

# **2022 AFFORDABLE HOUSING ANNUAL MONITORING REPORT**

## **TOWNSHIP OF MILLSTONE Monmouth County, New Jersey**

September 2022

Prepared By:



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**Township of Millstone, Monmouth County  
2022 Affordable Housing Annual Monitoring Report**

The purpose of this Report is to outline the status of affordable housing projects within the Township of Millstone, Monmouth County. The Township executed a settlement agreement, dated September 5, 2019, with Fair Share Housing Center (FSHC) establishing the Township's fair share obligations and mechanisms to meet said obligations. A Conditional Judgment of Compliance and Repose (JOR) was filed on November 12, 2019 and a Final JOR was filed on April 28, 2020. A Housing Element and Fair Share Plan was adopted by the Township's Planning Board on January 29, 2020. Pursuant to the Court-approved Settlement Agreement, on each anniversary of the settlement agreement, the Township shall provide annual reporting of the status of all affordable housing activity within the municipality. The following constitutes that Report. Pursuant to the Court-approved Settlement Agreement with FSHC, Millstone Township's Adjusted Affordable Housing Obligation is as follows:

Present Need/Rehabilitation Share: 38 units

Prior Round Obligation: 81 units

Third Round Obligation: 231 units

The Township of Millstone's Court-approved Housing Element and Fair Share Plan provides for 38 units of rehabilitation and 326 affordable housing credits to address its Prior and Third Round Affordable Housing Obligation, which includes 252 affordable units and 74 bonus credits.

Pursuant to the Court-approved Settlement Agreement, the Township is required to provide annual reporting of Affordable Housing Trust Fund (AHTF) activity. A Trust Fund Monitoring Report was completed separately and is attached to this Report as Appendix A. As of August 31, 2022, the AHTF had a balance of \$2,189,499.11.

**Present Need / Rehabilitation Share: 38 Units**

The Township's original intent was to participate in the Monmouth County Housing Rehabilitation Program as the County program had previously rehabilitated 7 units within the Township (as detailed in the adopted 2020 Housing Element and Fair Share Plan). The Township subsequently learned that the County permanently suspended its housing rehabilitation program. Millstone was therefore required to implement its own owner-occupied rehabilitation program. On January 2, 2020, the Township entered into an agreement with the Affordable Housing Alliance (AHA), a Monmouth County-based non-profit organization who focuses on providing housing and related relief to New Jersey residents, to manage the Township-wide rehabilitation program. The AHA began affirmatively marketing the program in the spring of 2020 pursuant to the requirements of the settlement agreement with FSHC, including publication in the Star Ledger and Asbury Park Press, as well as through notice to FSHC, the New Jersey Conference of the NAACP, the Latino Action Network, and the Supportive Housing Association.

As of August 25, 2022, the Township has rehabilitated two (2) properties. One applicant on Trenton Lakewood Road had a complete roof replacement. The other applicant on Pine Drive had a chimney cap and front steps replaced, as well as accessibility improvements to a bathroom. The outstanding Cheryl Lane application from 2021 was not accepted as the scope of work did not meet the program criteria. An additional six (6) households have applied to the program. Three (3) of the six (6) households have been sent applications for qualification to begin the certification process.

**Prior Round and Third Round Mechanisms**

The following discussion is a status update of all affordable housing developments in Millstone, both constructed and proposed. The Township also received credit for a Regional Contribution Agreement (RCA)

with the City of Asbury Park. See the adopted Housing Element and Fair Share Plan (adopted January 29, 2020) for further information on the RCA.

### **Constructed and Occupied**

#### *Millstone Road Group Home & Red Valley Group Homes*

Millstone Road (417 Millstone Road) and Red Valley (67 Red Valley Road) Group Homes are both existing licensed group homes with five (5) affordable units. Both developments were originally constructed in 1984 and expanded by two (2) new low-income units in 2018.

#### *Millstone Canwright House*

The Millstone Canwright House is another licensed group home, located at 29 Burnt Tavern Road. This facility has 11 units, which are deed-restricted through June 30, 2035.

#### *Indian Path*

Indian Path is an inclusionary development located on Moccasin Court. In 1990, six (6) for-sale units were created with 20-year deed controls that expired in 2010. On September 9, 2019, the owner of two (2) of the original six (6) affordable units executed a Deed to Extend Expiring Affordable Housing Restrictions for 30 years. One (1) of the units is a rental unit and the other is a for-sale unit.

#### *Group Home I-II*

Located at 31 Burnt Tavern Road, Group Home I includes six (6) low-income units with a 30-year deed restriction through 2043 as well as a concurrent 50-year lease agreement with use restriction. Group Home II, located at 8 Novad Court, is a group home with six (6) low-income units deed-restricted through 2043.

#### *Allen House I*

Allen House I is an age-restricted affordable development at 477 Stagecoach Road with five (5) very-low and five (5) low-income units. The 10 affordable units are deed-restricted for a period of 40 years through a HUD Capital Program Use Agreement executed in 2014.

#### *Burnt Tavern Apartments*

Burnt Tavern Apartments is a 100% affordable family-rental development with four (4) affordable units deed-restricted for a period of 30 years. The development was completed in 2020 and includes two (2) very-low income and two (2) low-income units.

### **Ongoing**

#### *Allen House II*

Allen House II is a 100% affordable age-restricted development with five (5) low-income and five (5) very-low-income units. Proposed for 17 Burnt Tavern Road, the project received Millstone Township Planning Board approval in November 2019. The project is still in the process of securing funding and thus far has received commitments for over \$2.35 million. Funding sources for the project include the DCA Affordable Housing Trust Fund, Federal Home Loan Bank of New York, Monmouth County HOME Funds, and Millstone Township for the land value. Once completed, a 30-year affordable housing deed restriction will be executed. In 2021, the applicant filed a Federal Home Loan Bank application and received final approval from the Monmouth County Planning Board.

#### *Shu Lee / Millstone Village*

Shu Lee, also referred to as Millstone Village, is a proposed 100% affordable development located at 14 Novad Court. The project is proposed to consist of 25 family rental units to be deed-restricted for a period of 30 years. The change from 30 units to 25 units allows the project to qualify for

funding from the state Affordable Housing Trust Fund. Concept plans have been prepared and require certain NJDEP approvals before the plans can be finalized and submitted to the Planning Board for site plan review. Approval from the NJDEP is pending and anticipated in summer of 2023. The Township has engaged a wastewater engineering firm to process the required permit applications through NJDEP. It is anticipated the development will ultimately be managed by the Affordable Housing Alliance.

#### *CKV / Millstone Woods*

The CKV Site, also known as Millstone Woods, is a proposed 100% affordable development consisting of 46 family for-sale units. The project is proposed for Burnt Tavern Road and will be deed-restricted for a period of 30 years. The Township is still awaiting a determination from NJDEP on whether the CKV site can support a septic system for 96 units, as opposed to the 46 units included in the Township's adopted Housing Element and Fair Share Plan. A Resolution of Need for the project was adopted by the Township on January 19, 2022 and can be found in Appendix B. The developer intends to apply for a 9% tax credit for the project in 2023. Similar to the Shu Lee development, concept plans have been prepared and require NJDEP approvals before the plans can be finalized and submitted for site plan approval from the Planning Board. Approval from the NJDEP is pending and anticipated in spring of 2023. The Township has engaged a wastewater engineering firm to process the required permit applications through NJDEP. It is anticipated the development will ultimately be managed by the Affordable Housing Alliance.

#### *Baldachino Apartments*

The Hexa Builders, LLC project, formerly the Baldachino Apartments, is a proposed inclusionary development on Perrineville Road. The project will include 48 affordable family rental units that will be deed-restricted for 30 years. A rezoning ordinance allowing for the development was adopted on March 18, 2020. Due to environmental constraints on the site, the project was reduced from 242 to 170 total units but will continue to provide 48 affordable units. The project's application for site plan approval has appeared before several Planning Board meetings in 2022. The application was most recently expected to be heard at Special Meetings on August 2, 2022 and August 25, 2022, but the applicant asked for adjournment until October of 2022 to prepare additional environmental studies and reports. The Planning Board is expected to render a decision before the end of the calendar year.

#### *6 Novad Court*

6 Novad Court is a proposed 100% affordable development with three affordable family rental units, replacing the previous one-unit affordable development at the site. The developer is seeking site plan approval at the September 2022 Planning Board meeting and is in the process of securing funding. The Affordable Housing Alliance will manage the property.

#### *Affordable Accessory Apartments Program*

The Township adopted an ordinance creating an Accessory Apartments Program on March 18, 2020. The ordinance encourages the creation of 10 accessory apartment units. As of the writing of this Report, there have been no applications for the Program.

#### *Showplace Farms, LLC*

The Township entered into negotiations with Showplace Farms, LLC, who was a party to the Court-approved settlement agreement with FSHC. Pursuant to that settlement agreement, the Township adopted Ordinance 20-06 on March 18, 2020, amending the Township ordinance to permit a 1.22 million square-foot warehouse and office space development at the property located on Block 23 Lot 8 along Route 33. The developers will contribute 2.5% of the assessed value to the Township's AHTF. The money generated from the Showplace property will contribute to affordable housing development within Millstone, including the many proposed 100% affordable developments listed

in this Report. The Showplace Farms property received preliminary and final major site plan approval at the Planning Board's August 12, 2020 meeting. Construction for the project was completed in early 2022. As of August 25, 2022, Showplace Farms, LLC has one remaining contribution to make, and it is expected during the fourth quarter of 2022.

## APPENDIX A

Affordable Housing Trust Fund Monitoring Report 2022

Millstone Township, Monmouth County  
2022 Trust Fund Monitoring

**Beginning Balance Trust 9/01/2021**      **\$**      **707,897.47**

REVENUE SUMMARY

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Barrier Free Escrow	
Development Fees	\$      1,562,177.24
Interest	
Other Income	
Payments in-Lieu of Construction	
<b>Total:</b>	<b>\$      1,562,177.24</b>

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EXPENDITURE SUMMARY

Administration	\$      30,779.60
Affordability Assistance	
Barrier Free Conversations	
Housing Activity	\$      49,796.00
<b>Total:</b>	<b>\$      80,575.60</b>

**Ending Balance Trust 08/31/2022**      **\$**      **2,189,499.11**

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ADMINISTRATION: 09/01/2021 - 08/31/2022

Name	Type	Amount
Davison	Legal	\$      56.10
Heyer	Planning	\$      202.50
Steib	Legal	\$      560.00
Heyer	Planning	\$      2,103.75
Steib	Legal	\$      434.00
Heyer	Legal	\$      90.00
Steib	Legal	\$      98.00
Heyer	Planning	\$      67.50
Davison	Legal	\$      93.50
Steib	Legal	\$      1,092.00
Heyer	Planning	\$      202.50
Affordable Housing Alliance	Admin Fee	\$      12,000.00
Steib	Legal	\$      1,204.00
Heyer	Planning	\$      202.50
Heyer	Planning	\$      236.25
Steib	Legal	\$      602.00
Steib	Legal	\$      616.00
Heyer	Planning	\$      202.50
Steib	Legal	\$      1,302.00
Heyer	Planning	\$      540.00
Steib	Legal	\$      378.00
Heyer	Planning	\$      1,080.00
Heyer	Planning	\$      405.00



## APPENDIX B

CKV Site Resolution of Need

**RESOLUTION NO. 22-59**  
**MEETING DATE: 01-19-2022**

**RESOLUTION OF NEED FROM THE TOWNSHIP OF MILLSTONE**

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**C/McLaughlin** offered the following Resolution and moved it adoption, which was seconded by **C/Davis**.

**WHEREAS**, the Affordable Housing Alliance (hereinafter referred to as the “Sponsor”) proposes to construct a 98-unit family housing development (hereinafter referred to as the “Project”) pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq., and all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively referred to as the “HMFA Requirement”) within the Township of Millstone (hereinafter referred to as the “Municipality”) on a site described as Block 57 Lot 16.03 as shown on the Official Assessment Map of the Township of Millstone, Monmouth County and commonly known as 27 Burnt Tavern Road, Millstone, New Jersey; and

**WHEREAS**, the Project will be subject to the HMFA Requirements and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the “Agency”); and

**WHEREAS**, the Project will be subject to requirements of the New Jersey Department of Community Affairs (hereinafter referred to as the "Department of Community Affairs"), Neighborhood Preservation Balanced Housing Program in accordance with N.J.S.A. 52:27D-320 and applicable rules promulgated thereunder at N.J.A.C. 5:43-1.1 et seq., and the mortgage and other loan documents executed between the Sponsor and the Commissioner of the Department of Community Affairs; and

**WHEREAS**, pursuant to the HMFA Requirements, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Millstone that:

- (1) The Township Committee finds and determines that the 98-unit family development Project proposed by the Sponsor meets or will meet an existing housing need;
- (2) The Township Committee finds and determines that the Project proposed by the Sponsor meets or will meet all or part of the municipality’s low and moderate-income housing obligation;

- (3) The Township Committee does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law to enable the Agency to process the Sponsor's application for Agency funding to finance the Project.

**ROLL CALL:**

AYES: C/McLaughlin, C/Zabrosky, C/Davis, DM/Morris, M/Ferro  
NAYS: None  
ABSTAIN: None  
ABSENT None

**I HEREBY CERTIFY** that the foregoing to be a true copy of the Resolution adopted by the Millstone Township Committee at its meeting of January 19, 2022

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Kathleen Hart, RMC  
Municipal Clerk