

**EXPLANATION:** This Resolution authorizes the Borough of Far Hills to enter into a First Amendment to the Affordable Housing Agreement with William Hotz Development Group, Inc., to modify the payment schedule therein and authorize the assignment of the Agreement to the Raritan Valley Development Corp. connection with the sewer connection fees for the development of the affordable housing group homes.

**BOROUGH OF FAR HILLS  
RESOLUTION 21-050  
AUTHORIZING FIRST AMENDMENT TO AFFORDABLE HOUSING AGREEMENT  
WILLIAM HOTZ DEVELOPMENT GROUP, INC.**

**WHEREAS**, in compliance with the New Jersey Supreme Court decision in In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (“Mount Laurel IV”), on or about July 2, 2015, the Borough filed an action with the Superior Court of New Jersey, entitled In the Matter of the Application of the Borough of Far Hills, County of Somerset, Docket No. SOM-L-903-15, and received a Judgment of Compliance and Repose consisting of a judicial declaration that the Borough’s amended Housing Element and Fair Share Plan (hereinafter “Fair Share Plan”), as may be further amended in accordance with the terms of a settlement agreement with Fair Share Housing Center (“FSHC”), dated October 15, 2018 (the “Settlement Agreement”), addressed the Borough’s affordable housing obligations and resolves the Borough’s Third Round Mt. Laurel obligation, and has satisfied the Borough’s “fair share” of the regional need for low and moderate income housing pursuant to the Mount Laurel doctrine, in addition to related reliefs (the “Mt. Laurel litigation”); and

**WHEREAS**, in connection with obtaining its Judgment of Compliance and Repose, the Borough entered into an Affordable Housing Agreement with William Hotz Development Group, Inc. (“Hotz”), dated May 26, 2020, for the development of seven (7) affordable housing units on a portion of the properties identified as Block 13, Lot 2 and 3, located at 8 and 10 Peapack Road and 3 De Mun Place (the “Hotz Site”), along with the Borough-owned property identified as Block 8, Lot 1, located at 46 Peapack road (the “Borough-owned Site”) (hereinafter collectively referred to as the “Properties”); and

**WHEREAS**, pursuant to the terms of the Affordable Housing Agreement, this is a 100% affordable housing development, with no market rate units included to off-set the costs of the development and maintenance of the affordable units; therefore the Borough and Hotz negotiated a subsidy payment from the Borough in the amount of Six Hundred Thousand and 00/100 (\$600,000.00) dollars; which is to be paid through an initial payment of \$300,000.00, and four (4) subsequent payments of \$75,000.00 annually thereafter; and

**WHEREAS**, the Borough and Hotz negotiated and entered into an Affordable Housing Agreement, dated May 26, 2020 (the “Agreement”), wherein the parties agreed to the terms and conditions of Hotz’ development of seven (7) affordable housing units on a portion of the property identified as Block 13, Lots 2 and 3, located at 8 and 10 Peapack Road, and 3 De Mun Place (the “Hotz Site”), and a portion of the Borough-owned property identified as Block 8, Lot 1, located at 46 Peapack Road (the “Borough-owned Site”)(hereinafter collectively referred to as the “Properties”); and

**WHEREAS**, the Borough adopted Ordinance 2019-07, which established an affordable housing overlay zone (R-10 Affordable Housing Overlay (AHO) Zone) for the Borough-owned Site to permit the affordable housing development thereon by Hotz; and

**WHEREAS**, the Borough adopted Ordinance 2020-03, which established an affordable housing overlay zone (NO AHO – Neighborhood Office Mixed-Use Affordable Housing Overlay Zone) for the Hotz Site to permit the affordable housing development thereon by Hotz; and

**WHEREAS**, RVDC filed an application for minor site plan approval with the Far Hills Planning Board (the “Board”) for the Borough-owned Site, which application was granted by the Board on November 2, 2020, with the memorializing Resolution No. 2020-26, adopted by the Board on December 7, 2020; and

**WHEREAS**, RVDC filed an application for preliminary and final site plan approval with variance relief with the Far Hills Planning Board (the “Board”) for the Hotz Site, which application was granted by the Board on December 7, 2020, with the memorializing Resolution No. 2021-08, adopted by the Board on January 4, 2021; and

**WHEREAS**, based on the timing of Hotz/RVDC’s receipt of Planning Board approvals, the payment schedules for the Borough’s affordable housing contribution requires to be modified as originally set forth in the Agreement; and

**WHEREAS**, additionally, by letter dated January 22, 2021, Hotz requested that the Agreement be assigned to the Raritan Valley Development Corp. (“RVDC”), which entity will be owner and developer of both properties, as well as the operating entity for the affordable housing units; and

**WHEREAS**, the Borough and Hotz/RVDC negotiated and agreed upon terms to revise the Agreement in which the Borough’s payment schedule is amended, and the Agreement is assigned to RVDC as set forth herein; and

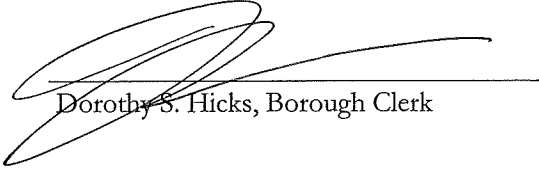
**WHEREAS**, the Mayor and Borough Council finds it to be in the best interest of the Borough to enter into the First Amendment to the Affordable Housing Agreement with Hotz and RVDC to facility the development of affordable housing in connection with the Borough's affordable housing compliance as approved by the Court.

**NOW, THEREFORE, BE IT RESOLVED** that the Borough Council of the Borough of Far Hills, County of Somerset, State of New Jersey, as follows:

1. The Borough of Far Hills is hereby authorized to enter into the First Amendment to the Affordable Housing Agreement with Hotz and RVDC; and the Mayor and Borough Clerk are hereby authorized and directed to execute the First Amendment in substantially the form attached hereto.
2. The Borough hereby directs its Special Mount Laurel Counsel, Borough Attorney, Borough Planner, Borough Clerk, Borough CFO, and other appropriate Borough officials appropriate to take all actions to satisfy the Borough's obligations and terms of the Affordable Housing Agreement with Hotz and RVDC, including the First Amendment approved hereby.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect pursuant to law.

I certify this is a true and exact copy  
of a resolution adopted by the  
Far Hills Borough Council on 2/8/21.



Dorothy S. Hicks, Borough Clerk