

## DEVELOPER MEMORANDUM OF UNDERSTANDING

THIS DEVELOPER MEMORANDUM OF UNDERSTANDING (“MOU”) is made on this 15th day of May, 2025, by and between THE CITY OF LAMBERTVILLE, a municipal corporation and body politic of the State of New Jersey, with offices at City Hall, 18 York Street, Lambertville, NJ 08530 (hereinafter referred to as the “City”); and RARITAN VALLEY HABITAT FOR HUMANITY, INC., a non-profit corporation of the State of New Jersey, having its address at 285 US Highway 202/206, Bedminster, NJ 07921 (hereinafter referred to as “RV Habitat”).

Collectively, the City and RV Habitat are referred to in this MOU as the “Parties”.

WITNESSETH:

WHEREAS, on February 4, 2020, the City executed an amended Settlement Agreement (“Amended Agreement”) with Fair Share Housing Center (“FSHC”), that reiterated the City’s Third Round prospective need obligation and Realistic Development Potential (“RDP”); and

WHEREAS, the Amended Agreement included a requirement that the City create the mechanism by which five affordable family units would be provided on its Police Station lot, to help defray the City’s Third Round unmet need; and

WHEREAS, the Amended Agreement was approved by the Court on June 23, 2020; and

WHEREAS, the City has proposed an alternative mechanism that will deliver six affordable family units, credits for which the City has proposed to apply to its Third Round unmet need; and

WHEREAS, the City is the title owner of that certain property designated as Block 1002, Lot 41 on the City’s Tax Map, located at 260 N. Main Street and known as Holcombe Park (the “Park Property”); and

WHEREAS, pursuant to Resolution 93-2022, adopted by the City Council on May 19, 2022, the City designated the Park Property as an area in need of redevelopment; and

WHEREAS, a portion of the Park Property, as depicted on Exhibit “A” attached hereto (the “Subject Property”) consists of a residence (the “Existing Residence”) and has not been otherwise developed; and

WHEREAS, the City is seeking a redeveloper to develop affordable housing on the Subject Property, to be applied to the City’s Third Round unmet need; and

WHEREAS, RV Habitat is desirous of developing affordable housing on the Subject Property; and

WHEREAS, the City and RV Habitat wish to further explore the opportunity for the Subject Property to be subdivided from the Park Property and developed by RV Habitat for affordable housing; and

WHEREAS, to ensure that the units contemplated by this MOU generate affordable housing credits to the City's Third Round affordable housing unmet need obligations, the units shall be developed in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. ("UHAC") and all other applicable law.

NOW, THEREFORE, in consideration of the promises, mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties hereto agree in this MOU as follows:

### **ARTICLE I – BASIC TERMS AND CONDITIONS**

1.1 Purpose. The purpose of this MOU is to create a realistic opportunity for the construction of affordable housing units that are credit-worthy for the City to apply to its Third-Round affordable housing unmet need obligations.

### **ARTICLE II – RV HABITAT OBLIGATIONS**

2.1 Construction Obligations. (a) RV Habitat proposes to construct six (6) affordable, for-sale, low- or moderate-income dwelling units within [three two-family buildings constituting semi-detached dwellings] on the Subject Property after the Subject Property is subdivided from the Park Property, the Existing Residence is demolished, and the Subject Property is conveyed to RV Habitat pursuant to Section 3.1 below.

(b) Upon its anticipated designation by the City as redeveloper of the Subject Property, RV Habitat agrees that it shall apply for and obtain all development approvals required to construct the six affordable, for-sale, low- or moderate-income units at the Subject Property, and shall cooperate with the City to apply for such approvals simultaneously with the City's application for subdivision approval pursuant to Section 3.2 below.

2.2 Affordable Units. Prior to conveyance of the first affordable unit from RV Habitat to an income-qualified household, RV Habitat shall be obligated to deed restrict each of the dwelling units with affordability controls limiting occupancy to low- and moderate-income households as defined by UHAC. Any such dwelling units shall comply with UHAC and any other applicable affordable housing statutes and regulations, and may be offered for sale to low- and moderate-income households that are screened and approved by RV Habitat in accordance with RV Habitat's selection criteria. In addition, each of the affordable dwelling units shall remain affordable for at least thirty (30) years from the date upon which the first qualified household takes title to the unit and thereafter, until the City elects to lift said controls (the "Deed Restriction Period"). Any profits realized from the resale of the affordable dwelling units shall be applied by RV Habitat to the costs of acquiring and rehabilitating other residential property within the City pursuant to N.J.S.A. 40A:12-21(j).

### ARTICLE III – CITY OBLIGATIONS

3.1 Municipal Contribution. The City agrees to provide the land encompassing the Subject Property to RV Habitat for nominal consideration (i.e. \$1.00), in accordance with N.J.S.A. 40A: 12-21(j), together with a cash contribution in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) to be made by the City from its Affordable Housing Trust Fund to RV Habitat to offset project costs (the “AHTF Contribution”). The contribution shall be made at time of RV Habitat’s closing on its acquisition of the Subject Property. RV Habitat’s obligations are contingent upon securing a non-rescindable written commitment from the City to provide the AHTF Contribution for the construction of the affordable dwelling units.

3.2 Property Subdivision. RV Habitat shall be responsible for preparing a subdivision plat and survey of the Subject Property. Upon completion and receipt of same, the City shall be responsible for the application, approval and perfection of a subdivision of the Subject Property from the remainder of the Park Property that results in a lot configuration that permits the development of the Subject Property as described herein.

3.3 Demolition of Existing Residence. Prior to conveyance of the Subject Property to RV Habitat, the City shall cause the demolition and removal of the Existing Residence on the Subject Property. The responsibility for the demolition of the two-story frame barn will be negotiated between the Parties and resolved through further agreement.

3.4 Zoning Amendment. To the extent required to accommodate the development of the Subject Property as contemplated herein, the City shall introduce and adopt a zoning amendment encompassing the Subject Property to permit construction of six (6) affordable dwelling units thereon.

3.5 Due Diligence. Prior to conveyance of the Subject Property to RV Habitat, RV Habitat shall have a sixty (60) day due diligence period (the “Due Diligence Period”) to review the Subject Property for any potential concerns. During the Due Diligence Period, RV Habitat may conduct inspections, surveys or testing it requires at its cost and expense, and shall provide the City with the results thereof. Should any issues arise as a result of the inspections, surveys or testing, including, without limitation, the discovery of any historical features or environmental hazards that make development impractical or undesirable, or otherwise making development not financially viable, as determined in each case by RV Habitat in its sole discretion, RV Habitat shall not be obligated to accept the AHTF Contribution or complete its obligations hereunder. In such scenario, RV Habitat shall advise the City and this MOU and the rights and obligations hereunder, shall immediately terminate.

3.6 Waiver of Permit and Application Fees. The City agrees to waive all local permit, tree removal and application fees within its control to help facilitate this development. In addition, the City and the City’s Planning Board, to the extent permitted by statute and within in their discretion, shall freely waive any site plan application requirements that are otherwise not applicable to the limited improvements proposed pursuant hereto. The City further agrees not to impose any cost generative features on RV Habitat, including the use of any historic materials, techniques or features.

3.7 Adoption of Housing Element and Fair Share Plan. In connection with the recent legislation governing the Fourth Round of affordable housing in New Jersey, the City agrees to include this affordable housing development and the AHTF Contribution, and to apply it to the City's Third Round unmet need, in its Housing Element and Fair Share Plan (the "Plan") that will be submitted. The Plan shall be submitted timely, and shall have been adopted by the Planning Board and endorsed by the City Council prior to such date.


**ARTICLE IV – MUTUAL OBLIGATIONS**


4.1 To the extent required, the Parties shall enter into a more formal purchase and sale agreement, and/or redevelopment agreement to convey the Subject Property and construct the units contemplated by this MOU.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year first set forth above.

ATTEST:

CITY OF LAMBERTVILLE:

By:   
Cynthia L. Ege, City Clerk

By:   
Name: Andrew J. Nowick  
Title: Mayor

RARITAN VALLEY HABITAT FOR  
HUMANITY, INC.

By:   
Name:  
Title:

**Exhibit A**

**Depiction of Subject Property**