

**FIRST AMENDMENT TO
SETTLEMENT AGREEMENT**

THIS FIRST AMENDMENT TO MOUNT LAUREL SETTLEMENT

AGREEMENT ("Amendment") is made on this 4th day of May, 2017, by and between the
TOWNSHIP OF NORTH HANOVER ("Township" and/or "North Hanover") and **FAIR
SHARE HOUSING CENTER** ("FSHC");

RECITALS

1. On December 13, 2016, North Hanover entered into a Mount Laurel Settlement Agreement with FSHC which addresses a stipulated third round fair share obligation of two (2) rehabilitation units, a one (1) unit prior round obligation and a 101-unit third round (1999 – 2025) obligation which is fully satisfied as to the prior round and third round obligation by 128 affordable family rental units located in three 100% affordable apartment complexes known as Millstream Apartments North, Millstream Apartments South and Maplewood Apartments that are, respectively, located at 202 Croshaw Road (Block 603, Lot 10), 18 Jonesmill Road (Block 603, Lot 29), and 42 Meany Road (Block 800, Lot 68) in North Hanover Township.

2. The three projects were constructed in the early to mid-1980's utilizing financing provided by the U.S. Department of Agriculture ("USDA") pursuant to its "Rural Development" program implemented at 7 CFR § 3560 which provides federal funding to facilitate the provision of low and moderate income housing.

3. The Rural Development regulations did not require at the time that the three apartment complexes collectively provide an on-site Management Office and laundry facilities although the Low Income Tax Credit regulations that are implemented by the New Jersey Housing Mortgage Finance Agency ("NJHMFA") now require that 100% affordable rental

projects that are funded utilizing tax credits that contain 44 or more apartments have an on-site Management Office and laundry facilities.

4. The three apartment complexes are under contract to be sold to Rural Housing Preservation Associates, LLC (an affiliate of Leon M. Weiner and Associates, Inc.) ("RHPA") which intends to thoroughly renovate the affordable rental units with over \$8 million in improvements and desires to convert Rental Unit G-1 in the Millstream South complex to a Management Office and laundry facility which is consistent with NJHMFA's current requirements and policies if this project was financed now with tax credits. Thus, if the one (1) unit conversion is permitted by the Township, FSHC and the Court, the three apartment complexes will collectively contain 127 affordable family rental units as opposed to the 128 apartments that currently exist.

5. The conversion of the one unit to a Management Office and laundry facility is acceptable to both the Township and FSHC and approval of the conversion is hereby sought from the Court as documented in this Amendment.

6. All three apartment complexes pre-date the regulations adopted by the New Jersey Council on Affordable Housing ("COAH") and the New Jersey Uniform Housing Affordability Controls ("UHAC") which generally require a bedroom distribution for affordable housing that permits no more than 20% one-bedroom units, at least 30% two-bedroom units, and at least 20% three-bedroom units with the balance consisting of either two- or three-bedroom units.

7. These bedroom distribution requirements were not applicable when the three projects were funded in the early to mid-1980's under USDA's Rural Housing program and the three complexes contain a high concentration of one-bedroom and three-bedroom units which

technically creates a shortfall in meeting COAH's and UHAC's minimum 30% two-bedroom unit requirement.

8. In order to rectify this two-bedroom imbalance, the Township agrees that it will endeavor to secure a higher percentage of two-bedroom rental units in any future affordable rental projects that are approved during the pendency of the third round extending to 2025.

9. Paragraph 7 of the original Agreement presently requires that the 2008 Compliance Plan be amended within sixty (60) days after the Court approves the Agreement to incorporate the terms and requirements of the Agreement and the Court Master is recommending that this time-frame be expanded to 120 days as documented in this Amendment. The Township and FSHC do not object to this recommendation from the Court Master and desire to amend Paragraph 7 of the original Agreement accordingly.

10. The purpose of this Amendment is to memorialize the foregoing commitments, agreements and understandings.

NOW, THEREFORE, in consideration of the mutual promises, commitments and agreements set forth herein, the parties hereto covenant and agree as follows:

1. The Recitals set forth hereinabove are incorporated by reference herein as if set forth herein at length.

2. RHPA, the contract purchaser of the Millstream North, Millstream South and Maplewood 100% affordable apartment complexes that collectively currently contain 128 rental units shall be permitted to convert rental Unit G-1 in the Millstream South complex to a Management Office and laundry facility consistent with current NJHMFA requirements and policies.

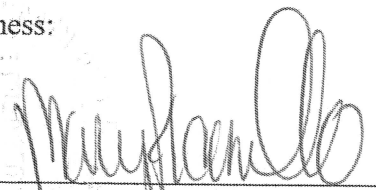
3. In an effort to correct the current imbalance of two-bedroom apartment units in the three apartment complexes which pre-date the current bedroom distribution requirements established by COAH and UHAC, the Township agrees that it shall endeavor to secure a higher concentration and percentage of two-bedroom units in future affordable family rental projects that are approved during the pendency of the third round which extends to 2025. The Township's efforts in this regard will be documented in the Annual Report of Status of Affordable Housing Activity which the Township is obligated to file pursuant to the terms of the original Mount Laurel Settlement Agreement which this instrument seeks to amend.

4. To accommodate the recommendation of the Court Master, Paragraph 7 of the original Agreement is amended to reflect that the time-frame for the Township to amend the 2008 Compliance Plan to address the terms of the Agreement is expanded from 60 to 120 days after the Agreement and this Amendment thereto are approved by the Court by appropriate Court Order.

5. All terms, provisions and agreements set forth in the original Mount Laurel Settlement Agreement are incorporated by reference herein as if set forth herein at length.

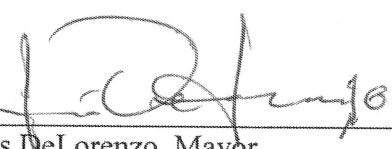
IN WITNESS WHEREOF, the parties hereto set their hands and seals as below.

Witness:




Mary Picariello, Municipal Clerk

TOWNSHIP OF NORTH HANOVER

By: 

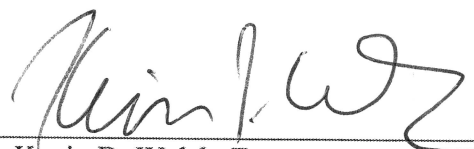
Louis DeLorenzo, Mayor

Witness:



Joshua Bauers

FAIR SHARE HOUSING CENTER

By: 

Kevin D. Walsh, Esq.