

2022 AFFORDABLE HOUSING ANNUAL MONITORING REPORT

BOROUGH OF WASHINGTON

Warren County, New Jersey

January 2023

Prepared By:



Heyer, Gruel & Associates

Community Planning Consultants

236 Broad Street, Red Bank, NJ 07701

(732) 741-2900

**WASHINGTON BOROUGH, WARREN COUNTY
2022 ANNUAL MONITORING REPORT**

The purpose of this Report is to outline the status of affordable housing projects as well as to account for affordable housing trust fund activity. The Borough of Washington executed a Settlement Agreement with Fair Share Housing Center (FSHC) on December 10, 2018. Washington Station Venture and Washington Venture Investment were granted leave to intervene by the Court. An additional Settlement Agreement was executed between Washington Station, Washington Borough, and the Washington Borough Planning Board on October 9, 2018, which was subsequently amended on December 18, 2018. The Borough received its Final Judgement of Compliance and Repose on November 16, 2021.

In accordance with the Settlement Agreement, the Borough is required to provide annual reporting on the status of all affordable housing activity and trust fund spending within the municipality. The following constitutes that Report.

The Borough of Washington's Housing Plan provides for a total of 131 affordable housing credits to address its Affordable Housing Obligation. Pursuant to the 2018 Settlement Agreement, Washington Borough's Affordable Housing Obligation is as follows:

- Present Need / Rehabilitation Share: 69 units
- Prior Round: 0 units
- Third Round: 42 units

GENERAL INFO AND TRUST FUND MONITORING

Since the adoption of the Spending Plan (November 14, 2019), the Borough has earned approximately \$74,838 in development fees and \$1,414 in interest, resulting in a total of \$74,838 in revenue. In that same time period, the Borough has spent \$0 on housing activity and \$51,581 on professional fees and the administration of units. As of November 30, 2022, the Borough's Affordable Housing Trust Fund has a balance of \$447,099.

THIRD ROUND MONITORING

Borough of Washington, Warren County Annual Project Form										
Site/Program Name:	Westgate Apartments			Gardner Court	Habitat for Humanity (Block 100 Lot 41)	Habitat for Humanity (Block 68 Lot 2)				
Affordable Housing Round:	Third Round			Third Round	Third Round	Third Round				
Project Type:	100% Affordable			Support & Special Needs	100% Affordable	100% Affordable				
Block & Lot/Street:	B6, L11.01, 11.02 Kinnaman Avenue			B100, L2 1-7, 2-8 Gardeners Court	B100, L41 2 Marble Street	B68, L2 12 Prosper Way				
Status:	Built			Built	Built	Built				
Date:	COs received in 1981 (Westgate I) and 1985 (Westgate II)			Controls began 1/28/1998	Controls began 8/24/2001	Controls began 10/13/2011				
Length of Controls:	50 years			40 years	30 years	30 years				
Administrative Agent:	Legal Dweller Waitlist 12 Westgate Apartments Washington, NJ (908) 835-8001			ARC of Warren County 319 W Washington Ave # 2, Washington, NJ (908) 689-7525 arcwarren.org	Warren County Habitat for Humanity 31 Belvidere Ave, Washington, NJ (908) 835-1300 warrenhabitat.org	Warren County Habitat for Humanity 31 Belvidere Ave, Washington, NJ (908) 835-1300 warrenhabitat.org				
Contribution (PIL):	N/A			N/A	N/A	N/A				
Type of Units:	Family Rental			Support & Special Needs	Family For-Sale	Family For-Sale				
Total Affordable Units:	68			14*	1	1				
Income/Bedroom Distribution:	1 BR	2 BR	3 BR	Group Home/Assisted Living Bedrooms	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR
Very Low Income	-	-	-	9	-	-	-	-	-	-
Low Income	-	-	-	5	-	-	-	-	-	-
Moderate Income	31	37	-	-	-	-	1	-	-	1
Comments:				* As indicated in the Housing Element and Fair Share Plan, this facility contains eight (8) 2-bedroom units, two (2) of which are occupied by a parent and child, resulting in a total of 14 eligible credits. In 2022, ARC of Warren County received a \$400,000 Small Cities grant to rehabilitate 1-7 Gardner Court. Rehabilitation included repairing structural issues and replacing the furnace. A second grant was submitted to the Small Cities Grant Program to rehabilitate 2-8 Gardner Court.						

Borough of Washington, Warren County Annual Project Form									
Site/Program Name:	Habitat for Humanity (Block 69 Lots 12, 13, 14 & 16)			Downtown Redevelopment Plan Area**			Towne Center Project		
Affordable Housing Round:	Third Round			Third Round			Third Round		
Project Type:	100% Affordable			Mandatory Set-Aside			Inclusionary Zoning		
Block & Lot/	B69, L12-14, 16			Washington Borough Downtown Redevelopment Area			B95, L3-4		
Street:	248 E. Washington Avenue						33 W. Washington Avenue		
Status:	Built			Ongoing			Ongoing		
Date:	Controls began 6/19/2014			Ordinance 2019-22 Adopted 10/1/19			Redeveloper's Agreement executed 6/22/17		
Length of Controls:	30 years			30 years (to begin with occupancy)			30 years (to begin with occupancy)		
Administrative Agent:	Warren County Habitat for Humanity 31 Belvidere Ave, Washington, NJ (908) 835-1300 warrenhabitat.org			Heyer, Gruel & Associates* 236 Broad Street, Red Bank, NJ 07701 (732) 741-2900 hgapa.com			Heyer, Gruel & Associates* 236 Broad Street, Red Bank, NJ 07701 (732) 741-2900 hgapa.com		
Contribution (PIL):	N/A			N/A			N/A		
Type of Units:	Family For-Sale			Family Rental or For-Sale			Family Rental		
Total Affordable Units:	1			25			10		
Income/Bedroom Distribution:	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR
Very Low Income	-	-	-	TBD			TBD		
Low Income	-	-	-						
Moderate Income	-	-	1						
Comments:				<p>The Borough amended its Downtown Redevelopment Plan to require any residential/mixed-use development that generates 5 or more units to provide a 20% affordable family set aside.</p> <p>Total affordable units are calculated based on acreage and allowable density. Income and bedroom distribution will be confirmed by the Administrative Agent.</p> <p>*See following page for additional information regarding developments in the Downtown Redevelopment Area</p>			Income and bedroom distribution will be confirmed by the Administrative Agent.		

*Heyer Gruel & Associates is the appointed Administrative Agent for the Borough. However, the developer has the option of appointing its own Administrative Agent for each project.

DOWNTOWN REDEVELOPMENT PLAN

The Borough Council adopted the amended the Downtown Redevelopment Plan on September 20, 2022, utilizing grant funding from the New Jersey Highlands Council. The Plan continues to require any residential or mixed-use development producing 5 or more residential units provide 20% of the units as affordable to moderate, low and very low-income households, as required by the Borough's Settlement Agreement with Fair Share Housing Center

Over the past year, two applications have been received by the Borough's Land Use Board for new mixed-use development within the Downtown Redevelopment Area.

- 2 W. Washington Avenue (Block 23 Lots 17-18, Block 24 Lot 35)

On June 13, 2022, the Land Use Board approved the application, which was subsequently memorialized via Resolution #2022-03 on September 12, 2022, permitting the renovation of the 3-story building and the conversion of the office space to residential units. A total of 10 residential units will be created, resulting in 2 units that will be reserved for affordable housing. The units will comply with UHAC rules and regulations. The application is currently in Resolution Compliance.

- 1 W. Washington Avenue (Block 95 Lot 7)

The Land Use Board approved the application on October 17, 2022, memorialized via Resolution on November 14, 2022. The applicant received preliminary and final major site plan approval to convert the upper stories of the Stover Building from vacant office space to residential units. The property will be developed with a total of 20 residential units, of which 4 units will be deed restricted as affordable units. The affordable units are proposed to consist of three 2-bedroom and one 3-bedroom units. The applicant is currently in Resolution Compliance.

Further, the Washington Borough Council passed a Resolution of Support via Resolution 2022-68 on June 14, 2022, supporting an application to the New Jersey Department of Community Affairs, New Jersey Affordable Housing Trust Fund Program to create a 24-unit 100% affordable development on Block 80 Lot 2. The amended Downtown Redevelopment Plan created a new district for this site, the Theater District. The Theater District allows multi-family residential and mixed-use development subject to, at a minimum, restoring and preserving the front façade and marquis of the building along Washington Avenue.

OTHER WASHINGTON BOROUGH APPLICATIONS

The Washington Borough Land Use Board approved an application requiring d(1) use variance and d(5) density variance relief on August 8, 2022, which was memorialized via resolution on October 17, 2022. The property, Block 27.01 Lot 2, located at 35 Brown Street, received approval to construct 12 units on the property. During the course of the hearing, the applicant agreed to either comply with the Borough's Affordable Housing Development Fee Ordinance, which requires a development fee of 6% of the equalized assessed value for each additional unit that may be realized or the applicant would provide an affordable unit in accordance with UHAC rules and regulations.

REHABILITATION PROGRAM MONITORING

The Borough is working to address its 69-unit Present Need / Rehabilitation Share through its partnership with Warren County, which provides funding as grants or as revolving loans to income eligible households. The Borough extended its agreement with the Warren County Housing Program via Resolution 2021-31 at their meeting held on February 2, 2021.

Since the previous Annual Monitoring Report was prepared, no new units have been completed. However, three applications have been received by Warren County Housing Program, which include 2 low-income units and 1 very low-income unit and are currently pending. The County anticipates rehabilitating at least 6 units in 2023. Not including the pending applications with the County's rehabilitation program, the Borough has rehabilitated a total of 56 units.

As stated previously in this report, ARC of Warren County received a \$400,000 Small Cities grant to rehabilitate 7 units, located at 1-7 Gardners Court. See attached summary of scope of work prepared by the company's architect.

VERY LOW-INCOME REPORTING

The Borough will ensure that 13 percent of all of the affordable units created, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Mark J. Zgoda, AIA
A R C H I T E C T
211 Riverview Road, Phillipsburg, NJ 08865
908.334.0421 cell 908.454.0801 off/fax
NJ Lic. 21AIO1239600 PA lic. RA013094X

September 10, 2019

Re: Small Cities Grant Application for analysis and repair of:
Gardner Court Apartment Building in Washington, NJ for the ARC of Warren

Summary of the Scope of Work:

1. The East Building of the Gardner Apartment Complex presently exhibits evidence of settlement in its foundation walls, in the basement concrete slabs, and in the exterior brick. This may be a result of a limestone void upon which the foundation was constructed. This settlement is further complicated by storm water improperly diverted from the structure. The primary focus of the grant is to determine the cause of this settlement. The Architectural and Engineering fees include the soil borings, testing, analysis, and recommendations by a Geotechnical Engineer to provide this report. The Architect and potentially a Structural Engineer will design the remediation procedures which may include pumping a grout and concrete mix under the structure to stabilize the substrate. Temporary shoring, removal and replacement of structural elements may be necessary. The construction cost for this portion of the project will be more clear once the Geotechnical Report is available.
2. Once the structure is stabilized, the existing brick and other building elements can be repaired. A significant portion of the brick would be removed and replaced.
3. Additionally, the improper diversion of the storm water can be addressed with new gutters, downspouts and the installation of underground manifolds to direct this water away from the building and use existing positive grading.
4. Furthermore, the installment of two new energy efficient boilers for units #5 and #7 is required.
5. Finally, an ADA compliant ramp to access the structure would be constructed if the funds remain available.

Cost Estimate:

The construction documents will utilize a system of alternate bids for each item described above, in order to prioritize the life safety items and distribute the funds in the most efficient manner possible. With the assumption that a \$400,000 grant is received, we anticipate the following costs based tasks. Again, the actual expenditures are contingent on the results of the Geotechnical Report.

Grant Administration:	\$20,000
Architectural and Engineering fees:	\$48,000
Grouting of subgrade voids under the footings:	\$50,000
Structural remediation, repair / replacement:	\$177,000
Brick replacement:	\$40,000
Storm water remediation:	\$20,000
Boilers (2 @ \$7,500 each):	\$15,000
ADA compliant ramp:	\$15,000
Contingency (Change orders, unforeseen conditions):	\$15,000

Respectfully,

Mark J. Zgoda, AIA
President