

# **2023 AFFORDABLE HOUSING ANNUAL MONITORING REPORT**

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

October 2023

Prepared By:



**Heyer, Gruel & Associates**

Community Planning Consultants

236 Broad Street, Red Bank, NJ 07701

(732) 741-2900

**Township of Millstone, Monmouth County  
2023 Affordable Housing Annual Monitoring Report**

This Report outlines the status of affordable housing projects within the Township of Millstone, Monmouth County. On or about September 5, 2019, the Township executed a settlement agreement with Fair Share Housing Center (“FSHC”), which established the Township’s fair share obligations and mechanisms to meet said obligations (“2019 FSHC Agreement”). On January 29, 2020, the Township’s Planning Board adopted a Housing Element and Fair Share Plan to implement the 2019 FSHC Agreement. The Court entered a Final Judgement of Compliance and Repose on April 28, 2020.

On or about July 7, 2023, the Township and FSHC implemented an amendment to the 2019 FSHC Agreement (“Amendment”). The Amendment alters the number of affordable units proposed for Millstone’s Third Round obligation by updating the projects for 6 Novad Court, Shu Lee/Millstone Village, and CKV/Millstone Woods, as conditions at these sites have changed since the previous Plan’s adoption. Similarly, on June 14, 2023, the Planning Board adopted an Amended Housing Element and Fair Share Plan to reflect the changes created by the Amendment. By Order dated July 31, 2023, entered in Docket No. MON-L-2501-15, the Court approved the Amendment and the changes to the Township’s Housing Element and Fair Share Plan.

The 2019 FSHC Agreement requires the Township to provide an annual report of the status of all affordable housing activity within the municipality. Pursuant to this underlying agreement, Millstone Township’s Adjusted Affordable Housing Obligation is as follows:

Present Need/Rehabilitation Share: 20 units

Prior Round Obligation: 81 units

Third Round Obligation: 231 units

The Township of Millstone’s Court-approved Amended 2023 Housing Element and Fair Share Plan provides for 20 units of rehabilitation and 315 affordable housing credits to address its Prior and Third Round Affordable Housing Obligation, which includes 241 affordable units and 74 rental bonuses. The Amended Housing Element and Fair Share Plan provides that the credits from the municipally-sponsored Shu Lee project will be applied to the Township’s Round 4 obligation.

The 2019 FSHC Agreement also requires the Township to provide annual reporting of its 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, 2023, the AHTF had a balance of \$2,977,026.98.

**Present Need / Rehabilitation Share: 20 Units**

As described in the Township’s 2020 Housing Element and Fair Share Plan, seven (7) Millstone homes were rehabilitated through the Monmouth County Community Development Program between the years of 2006 and 2014, four (4) of which were completed between 2010 and 2014. The Township had initially intended to utilize the County program to fulfill its remaining rehabilitation obligation; however, the County has since permanently suspended this program. Consequently, on January 2, 2020, the Township entered into an agreement with the Affordable Housing Alliance (“AHA”), a Monmouth County-based non-profit organization, to manage a 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 7, 2023, the Township-wide rehabilitation program as operated by the AHA has accounted for a total of four (4) newly rehabilitated properties. Two (2) of these rehabilitation projects occurred in 2022 and, thus, are described in further detail within the September 2022 Annual Monitoring Report. The

remaining two (2) rehabilitation projects were implemented in 2023, and include: a resident on Rochdale Avenue, who had the roof, gutters, porch railings, and electrical outlets replaced; and a resident on Perrineville Road, who had the roof, chimney, gutters, electrical outlets, and a light fixture replaced.

### **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 46 credits for a Regional Contribution Agreement (“RCA”) with the City of Asbury Park, all of which will be applied to the Township’s Prior Round obligation. See the amended Housing Element and Fair Share Plan (adopted June 14, 2023) 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 a total of ten affordable units (five (5) affordable units per development). Both developments were originally constructed with three (3) units each in 1984. In 2018, each of these group homes were expanded with two (2) new low-income units. The Township received credit for both developments under Prior Cycle Credits.

#### *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 a former inclusionary development located on Moccasin Court. In 1990, six (6) for-sale units were created with 20-year deed controls that expired in 2010. In 2013, two (2) of the original six (6) units located at 2 and 4 Moccasin Court, respectively, were conveyed to the current owners who, on September 9, 2019, executed a Deed to Extend Expiring Affordable Housing Restrictions (“Deed”) for 30 years through July 15, 2049; one (1) of these units is a rental unit and the other is a for-sale unit. This Deed provides that the current owners are required to receive approval from the Administrative Agent of the Township of Millstone prior to any sale or conveyance of the property. The remaining four (4) units are no longer deed-restricted as affordable units.

#### *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. As of July 2023, commitment for funding for the project neared \$3 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. As of this year, Millstone Township has contributed \$300,000 from its Municipally Sponsored Projects budget to the Affordable Housing Alliance to support the project and expand affordable housing throughout the Borough, in alignment with the Affordable Housing Trust Fund Spending Plan adopted in 2020. All required development approvals have been received and grading and clearing site work started in 2022. Once completed, a 30-year affordable housing deed restriction will be executed.

### *Shu Lee / Millstone Village*

Shu Lee, also referred to as Millstone Village, is a proposed 100% affordable development located at 14 Novad Court, which is owned by the Township. The project—which originally proposed 30 family rental units—is now 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. The Township is currently processing applications for the necessary permits for on-site water and wastewater services including Water Quality Management Plan (WQMP) amendment, Treatment Works Approval (TWA), and New Jersey Pollutant Discharge Elimination System (NJPDES) permit. Once subdivision/site plan approval from the Planning Board has been obtained, the Township will convey the property to AHA. AHA is seeking funding for the project from various funding sources. Originally counted toward the township's Third Round obligation, the Shu Lee project will now be counted toward its Fourth Round obligation. This decision was made given the anticipated timeline for funding and construction.

### *CKV / Millstone Woods*

The CKV Site, also known as Millstone Woods, is owned by the Township and is proposed for Burnt Tavern Road. The project was originally proposed as a 100% affordable development consisting of 49 for-sale units. The Township has since been advised by AHA to increase the proposed number of units to 66 affordable for-rent units (plus one unit for a superintendent, for a total of 67 units) in order to improve the project's eligibility for funding and to attract a greater number of qualified very low-, low-, and moderate-income candidates to fill the units. AHA has already applied for Low Income Housing Tax Credits (LIHTC). In addition, the Township is currently processing applications for the necessary permits for on-site water and wastewater services including Water Quality Management Plan (WQMP) amendment, Treatment Works Approval (TWA), and New Jersey Pollutant Discharge Elimination System (NJPDES) permit. The Township has prepared and obtained subdivision/site plan approval from the Planning Board, which is scheduled to be completed by October 31, 2023. The Township will then convey the land to the AHA, which will manage the construction of the development. Once completed, the project will be deed-restricted for a period of 30 years.

### *Baldacino ("Hexa") Apartments*

The Hexa Builders, LLC project, formerly the Baldacino 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. On March 18, 2020, the Township adopted an ordinance rezoning the site to the Rural Multi-Family Zone to accommodate the required density of development for this project. In 2022, the total number of units proposed for the development was reduced from

242 total units to 170 total units due to environmental constraints on the site. On January 11, 2023 the development received preliminary major site plan approval for 122 market-rate units and 48 affordable rental family units. The 48 affordable units account for 6 very low-, 18 low-, and 24 moderate-income units.

*6 Novad Court*

6 Novad Court is a proposed 100% affordable development with three (3) special needs affordable units for the homeless/formerly homeless, replacing the previous one (1)-unit affordable development at the site. Funding will be received from the NJDCA's National Housing Trust Fund and County HOME funds. 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. To boost the success of the program, the Township may consider increasing marketing and awareness of the program through measures such as additional flyers and mailers.

*Showplace Farms, LLC*

The Township entered into negotiations with Showplace Farms, LLC, who was a party to the 2019 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 agreed to contribute 2.5% of the assessed value to the Township's Affordable Housing Trust Fund. 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. Showplace Farms, LLC made their fourth estimated payment to the Township on December 2, 2022 in the amount of \$620,701.87. To receive their certificate of occupancy after the final assessment was completed, they made an additional payment of \$397,554.89 on July 27, 2023.

## APPENDIX A

Affordable Housing Trust Fund Monitoring Report 2023

Millstone Township, Monmouth County  
2023 Trust Fund Monitoring

**Beginning Balance Trust 9/01/2022**      \$ 2,189,499.11

REVENUE SUMMARY

---

Barrier Free Escrow	
Development Fees	\$ 1,272,563.77
Interest	
Other Income	
Payments in-Lieu of Construction	
<b>Total:</b>	<b>\$ 1,272,563.77</b>

---

EXPENDITURE SUMMARY

Administration	\$ 95,043.48
Affordability Assistance	
Barrier Free Conversations	
Housing Activity	\$ 389,992.42
<b>Total:</b>	<b>\$ 485,035.90</b>

**Ending Balance Trust 08/31/2023**      \$ 2,977,026.98

---

ADMINISTRATION: 09/01/2022 - 08/31/2023

Name	Type	Amount
Affordable Housing Alliance	Admin Fee	\$ 12,000.00
Steib	Legal	\$ 1,988.00
Heyer	Planning	\$ 67.50
Steib	Legal	\$ 2,156.00
Heyer	Planning	\$ 2,370.00
Davison	Legal	\$ 2,046.30
Steib	Legal	\$ 2,072.00
Heyer	Planning	\$ 2,548.75
Davison	Legal	\$ 168.30
Steib	Legal	\$ 2,086.00
Steib	Legal	\$ 28.00
Heyer	Planning	\$ 2,375.00
Gannett	Legal	\$ 93.08
Gannett	Legal	\$ 46.00
Davison	Legal	\$ 50.40
Davison	Legal	\$ 93.50
Heyer	Planning	\$ 1,698.75
Davison	Legal	\$ 187.00
Heyer	Planning	\$ 615.00
Davison	Legal	\$ 334.10
Heyer	Planning	\$ 3,607.50
Davison	Legal	\$ 280.55
Steib	Legal	\$ 28.00

Steib	Legal	\$	3,332.00
Steib	Legal	\$	672.00
Steib	Legal	\$	140.00
Steib	Legal	\$	2,926.00
Heyer	Planning	\$	2,115.00
Davison	Legal	\$	37.40
Davison	Legal	\$	63.40
Steib	Legal	\$	3,935.00
Heyer	Planning	\$	1,605.00
Davison	Legal	\$	269.10
Davison	Legal	\$	240.60
Heyer	Planning	\$	3,262.50
Steib	Legal	\$	4,046.00
Gannett	Legal	\$	29.04
Davison	Legal	\$	50.40
Davison	Legal	\$	56.10
Surenian	Legal	\$	425.00
Gannett	Advertising	\$	14.52
Steib	Legal	\$	854.00
Steib	Legal	\$	350.00
Steib	Legal	\$	2,828.00
Heyer	Planning	\$	3,847.50
Davison	Legal	\$	430.10
Davison	Legal	\$	224.40
Surenian	Legal	\$	10,514.50
Gannett	Advertising	\$	182.84
Steib	Legal	\$	1,652.00
Heyer	Planning	\$	862.50
NJ Advance Media	Advertising	\$	170.40
Surenian	Legal	\$	12,968.45
	<b>Total:</b>	<b>\$</b>	<b><u>95,043.48</u></b>

HOUSING ACTIVITY: 09/01/2022 - 08/31/2023

Name	Type		Amount
Avakian - Engineering	CKV	\$	2,068.75
Avakian - Engineering	Shu-Lee	\$	1,175.00
Avakian - Engineering	CKV	\$	510.00
Avakian - Engineering	CKV	\$	425.00
Avakian - Engineering	Shu-Lee	\$	425.00
Avakian - Engineering	CKV	\$	297.50
Avakian - Engineering	Shu-Lee	\$	467.50
Avakian - Engineering	CKV	\$	340.00
Marathon - Engineering	Shu-Lee	\$	1,875.00
Marathon - Engineering	Shu-Lee	\$	5,000.00



Avakian - Engineering	Shu-Lee	\$	820.00
Avakian - Engineering	CKV	\$	1,935.00
Avakian - Engineering	CKV	\$	170.00
Avakian - Engineering	CKV	\$	1,570.00
Avakian - Engineering	Shu-Lee	\$	1,745.00
Avakian - Engineering	Novad	\$	350.00
Avakian - Engineering	CKV	\$	3,682.50
Avakian - Engineering	Novad	\$	1,785.00
Affordable Housing Alliance	Allen House II	\$	300,000.00
Avakian - Engineering	Novadd	\$	4,117.50
Avakian - Engineering	CKV	\$	1,677.50
Affordable Housing Alliance	Rehab	\$	15,925.67
Affordable Housing Alliance	Rehab	\$	15,820.50
Avakian - Engineering	CKV	\$	3,410.00
Avakian - Engineering	CKV	\$	1,443.75
Avakian - Engineering	Shu-Lee	\$	131.25
Avakian - Engineering	CKV	\$	1,337.50
Avakian - Engineering	CKV	\$	3,307.50
Marathon - Engineering	Novad	\$	3,265.00
Avakian - Engineering	Novad	\$	700.00
Avakian - Engineering	ckv	\$	2,215.00
Affordable Housing Alliance	Admin Fee	\$	12,000.00
	<b>Total:</b>	<b>\$</b>	<b><u>389,992.42</u></b>