

Midpoint Review of Housing Element and Fair Share Plan Implementation

Borough of Fanwood Union County, New Jersey

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Fanwood Borough Planning Board

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*The original of this document has been signed
and sealed in accordance with New Jersey Law.*

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Introduction

Fanwood Borough's Settlement Agreement with the Fair Share Housing Center (FSHC) requires that the Borough comply with the midpoint realistic opportunity review requirements of the Fair Housing Act (FHA) at NJSA 52:27D-313. Specifically, Paragraph 16.a of the Settlement Agreement stipulates that:

For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the Borough, with a copy to FSHC, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether the mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.

This report has been prepared in response to the foregoing requirement for a midpoint realistic opportunity review.

Review of Fair Share Plan Implementation through November 30, 2020

The Borough of Fanwood's Housing Element and Fair Share Plan (HE&FSP) was originally adopted by the Fanwood Borough Planning Board on November 30, 2016 and subsequently endorsed by the Fanwood Borough Council on December 5, 2016. Thereafter, the Fanwood Borough Planning Board twice made technical revisions to the HE&FSP on March 8 and November 29, 2017; said technical revisions were subsequently endorsed by the Fanwood Borough Council on December 4, 2017.

In the four-year period since the original adoption and endorsement of the HE&FSP, the Borough has made substantial efforts to implement its HE&FSP. These efforts are described in the following subsections.

Present Need (i.e., Rehabilitation) Obligation

As established by the Borough's Settlement Agreement with the FSHC, the Borough's present need obligation is 24 units. As of the preparation of this report, 24 units remain to be rehabilitated. The Borough's present need will be met through a Borough-sponsored housing rehabilitation program, which is advertised on the municipal website at <https://www.fanwoodnj.org/housing-rehabilitation-program/>.

Prior Round Realistic Development Potential

As described in the Borough's adopted and endorsed HE&FSP, the Borough has a prior round Realistic Development Potential (RDP) of eight (8) units.

As noted in the Borough's HE&FSP, the prior round RDP was met with existing units, including: four (4) units created through a Regional Contribution Agreement with the City of Elizabeth ("Site H" in the HE&FSP); and, four (4) units on the Cottage Way/Terrill Road Site ("Site A" in the HE&FSP).

Prospective Need Realistic Development Potential

As indicated in the Borough's adopted and endorsed HE&FSP, the prospective need RDP is 36 units.

A total of 27 units were in existence at the time of the adoption and endorsement of the HE&FSP. These include: four (4) units at on the Fanwood Crossing 2 and 3 ("Site B" in the HE&FSP); six (6) units at on the Community Access Unlimited Site ("Site C" in the HE&FSP); five (5) units at in Theodora House ("Site D" in the HE&FSP); three (3) units in Madison Group Home ("Site E" in the HE&FSP); six (6) units in North Avenue Group Home ("Site F" in the HE&FSP); and, three (3) units in Paterson Group Home ("Site G" in the HE&FSP).

Since the adoption and endorsement of the HE&FSP, the construction of Station Square ("Site L" in the HE&FSP) has been completed. This resulted in the creation of seven (7) additional affordable units (incl., two [2] very low-income units, one [1] low-income unit and four [4] moderate-income units), which were issued certificates of occupancy in June 2019.

In addition to the above, the Borough will a \$120,000 payment-in-lieu-of-construction from the developer of Fanwood Crossing 1 ("Site N" in the HE&FSP) to create one (1) very low-income unit within Fanwood Crossing 2 and 3 ("Site B" in the HE&FSP).

Finally, it is noted that although construction is currently in progress on the Ponzio Site ("Site M" in the HE&FSP), the scale of development is smaller than was anticipated at the time of the preparation of the Borough's HE&FSP. As a result, the property will not generate the one (1) low-income unit that was identified in the HE&FSP. However, the Borough is confident that it will be able to fill the gap that is created by the loss of this low-income unit on an alternate site, which will be identified at a later date.

Unmet Need

The Borough's total unmet need is 219 units, of which 37 are attributable to the prior round and 182 are attributable to the prospective need.

As indicated in the Borough's HE&FSP, a portion of the unmet need will be met with nine (9) surplus credits resulting from rental bonus credits associated with sites used to satisfy its

prospective need RDP. As previously noted, these sites have been completed or are nearing completion.

To create additional opportunities to capture the Borough's unmet need, the Borough has adopted the following ordinances:

- Ordinance No. 16-17-R on December 5, 2016, which creates an affordable housing overlay zone within the Commercial Corridor (CC) zones; and,
- Ordinance No. 16-18-R on December 5, 2016, which includes, for projects with five (5) or more units, a mandatory set-aside of 15 percent for rental development and 20 percent for for-sale development when the Borough approves a higher density than permitted by ordinance or rezones the site to permit multi-family residential housing.

In the future, and as noted in the HE&FSP, Fanwood will seek to extend affordability controls on the Cottage Way/Terrill Road Site, which are currently set to expire in 2023.

[Very Low-Income Requirement](#)

PL 2008, c. 46, creates a requirement that at least 13 percent of affordable housing units be reserved for occupancy by very low-income households with a gross household income of no more than 30 percent of the regional median household income.

Based on the Borough's prospective need RDP of 36 units, a minimum of five (5) very low-income units are required. As indicated in the adopted and endorsed HE&FSP, the Borough is fully compliant with this requirement. Indeed, the HE&FSP identified 17 very low-income units within existing group homes, as follows: five (5) units at in Theodora House ("Site D" in the HE&FSP); three (3) units in Madison Group Home ("Site E" in the HE&FSP); six (6) units in North Avenue Group Home ("Site F" in the HE&FSP); and, three (3) units in Paterson Group Home ("Site G" in the HE&FSP).

Nonetheless, the Borough has endeavored to provide additional very low-income units and, therewith, further exceed the minimum requirement of five (5) very low-income units. This is demonstrated by:

- the completion of two (2) additional very low-income units within Station Square ("Site L" in the HE&FSP);
- the planned use of a \$120,000 payment-in-lieu-of-construction from the developer of Fanwood Crossing 1 ("Site N" in the HE&FSP) to fund the provision of one (1) very low-income unit within Fanwood Crossing 2 and 3 ("Site B" in the HE&FSP; n.b., this very low-income unit would be in addition to the four [4] moderate-income units that currently exist); and,

- the passage of Ordinance No. 16-16-R on December 5, 2016, which includes the requirement that all affordable housing developments with more than eight (8) units to require a 13-percent very low-income set-aside.

Conclusion

As has been shown in this report, Fanwood Borough has had a successful start to the implementation of its HE&FSP. While the Borough will need to identify an alternate site to fill the gap in its prospective need RDP compliance strategy that results from the fact that the Ponzio Site (“Site M” in the HE&FSP) will not generate the one (1) low-income unit that was included in its HE&FSP, no amendments to the HE&FSP are required at this time. The Borough will identify an alternate site for the development of the one (1) low-income unit that was originally planned on the Ponzio Site (“Site M” in the HE&FSP), and otherwise continue to implement its adopted and endorsed HE&FSP and seek to create new opportunities for the production of affordable housing.