mortgage. The loan may be subordinated only to the First Purchase Money Mortgage. When calculating the borrowing capacity of the homeowner and the equity in the property, this loan must be included. The buyer must sign a mortgage and mortgage note to the Town.

Payment of Closing Costs may include title work and policy, reasonable attorney's fees for closing of title, preparation of survey, homeowner's insurance, recording fees, and other necessary closing expenses to third parties. Utility deposits, i.e., gas and electric, paid to utility companies are to be repaid to the Town Affordable Housing Trust Fund upon resale of the unit. The buyer will execute documents required to secure payment to Harrison Town.

Payment of Lender Fees includes mortgage points, application fees, appraisal fees, bank attorney review fees, and necessary mortgage closing expenses. The buyer will execute documents required to secure payment to Harrison Town.

If you are interested in the Harrison Town For-Sale Affordability Assistance Grant, please complete this form with the required documents and return it to:

Lauren Purdom, Administrative Agent
Heyer, Gruel & Associates
236 Broad Street Red Bank, NJ 07701

This application does not guarantee you receipt of grant monies. There will not be any additional deed restrictions/lien on the property should these funds be awarded. At no time will any individual/household be allowed to receive funding approval under any of the Local Affordability

Assistance Programs more than once in a five-year time frame. Applications submitted for affordability assistance will be accepted on a first-come, first-served basis according to the following criteria:

1. There are Affordability Assistance Funds remaining in the budget for the year. This will include whether sufficient funds have been provided to very low-income households.
2. The home being purchased is an affordable unit in Harrison Town to be maintained as the applicant's primary residence. Applicants cannot own any other real estate at the time of application.
3. The applicant is income-certified and must provide a copy of the certification. Applicants must also be credit worthy and not mortgage more than three (3) times their gross annual income.
4. After attorney review and after your professional home inspection, contact HGA to apply and to make an appointment to produce the required documentation (see checklist). No home inspection necessary if purchasing a brand new affordable unit requiring a Certificate of Occupancy inspection from Bordentown Township.
5. The applicant has not received an affordability assistance grant in the past (only one award per household is permitted. This required can be waived with justification).

SPECIFIC INCOME ELIGIBILITY REQUIREMENTS

The income of the borrower(s) only will be used to qualify for the grant.

1. Recipients of the Harrison Town For-Sale Affordability Assistance Grant must be very low-, low- and moderate-income families as determined by the Affordable Housing Professionals of New Jersey (AHPNJ) Regional Income Limits, Region 1 guidelines.
2. Households will not be approved for a grant unless they can show/document the ability to afford the unit and related housing costs. Proof of gross annual household income is required.
3. The unit purchased using Harrison Town For-Sale Affordability Assistance Grant must be occupied by the named purchaser(s) on the affordable housing documents and must be used as your primary residence at all times.
4. Each purchaser shall certify in writing that he/she is purchasing said unit for the expressed purpose of primary living quarters and for no other reason beyond what is allowable.

5. Applicants who can put 10 percent down, cover all closing costs and still be left with \$10,000 in liquid assets after closing will not qualify. In addition, applicants with combined liquid assets greater than 30 percent of the purchase price will not be considered, unless there are documented extenuating circumstances.

To be eligible for the For-Sale Affordability Assistance Grant, qualified applicants must have incomes not to exceed the most recent Affordable Housing Regional Income Limits for Housing Region 1. The income of the entire household will be used to qualify for the grant.

NOTICE OF DISCLOSURE STATEMENT

This application must be fully completed for it to be accepted and processed. This application is not transferable, and the original must be submitted. Once you have completed this application and attached all required documents, please mail to Lauren Purdom, Affordable Housing Administrative Agent at Heyer, Gruel & Associates (HGA), 236 Broad Street Red Bank, NJ 07701.

IT IS YOUR RESPONSIBILITY TO MAKE CERTAIN YOUR APPLICATION IS COMPLETE AND THE INFORMATION PROVIDED IS TRUE AND ACCURATE.

The information in this application and any other information will be kept confidential. NO PART OF THIS APPLICATION OR YOUR APPLICATION FILE WILL BE GIVEN TO ANY PERSON, ENTITY OR BUSINESS NOT RELATED TO THE TOWN OF HARRISON, OR THEIR AGENTS WITHOUT YOUR WRITTEN REQUEST OR CONSENT. The filing of this application constitutes your approval for the Administrative Agent to certify the information contained herein through credit verification or other necessary means.

"Family" includes all persons living in a single housing unit whether or not they are related by blood, marriage or otherwise. The information requested includes information about all persons intending to reside in the affordable unit.

If you would like more information, please contact:

Harrison Town Affordable Housing Administrative Agent

Lauren Purdom, AICP
Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street Red Bank, NJ 07701
Email: LPurdom@hgapa.com
Phone: (732) 741-2900
Fax: (732) 741-2929

CERTIFICATION

I hereby certify that the above information concerning my family size, actual gross income as well as all other information contained herein is true and accurate to the best of my knowledge. I understand that HGA and the Town of Harrison in the County of Hudson are relying on this information to determine whether I qualify for Harrison Town For-Sale Affordability Assistance Grant.

I further certify that the copies of the documents attached to this application are true and accurate copies of the originals of such documents.

I further certify that I intend to personally occupy the unit as my primary residence except for reasonable periods of vacations and illnesses. I will not rent or lease the unit.

I authorize HGA, the Town of Harrison in the County of Hudson and their agents to check for accuracy on any and all statements and representations made in this application. This may include calls to employers to verify income, contact with banks, etc.

Signature of APPLICANT

Signature of CO-APPLICANT

Date signed

Date signed

FOR STATISTICAL PURPOSES

Please indicate your marital status:

Single ____

Divorced ____

Married / Domestic Partnership ____

Widowed ____

Separated ____

Please indicate your racial/ethnic group:

Hispanic Yes ____ No ____

Asian ____

Asian American Indian/ Alaskan Native ____

Asian & White ____

American Indian/Alaskan Native & White ____

Black/African American ____

American Indian/Alaskan Native & Black ____

Black/African American & White ____

Native Hawaiian/Other Pacific Islander ____

White ____

Choose Not to Respond ____

Other Multi Racial ____

Please indicate your employment status:

Self-employed ____

Permanently unable to work ____

Work full-time for employer ____

Unemployed and seeking work ____

Work part-time for employer ____

Unemployed and not seeking work ____

Homemaker ____

Retired ____

Full-time student ____

Please indicate your educational attainment:

Less than HS diploma ____

Associate's Degree ____

HS diploma or equivalent ____

Bachelor's Degree ____

Some post-secondary education ____

Master's or other graduate degree ____

Certification from a vocational or technical training program ____

GENERAL INFORMATION

Date: _____

Name of Household Member filling out this form: _____

Sex: M/F _____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

Please indicate the type of affordability assistance you are applying for:

Down Payment Loan Program	
Payment of Closing Costs	
Payment of Lender Fees	

Please explain the reason why you need assistance (attach additional paper if needed):

If your total monthly expenses exceed your monthly income, how will you pay your household

expenses in the future? _____

HOUSEHOLD COMPOSITION

Please list all household members over the age of 18, **excluding the person filling out the form**, who would live in the home being purchased:

Name	Relationship	Gender	Date of Birth

How many are less than 18 years of age? _____

Please provide the contact information of any persons over age 18, **excluding the person filling out the form**, who would live in the home being purchased:

Adult #2 Name: _____

Sex: M/F _____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

Adult #3 Name: _____

Sex: M/F _____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

Adult #4 Name: _____

Sex: M/F _____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

YOUR PRESENT HOUSING

Do you own your own home or any real estate? Yes _____ No _____

If you answered yes, please explain: _____

What do you currently pay a month for rent? _____

Are utilities included? Yes _____ No _____ Some (explain): _____

How many people will live with you in the resale unit, including yourself? _____

How long have you lived at current address? _____

How much do you have saved for down payment and closing costs? _____

What is the purchase price of the unit you are buying? _____

Who are you getting your mortgage with? _____

What are the terms of the mortgage?

Loan Amount: _____ Years: _____ Interest Rate: _____

EMPLOYMENT INFORMATION

Please provide information for each household member who receives income from present employment and is 18 years of age or over (also include any part-time employment).

1. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

2. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

3. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

4. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

INCOME CALCULATION

Please state the amount of your current annual projected gross income from each applicable source. Please complete a separate calculation for every household member who is 18 years of age or over and receives income of any kind. Use additional pages if more than four adults have income.

	Adult #1	Adult #2	Adult #3	Adult #4
Gross Salary or Wages	\$	\$	\$	\$
Pension	\$	\$	\$	\$
Social Security	\$	\$	\$	\$
Unemployment Compensation	\$	\$	\$	\$
Child Support <u>received (added</u> to income)	\$	\$	\$	\$
Child Support <u>paid (deducted</u> from income)	- \$	- \$	- \$	- \$
Disability Payment	\$	\$	\$	\$
Welfare	\$	\$	\$	\$
Tips/Commissions	\$	\$	\$	\$
Alimony	\$	\$	\$	\$
Other	\$	\$	\$	\$
Sub-Totals	\$	\$	\$	\$
TOTAL OF ADULT INCOMES	\$			

OTHER INCOME / ASSET INFORMATION

Please list all **checking and savings accounts, CDs, Money Market Funds, Mutual Funds** and any other assets held by financial institutions below, whether or not you gain any interest from them, for all household members.

Name and Address of Financial Institution	Account Number	Current Balance/Value	Projected Annual Interest Income

Total Projected Interest Income in a year: _____

Please list all **stocks, bonds** and all other sources of investment income.

Name of Assets	Number of shares	Current Value	Projected Annual Income

Total Projected Income in a year: _____

Do you own a business or income producing real estate? Yes _____ No _____

Do you receive income/monies/rent receipts from this asset? Yes _____ No _____

If you own a business provide the monthly gross income and expenses (also provide 2 quarters of a Profit & Loss statement dated and signed by a 3rd party): \$ _____

Do you have any other sources of income? Yes _____ No _____

If so, please describe: _____ Gross yearly income: \$ _____

TOTAL HOUSEHOLD GROSS ANNUAL INCOME FROM ALL SOURCES

\$ _____

INCOME DOCUMENTATION

Please attach the following documents for every household member who is 18 years of age or over and receives income of any kind (also see attached checklist).

1. Copy of the executed Contract of Sale by all parties.
2. Copy of the home inspection report. If purchasing a brand new affordable unit, you do not need a home inspection.
3. Completed Attorney and/or title company information form (specify your attorney name, address, phone, fax and email). The Administrative Agent may be present at closing and must receive a copy of the closing disclosure documents to review and approve.
4. Copies of State and Federal tax returns for the previous 3 consecutive years.
5. Copies of pay stubs (4 current and consecutive) and proof of income from all other sources.
6. Attach recent documentation to confirm all income (i.e., recent bank statement, statements from other assets, etc.).
7. Loan Estimate from Lender whom you are getting your mortgage loan from.

APPENDIX C

Harrison Rental Affordability Assistance Application

TOWN OF HARRISON, HUDSON COUNTY

Rental Affordability Assistance Application

If you are interested in the Harrison Town Rental Affordability Assistance Grant, please complete this form with the required documents and return it to:

Lauren Purdom, Administrative Agent
Heyer, Gruel & Associates
236 Broad Street Red Bank, NJ 07701

This application does not guarantee you receipt of grant monies. There will not be any additional forms of assistance should these funds be awarded. At no time will any individual/household be allowed to receive funding approval under any of the Local Affordability Assistance Programs more than once in a five-year time frame. Applications submitted for affordability assistance will be provided on a first-come, first-served basis according to the following criteria:

1. There are Affordable Assistance Funds remaining in the budget for the year. This will include whether sufficient funds have been provided to very low-income households.
2. The applicant rents a deed restricted affordable unit in Harrison Town that they maintain as their primary residence.
3. The applicant has not received an affordability assistance grant in the past (only one award per household is permitted. This required can be waived with justification).
4. The applicant is income certified. Applicants applying for first month's rent will have already been income certified. Applicants applying for all other types of assistance will require income certification at the time of application.

SPECIFIC INCOME ELIGIBILITY REQUIREMENTS

The income of the borrower(s) only will be used to qualify for the grant.

1. Recipients of the Harrison Rental Affordability Assistance Grant must be very low-, low- and moderate-income families by the Affordable Housing Professionals of New Jersey (AHPNJ) Regional Income Limits, Region 1 guidelines.
2. Households will not be approved for a grant unless they can show/document the ability to afford the rent and related housing costs. Proof of gross annual household income is required.
3. The unit rented using Harrison Town Rental Affordability Assistance Grant must be occupied by the named lessee(s) on the affordable housing documents and must be used as your primary residence at all times.

4. Each lessee shall certify in writing that he/she is renting said unit for the expressed purpose of primary living quarters and for no other reason beyond what is allowable.

To be eligible for the Rental Affordability Assistance Grant, qualified applicants must have incomes not to exceed the most recent Affordable Housing Regional Income Limits for Housing Region 1. The income of the entire household will be used to qualify for the grant.

NOTICE OF DISCLOSURE STATEMENT

This application must be fully completed for it to be accepted and processed. This application is not transferable, and the original must be submitted. Once you have completed this application and attached all required documents, please mail to Lauren Purdom, Affordable Housing Administrative Agent at Heyer, Gruel & Associates (HGA), 236 Broad Street Red Bank, NJ 07701.

IT IS YOUR RESPONSIBILITY TO MAKE CERTAIN YOUR APPLICATION IS COMPELTE AND THE INFORMATION PROVIDED IS TRUE AND ACCURATE.

The information in this application and any other information will be kept confidential. NO PART OF THIS APPLICATION OR YOUR APPLICATION FILE WILL BE GIVEN TO ANY PERSON, ENTITY OR BUSINESS NOT RELATED TO THE TOWN OF HARRISON, OR THEIR AGENTS, WITHOUT YOUR WRITTEN REQUEST OR CONSENT. The filing of this application constitutes your approval for the Administrative Agent to certify the information contained herein through credit verification or other necessary means.

"Family" includes all persons living in a single housing unit whether or not they are related by blood, marriage or otherwise. The information requested includes information about all persons intending to reside in the affordable unit.

If you would like more information, please contact:

Harrison Town Affordable Housing Administrative Agent

Lauren Purdom, AICP
Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street Red Bank, NJ 07701
Email: LPurdom@hgapa.com
Phone: (732) 741-2900
Fax: (732) 741-2929

CERTIFICATION

I hereby certify that the above information concerning my family size, actual gross income as well as all other information contained herein is true and accurate to the best of my knowledge. I understand that HGA and the Town of Harrison in the County of Hudson are relying on this information to determine whether I qualify for Harrison Town Rental Affordability Assistance Grant.

I further certify that the copies of the documents attached to this application are true and accurate copies of the originals of such documents.

I further certify that I intend to personally occupy the unit as my primary residence except for reasonable periods of vacations and illnesses. I understand that I cannot sublet or re-rent the unit.

I authorize HGA, the Town of Harrison in the County of Hudson and their agents to check for accuracy on any and all statements and representations made in this application. This may include calls to employers to verify income, contact with banks, etc.

Signature of APPLICANT

Signature of CO-APPLICANT

Date signed

Date signed

PART I

All applicants must complete this section.

Date: _____

Name of Household Member filling out this form: _____

Sex: M/F _____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

Please indicate the type of affordability assistance you are applying for:

Moving Expense Assistance	
First Month's Rent	
Utility Deposit Assistance	
Security Deposit Assistance	

Please explain the reason why you need assistance (attach additional paper if needed):

If your total monthly expenses exceed your monthly income, how will you pay your household expenses in the future? _____

PART II

Only complete this section if you are applying for assistance **other than first month's rent**. Please list your estimated monthly expenses:

Expense Category	Monthly Expense
<u>Auto</u>	
Loan	
Insurance	
Maintenance/Repairs	
<u>Housing</u>	
Rent/Mortgage	
Homeowners association	
Property Tax	
Insurance	
<u>Medical</u>	
Health Insurance	
Co-pays	
Other (medications, glasses, etc.)	
<u>Utilities</u>	
Internet/phone/cable	
Electricity/heating	
Water Sewer	
Trash	
Cell Phone	
<u>Other</u>	
Childcare/daycare	
Child Support/Alimony	
Credit card debt	
Education	
Food	
Gas/tolls/parking	
Public Transportation	
Student loan	
Tuition	
Other (please specify):	
<u>TOTAL EXPENSES</u>	

HOUSEHOLD COMPOSITION

Please list all household members (of any age), **excluding the person filling out the form**, who would live in the home being rented:

Name	Relationship	Gender	Date of Birth

How many are less than 18 years of age? _____

Please provide the contact information of any persons over age 18, **excluding the person filling out the form**, who would live in the home being rented:

Adult #2 Name: _____

Sex: M/F ____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

Adult #3 Name: _____

Sex: M/F ____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

Adult #4 Name: _____

Sex: M/F _____ Date of Birth: _____ Social Security Number: _____ - _____ - _____

Home Phone: () _____ Work Phone: () _____

Email: _____ Cell Phone: () _____

Current Address: Street: _____

City: _____ State: _____ Zip Code: _____ County: _____

Mailing Address (if different): _____

EMPLOYMENT INFORMATION

Please provide information for each household member who receives income from present employment and is 18 years of age or over (also include any part-time employment).

1. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

2. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

Harrison Town Rental Affordability Assistance Application

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

3. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

4. Household Member Name: _____

Job Title: _____

Employer Name: _____

Employer Address: _____

County: _____ How long at job? _____

Immediate Supervisor: _____

Supervisor Phone Number: _____ Ext #: _____

INCOME CALCULATION

Please state the amount of your current annual projected gross income from each applicable source. Please complete a separate calculation for every household member who is 18 years of age or over and receives income of any kind. Use additional pages if more than four adults have income.

	Adult #1	Adult #2	Adult #3	Adult #4
Gross Salary or Wages	\$	\$	\$	\$
Pension	\$	\$	\$	\$
Social Security	\$	\$	\$	\$
Unemployment Compensation	\$	\$	\$	\$
Child Support <u>received</u> (<u>added</u> to income)	\$	\$	\$	\$
Child Support <u>paid</u> (<u>deducted</u> from income)	- \$	- \$	- \$	- \$
Disability Payment	\$	\$	\$	\$
Welfare	\$	\$	\$	\$
Tips/Commissions	\$	\$	\$	\$
Alimony	\$	\$	\$	\$
Other	\$	\$	\$	\$
Sub-Totals	\$	\$	\$	\$
TOTAL OF ADULT INCOMES	\$			

OTHER INCOME / ASSET INFORMATION

Please list all **checking and savings accounts, CDs, Money Market Funds, Mutual Funds** and any other assets held by financial institutions below, whether or not you gain any interest from them, for all household members.

Name and Address of Financial Institution	Account Number	Current Balance/Value	Projected Annual Interest Income

Total Projected Interest Income in a year: _____

Please list all **stocks, bonds** and all other income producing assets.

Name of Assets	Number of shares	Current Value	Projected Annual Income

Total Projected Income in a year: _____

Do you own a business or income producing real estate? Yes _____ No _____

Do you receive income/monies/rent receipts from this asset? Yes _____ No _____

If you own a business provide the monthly gross income and expenses (also provide 2 quarters of a Profit & Loss statement dated and signed by a 3rd party): \$ _____

Do you have any other sources of income? Yes _____ No _____

If so, please describe: _____ Gross yearly income: \$ _____

Do you own a home or other real estate? Yes _____ No _____

TOTAL HOUSEHOLD GROSS ANNUAL INCOME FROM ALL SOURCES

\$ _____

INCOME DOCUMENTATION

Please attach the following documents for every household member who is 18 years of age or over and receives income of any kind (also see attached checklist).

1. Copies of federal and state tax returns for the previous three (3) consecutive years.
2. Copies of four (4) consecutive/current bank statements for all accounts.
3. Copies of six (6) months current bank statements for all accounts.
4. Copies of child support court documents and custody verification, if applicable, are required.

APPENDIX D

Summary of Harrison Town's Affordability Assistance Program Terms

Summary of Harrison Town Affordability Assistance Program Terms

	Purpose	Maximum Amount	Program Terms	Very-Low Income Households
				Ownership Units
Down Payment Assistance	Provide down payment costs as assistance to income-qualified homebuyers moving into affordable housing in Harrison	Up to 10% of the purchase price	To be repaid upon resale, refinancing or borrowing against property	Very low-income households will be assisted
Payment of Closing Costs	Provide closing cost assistance to income-qualified homebuyers moving into affordable housing in Harrison	Up to \$1,500 per household	This assistance is a grant and does not need to be repaid	Very low-income households will be assisted
Payment of Lender Fees	Assist income-qualified homebuyers with other costs associated with obtaining a loan to purchase an affordable home in Harrison	Up to \$1,500 per household	This assistance is a grant and does not need to be repaid	Very low-income households will be assisted
Moving Expense Assistance	Assist renters of affordable units by providing assistance with moving expenses	Up to \$500 per household; \$1,500 for very-low-income	This assistance is a grant and does not need to be repaid	Very low-income households will be prioritized
First Month's Rent	Assist renters of affordable units by paying the first, second or third month's rent, depending on timing of request	Up to one (1) month's rent	This assistance is a grant and does not need to be repaid	Very low-income households will be prioritized
Security Deposit Assistance	Assist renters of affordable units by paying the security deposit payment directly to the landlord	Determined on a case by case basis	To be repaid by landlord to the Affordable Housing Trust Fund upon termination of tenancy	Only Very low-income households will be assisted
Utility Deposit Assistance	Assist renters of affordable units by paying the utility deposit payment directly to the utility company	Determined on a case by case basis	This assistance is a grant and does not need to be repaid	Very low-income households will be prioritized

Pursuant to the Town's Spending Plan, the estimated budget for Affordability Assistance projected through 2025 averages to approximately \$376,556 per year, totaling approximately \$1,882,777.70. Of these funds, roughly \$627,592.578 will be dedicated to very low-income families.