
Affordable Housing Midpoint Review Report

Township of Knowlton

Warren County, New Jersey

July 1, 2020

Prepared by:



A handwritten signature in black ink, which appears to read 'Daniel N. Bloch', is written over a horizontal line.

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Background

On March 10, 2015, the Supreme Court ruled that the Council on Affordable Housing (“COAH”) has failed to act and as a result, the Courts will be assuming jurisdiction over the Fair Housing Act. On or about July 1, 2015 the Township of Knowlton filed a Declaratory Judgment with the Court. On December 5, 2016, the Township entered into a Settlement Agreement with the Fair Share Housing Center (“FSHC”) to memorialize the terms of settlement of the Township’s affordable housing obligations.

The Settlement Agreement outlines Knowlton’s affordable housing obligations:

- Rehabilitation Share: 10 units
- Prior Round Obligation: 14 units
- Third Round Prospective Need: 32 units

The Township adopted a Housing Element & Fair Share Plan on June 25, 2017 to address the affordable housing obligations.

Paragraph 18 of the Settlement Agreement requires that the Township comply with the statutory midpoint review requirements of the Fair Housing Act and specifically N.J.S.A. 52:27D-313, which states “...the Council [on Affordable Housing] shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public...” This Midpoint Review Report has been modeled after the template prepared by FSHC and modified to more closely reflect the conditions in the municipality, the Settlement Agreement with FSHC, and the Court-approved Housing Element and Fair Share Plan.

The Settlement Agreement requires that the midpoint review be posted on the Township website, a copy provided to DCA, COAH or LGS, and a copy provided to FSHC by July 1, 2020. This review acts as a status report regarding the Township’s compliance mechanisms and whether or not any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity.

At a Fairness Hearing on May 19, 2017, the Superior Court found the Settlement Agreement to be fair and deemed it to be preliminarily in compliance with the Township’s affordable housing fair share obligation. Knowlton has since been working to prepare and adopt the requisite compliance documents.

Conditions of Compliance

The Township’s Declaratory Judgment is still pending a Final Compliance Hearing before the Superior Court. As a Final Order of Judgment of Compliance and Repose (“JOR”) has not been issued, there are no conditions of compliance.

Present Need (Rehabilitation Share) Review

As indicated above, Knowlton has a 10-unit Rehabilitation Obligation. As noted in Paragraph 3 of the Settlement Agreement, Knowlton operates a rehabilitation program using a Small Cities grant and participates in the Warren County housing rehabilitation program. Ongoing participation in these programs is sufficient to satisfy the Township’s rehabilitation obligation of 10 units.

Since April 1, 2000, three low- and moderate-income housing rehabilitations have occurred within the Township of Knowlton. One of them was completed by the Township's program and the other two were completed by the Warren County program as shown in the table below:

Rehabilitation Share 1999 - 2018	
Warren County Housing Rehabilitation Program	Credits
21 Lime Kiln Road (low income, owner)	1
36 Hemlock Court (very low income, owner)	1
Knowlton Township Rehabilitation Program	
428 Route 94 (low income, owner)	1
Total Credits	3

Prior Round Mechanism Review

Knowlton Township addressed its Prior Round obligation of 14 units as shown in the table below. Both developments are complete. Additional information can be found on the 2020 Annual Monitoring Form prepared by the Township's Administrative Agent in the appendix.

PRIOR ROUND CREDITS						
Project Name /Development	Year	Type of Affordable Unit	# Units / Bedrooms	Bonus Type	Bonus Credits	Total Credits
Fred Bauer Apts. 116 Hainesburg Road	2006	Family Rental	4	Rental	4	8
ARC of Warren County	2007	S/SN Housing	6		0	6
Totals			10		4	14

Third Round Realistic Opportunity Review

The Township proposed to address its Third Round obligation with a total of 24 units and 8 rental bonuses. Additional information can be found on the 2020 Annual Monitoring Form prepared by the Township's Administrative Agent in the appendix.

- **60 Knowlton Road:** A municipally sponsored single (1) rental unit available to families, with 10-year affordability controls becoming initially effective on April 4, 2003.
- **Market-to-Affordable Program:** The Township proposed to create a total of nine (9) units through its market-to-affordable program. This program was approved by COAH for 10 units through its certification of the Township's 2008 Third Round Plan. The Township is working to complete the agreements with the owners. The sites proposed for this program include:
 - **8 Clinton Street:** Proposed for four (4) units.
 - **9 Clinton Street:** The property was proposed for four (4) units. The Township dedicated \$15,000 to the property owner for the market to affordable program. One unit was deed restricted. The property was subsequently removed from the HEFSP due to issues with the septic system marking the project

unfeasible. The Township is investigating whether the Township can claim credit for the one deed restricted unit.

- **468 Route 94:** Proposed for one (1) unit.
- **Conversion Apartments in the VR Zone:** The Township intends to permit the creation of dwelling units within already existing structures. The Township will utilize the market-to-affordable program to fulfill the remaining four (4) credits.
- **Gut Rehabilitation Program:** The Township proposes to create six (6) new family-rental units through continued operation of its municipal gut-rehabilitation program.
- **Accessory Apartment Program:** The Township proposes to continue to operate its accessory apartment program to create eight (8) affordable accessory apartment units. The program was proposed in the COAH-Certified 2008 Housing Plan.

THIRD ROUND MECHANISMS					
Project	Type	Status	Units	Bonus Credits	Total
60 Knowlton Road – Family Rental	100% Affordable	Existing	1	1	2
Gut Rehabilitation – Family Rental	Gut Rehabilitation	Proposed	6	2	8
468 Route 94 – Family Rental	Market to Affordable	Proposed	1	1	2
8 Clinton Street – Family Rental	Market to Affordable	Proposed	4	4	8
9 Clinton Street – Family Rental	Market to Affordable	Existing	1	0	1
VR Conversions	Market to Affordable	Proposed	4	0	4
Accessory Apartments – Family Rental	Accessory Apartments	Proposed	8	0	8
Total			24	8	32

Additional information can be found on the 2020 Annual Monitoring Form prepared by the Township’s Administrative Agent in the appendix.

Very-Low Income Analysis

Paragraph 7 of the Settlement Agreement indicates that 13% of all units referenced in the Agreement constructed after July 1, 2008 shall be very-low income units. Half of those units must be available for families. The existing Arc of Warren County (Koeck Road) facility provides six (6) very low income credits. The Township anticipates designating four (4) units as very low family rentals through the accessory apartment and VR conversion programs.

Conclusion

Knowlton Township is currently in the compliance phase of the Declaratory Judgment process. The Court will determine at the Compliance Hearing whether the Township’s Housing Element and Fair Share Plan creates a realistic opportunity for the construction of affordable housing. This hearing will be noticed in advance and all documents will be placed on file with the Municipal Clerk for public inspection.

Knowlton Township, Warren County

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Site / Program Name	Knowlton Rehab Obligation	Gut Rehabilitation Program	ARC of Warren County	60 Knowlton Rd	Fred Bauer Apts 116 Hainesburg Rd
Project Type	Rehabilitation	100% Affordable Family Rental	100% Affordable Special Needs Rental	100% Affordable Family Rental	100% Affordable Family Rental
Block & Lot / Street	Various	Various	Koeck Road	B: 61 / L: 15.04 Knowlton Rd	B: 3 / L: 36.01 Hainesburg Rd
Status	Under Construction	Proposed/Zoned	Completed	Completed	Completed
Date	Various	T.B.D.	01/30/2007	04/04/2003	08/07/2006
Length of Affordability Controls	10 Years	10 Years	40 Years	10 Years	30 Years
Administrative Agent	Rehabco Inc., 470 Mantoloking Road, Brick, New Jersey 08723, (732) 477-7750, rehabconj.com	Knowlton Township, 628 Rt. 94, Columbia, New Jersey 07832, (908) 496-4816, http://knowlton-nj.com/	ARC of Warren County, 319 W. Washington Avenue, Washington, New Jersey 07882, (908) 689-7525, https://www.arcwarren.org/	T.B.D.	T.B.D.
Contribution	N/A	N/A	N/A	N/A	N/A
Type of Units	Rehabilitation	Family Rental	Special Needs Rental	Family Rental	Family Rental
Total Affordable Units	10	6	6	1	4
Units Notes	Three units completed, seven units to be completed by 2025.		Group Home- Units are Bedrooms.		Knowlton Township is in the process of appointing an Administrative Agent for these units.
Income/Bedroom Distribution	Eff. Std. BR 1 BR 2 BR 3 BR 4	Eff. Std. BR 1 BR 2 BR 3 BR 4	Eff. Std. BR 1 BR 2 BR 3 BR 4	Eff. Std. BR 1 BR 2 BR 3 BR 4	Eff. Std. BR 1 BR 2 BR 3 BR 4
Very-Low-Income	- - - - -	- - - - -	- 6 - - -	- - - - -	- - - - -
Low-Income	- - - - -	- - - - -	- - - - -	- 1 - - -	- - 4 - -
Moderate-Income	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -

Knowlton Township, Warren County: Very-Low Income Units 2020

Development/Compliance Mechanism	Project Status	Controls Date	Affordable Units	Very-Low Income Units
9 Clinton St Market to Affordable	Proposed/Zoned	07/10/2017	1	1
468 Route 94 Market to Affordable	Proposed/Zoned	T.B.D.	1	0
8 Clinton St Market to Affordable	Proposed/Zoned	T.B.D.	4	0
Accessory Apartment Program	Proposed/Zoned	T.B.D.	8	2
Gut Rehabilitation Program	Proposed/Zoned	T.B.D.	6	0
Knowlton Rehab Obligation	Under Construction	Various	10	0
VR Zone Conversion	Proposed/Zoned	Various	4	2
Totals:			34	5
			<i>(%) of VLI units: 14%</i>	