

RESOLUTION NO. 29-2026

**RESOLUTION OF THE CITY OF LAMBERTVILLE, COUNTY OF HUNTERDON,
STATE OF NEW JERSEY, APPROVING MEDIATION AGREEMENT WITH FAIR
SHARE HOUSING CENTER**

WHEREAS, on January 16, 2025, the Lambertville City Council adopted Resolution 43-2025, which established the City's Fourth Round Present and Prospective Need pursuant to the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-301 et seq., per P.L. 2024, c.2; and

WHEREAS, on January 17, 2025, the City submitted a Declaratory Judgment Action to the New Jersey Superior Court captioned In the Matter of the Application of the City of Lambertville, HNT-L-000030-25 ("IMO Lambertville"); and

WHEREAS, on March 27, 2025, the Superior Court of New Jersey entered an Order on Fair Share Obligations, fixing the City's Fourth Round Present Need at zero (0) affordable units, and the City's Fourth Round Prospective Need at thirty-nine (39) affordable units; and

WHEREAS, on June 4, 2025, the Planning Board of the City of Lambertville held a public hearing and adopted the City's 2025 Fourth Round Housing Element and Fair Share Plan (the "Plan"), addressing the City's Prior Round obligation, Third Round obligation, Fourth Round obligation, and Fourth Round Present Need/Rehabilitation Share as established; and

WHEREAS, the Plan was filed with the Superior Court in IMO Lambertville in compliance with the FHA; and

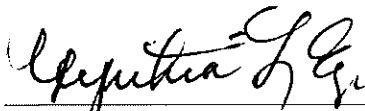
WHEREAS, Fair Share Housing Center filed a challenge to the City's Plan; and

WHEREAS, the City and Fair Share Housing Center have come to an Agreement to resolve the Challenge of Fair Share Housing Center.

NOW THEREFORE BE IT RESOLVED by the Mayor and members of the City Council of the City of Lambertville, County of Hunterdon, State of New Jersey, hereby approves the Mediation Agreement with Fair Share Housing Center in substantially the form attached hereto.

This Resolution shall take effect immediately.

ADOPTED:



Cynthia L. Ege, CMR, RMC, City Clerk



Andrew J. Nowick, Mayor

MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

In the Matter of the Application of the City of Lambertville, County of Hunterdon
Docket No. HNT-L-30-25

WHEREAS, the City of Lambertville (the “City” or “Lambertville”) having filed a Fourth Round resolution of participation in the Affordable Housing Dispute Resolution Program (the “Program”) which included the City’s acceptance of the Fourth Round fair share obligations prepared by the New Jersey Department of Community Affairs (“DCA”) and a Fourth Round declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 17, 2025; and

WHEREAS, the Court having entered an order on March 27, 2025, setting the City’s Fourth Round fair share obligations as a Present Need of zero (0) and a Prospective Need of 39, which no party appealed, and having ordered the City to file a Fourth Round Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the City having filed its HEFSP on June 4, 2025 (“Adopted HEFSP”); and

WHEREAS, Fair Share Housing Center (“FSHC”) having filed a challenge pursuant to N.J.S.A. 52:27D-304.1.f(2)(b) regarding the City’s HEFSP on August 28, 2025; and

WHEREAS, K. Hovnanian, LLC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1.f(2)(b) regarding the City’s HEFSP on August 27, 2025; and

WHEREAS, the City and FSHC have agreed to amicably resolve the issues set forth in FSHC’s challenge through this mediation agreement and present this agreement for review by the Program and referral to the Mount Laurel judge pursuant to N.J.S.A. 52:27D-304.1.f(2)(b) and

Administrative Directive #14-24, which if approved will result in a Compliance Certification for the City for the Fourth Round.

THEREFORE, the City and FSHC agree:

Fair Share Obligations

1. The City’s Fourth Round Present Need or Rehabilitation Obligation is zero (0), the City’s Prior Round Obligation (1987-1999) per the Council on Affordable Housing (“COAH”) is zero (0), the City’s Third Round Obligation (1999-2025) per the Court-approved Third Round FSHC settlement agreement is 137, and the City’s Fourth Round Prospective Need (2025-2035) is 39.

Satisfaction of Fair Share Obligations

2. Although the City has a Fourth Round Present Need of zero (0), it will continue to administer a rehabilitation program using its Small Cities grant. The program is administered by the City’s Administrative Agent, Triad Associates.
3. The City’s Prior Round Obligation is zero (0), and no Prior Round compliance plan is necessary.
4. The City’s Third Round Obligation is 137, reduced by a Court-approved Vacant Land Adjustment to a Realistic Development Potential of 88 and an Unmet Need of 49.
5. The City’s Third Round RDP shall be met with the following mechanisms:

MECHANISM	TYPE	UNITS	BONUS	TENURE	STATUS
Little Haven Group Home	Special Needs	11 of 18		Rental	Completed
Heritage Village	Age-Restricted	22 of 37		Rental	Completed

MECHANISM	TYPE	UNITS	BONUS	TENURE	STATUS
Habitat for Humanity	Family	4		For Sale	Completed
Munice Accessory Apartment	Family	1		Rental	Completed
Lambertville High School Redevelopment	Family	40	10	Rental	Adopted Redevelopment Plan
Total		78	10		

Lambertville Highschool Redevelopment: Pursuant to the July 7, 2025 trial court order, the City shall enter into a redevelopment agreement with K Hovnanian, LLC and shall adopt an amended redevelopment plan that provides for 200 units with a 20% set-aside of 40 affordable units. The parties agree that the City is entitled to claim up to 10 bonus credits so long as the units are developed in accordance with the July 7, 2025 order.

6. The City has a Third Round Unmet Need of 49, which shall be addressed in part by the following mechanisms:

MECHANISM	TYPE	UNITS	TENURE	STATUS
Little Haven Group Home	Special Needs	7 of 18	Rental	Completed
Heritage Village	Age-Restricted	12 of 37	Rental	Completed
Lilly Street Apartment	Special Needs	1	Rental	Completed
Accessory Apartment Program	Family	5	Rental	1 completed, 4 proposed
Habitat for Humanity/ Holcombe Farm	Family	6	For Sale	Adopted Redevelopment Plan
Total		31		

7. The City's Fourth Round Prospective Need Obligation is 39. For purposes of settlement, the City and FSHC agree that the City is entitled to a Fourth Round Vacant Land Adjustment that reduces the City's obligation to an RDP of zero (0) and an Unmet Need of 39.
8. The City shall address its Unmet Need of 39 with the following mechanisms:
 - a. Adopt an inclusionary overlay ordinance on Block 1004, lots 1 and 2 (the "CVS site"), that allows multi-family residential development at a density of 24 units per acre as a permitted use. This overlay would provide 15 affordable units.
 - b. Adopt an inclusionary overlay ordinance on Block 1006, lots 35, 36, 37, 38, and 40 (the "SpokeWorks site"), to add multifamily residential development as a permitted use, and to require a minimum of eight affordable units.
 - c. The City shall amend two Third Round Unmet Need inclusionary overlay ordinances to a) require a 20% affordable housing set-aside regardless of tenure, replacing the 15% required set-aside for rental units; and b) increase the density in the IO-2 overlay zone from 10 units per acre to 14.25 units per acre.
 - d. The City shall leave in place its existing City-wide mandatory 20% affordable housing set-aside ordinance and all Third Round unmet need mechanisms.
 - e. The City shall provide the Lambertville Highschool Redevelopment agreement and amended Redevelopment Plan.

Unit Type and Income Distribution Requirements

9. The City and FSHC agree that the City's HEFSP as presented above satisfies the following standards set forth in P.L. 2024, c. 2, including but not limited to, the following, and that the City shall maintain satisfaction with such requirements for the Fourth Round:

- a. Age Restricted Cap. The City agrees that it shall not exceed the age-restricted cap found in N.J.S.A. 52:27D-311.1, which requires age-restricted units to be capped at 30 percent of the overall Fourth Round affordable housing units that address the Fourth Round Prospective Need obligation exclusive of any bonus credits.
- b. Family units. Pursuant to N.J.S.A. 52:27D-311.1, the City shall satisfy a minimum of 50 percent of the actual affordable housing units, exclusive of any bonus credits created to address its Fourth Round Prospective Need affordable housing obligation through the creation of housing available to families with children and otherwise in compliance with the requirements and controls established pursuant to Section 21 of P.L.1985, c.222 (C.52:27D-321).
- c. Rental and family rental units. Pursuant to N.J.S.A. 52:27D-311.1, at least 25 percent of the actual affordable housing units, exclusive of any bonus credits, created to address its Prospective Need affordable housing obligation shall be addressed through rental housing, including at least half as available to families with children.
- d. Very low-income units. Pursuant to N.J.S.A. 52:27D-329.1, 13 percent of all affordable units approved and constructed after July 17, 2008, shall be very low-income units for households earning 30 percent or less of the regional median income, with half of the very low-income units being available to families.
- e. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and 311b, and all other applicable law.
- f. All Third Round compliance shall continue to meet with the applicable percentages and standards for bonuses, family and senior housing, rental and family rental, very

low-income units, and adaptability set forth in any prior settlement agreement between FSHC and the City, statutory requirements, and the Prior Round and Third Round regulations.

10. In all developments that produce affordable housing, the City and FSHC agree that, unless varied by prior COAH approval or a prior court order of the trial court, including a Third Round order approving the FSHC settlement agreement and/or a Third Round HEFSP, the below terms shall apply:

- a. All of the affordable units shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. (“UHAC”), including but not limited to the required bedroom and income distribution, length of affordability controls, and phasing of affordable units.
- b. The applicability of the updated form of UHAC versus the prior form of UHAC shall be as set forth in the statute and most current form of UHAC adopted by HMFA. Any terms of a prior agreement, judgment, or grant of substantive certification as to prior round of obligations modifying UHAC as to affordability controls or as to very low-income units shall remain in effect as to those prior rounds of obligations.
- c. The City agrees that in order to meet the low-income and very low-income requirement of the Fair Housing Act, it shall adopt an ordinance requiring for all affordable housing developments in its HEFSP approved and constructed after July 17, 2008, that 50 percent of the affordable units within each bedroom distribution shall be required to be for low-income households earning 50 percent or less of the regional median income, including 13 percent of the affordable units within each

bedroom distribution shall be required to be for very low-income households earning 30 percent or less of the regional median income.

- d. The City agrees to review its Affordable Housing Ordinance and other ordinances to ensure that it complies with the most up to date requirements of UHAC and revise those ordinances accordingly as part of its Fourth Round HEFSP and implementing ordinances.
- e. The affordable units shall be affirmatively marketed in accordance with UHAC and applicable law. The affirmative marketing shall include posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law. The affirmative marketing plan shall include the following community and regional organizations: FSHC; the Latino Action Network; the New Jersey State Conference of the NAACP, the New Brunswick Branch of the NAACP, the Plainfield Area Branch of the NAACP, the Perth Amboy Branch of the NAACP, the Metuchen/Edison Branch of the NAACP, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center.

Process for Approval and Implementation

- 11. Pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, the municipality and FSHC recognize that the Program and/or county level housing judge must still review this agreement and the resulting Fourth Round HEFSP and implementing ordinances and resolutions for compliance with the Fair Housing Act prior to issuing a Compliance Certification, as follows:

- a. The City and FSHC shall present this mediation agreement to the Program member for review upon full execution by both parties.
- b. The Program Member shall review the agreement and if satisfied with compliance with the Fair Housing Act shall refer this matter to the Mount Laurel judge for review and entry of Compliance Certification, conditioned on adoption of all implementing ordinances and resolutions.
- c. The City shall adopt all implementing ordinances and resolutions no later than March 16, 2026, including but not limited to the outstanding items identified in the next paragraph. No later than 48 hours after adoption or March 16, 2026, whichever is sooner, the City shall file the information required by Paragraph 12 and any other adopted ordinances and resolutions on eCourts.
- d. No later than April 15, 2026, the City and FSHC shall provide via filing on eCourts a form of consent order granting final Compliance Certification for the Court's review or identify any remaining issues of compliance that may be disputed at which point the court shall schedule a conference to review any such issues.
- e. Both parties agree to implement the terms of this Agreement. If the Program, county level housing judge, or any appellate court rejects this Agreement, the parties reserve their right to rescind any action taken in anticipation of the Program's approval and return to status quo ante. All parties shall have an obligation to fulfill the intent and purpose of this Agreement, unless to do so would be inconsistent with the final, unappealable adjudication of any Program or court ruling or judgment. The terms of this agreement may be enforced through an enforcement motion in

this declaratory judgment or a separate action before the Program or the Superior Court, Law Division.

12. The City and FSHC agree that the following conditions remain to be met prior to March 15, 2026 as conditions of Compliance Certification, and that the municipality shall provide these documents to FSHC in draft form for comment by January 16, 2026:

- a. The City will amend its Fourth Round HEFSP to revise the City's Third Round compliance plan to reflect the increased yield and reduced bonuses from the High School Redevelopment site, and to reflect the Fourth Round RDP of zero (0).
- b. The City will adopt an inclusionary overlay ordinance on the CVS site permitting multi-family residential development at a density of 24 units per acre;
- c. The City will adopt an inclusionary overlay ordinance on the SpokeWorks site to permit multi-family residential development and require a minimum of eight affordable units;
- d. The City will provide the fully executed MOU between the City and Habitat for Humanity.
- e. The City will adopt the amendments to the IO-1 and IO-2 overlay zones discussed in Paragraph 8.
- f. The City will adopt a Fourth Round Spending Plan as needed in accordance with P.L. 2024, c. 2 and the recently adopted regulations at N.J.A.C. 5:99.
- g. The City will update and adopt its affordable housing ordinance, development fee ordinance, affirmative marketing plan, and other administrative documents in accordance with the recently adopted regulations at N.J.A.C. 5:80-26.1, et seq., and N.J.A.C. 5:99 before March 15, 2026.

13. The City and FSHC recognize that substantial changes in circumstances affecting the City's Fourth Round RDP are possible pursuant to the holding in *Fair Share Housing Center v. Cherry Hill*, 173 N.J. 393, (2002) and related law. In the event such a substantial changed circumstance occurs, the City shall have one hundred twenty (120) days to present to the trial court and FSHC a plan to address such change in circumstances on notice and opportunity to be heard from FSHC. The City agrees that any additional RDP generated due to changed circumstances must be addressed in a manner that is consistent with controlling law.

14. The City's Compliance Certification shall be subject to required ongoing monitoring as follows:

- a. The City by February 15, 2026, and annually, agrees to electronically enter data into the AHMS system of the Department of Community Affairs of a detailed accounting of all development fees and any other payments into its trust fund that have been collected including residential and non-residential development fees, along with the current balance in the municipality's affordable housing trust fund as well as trust funds expended, including purposes and amounts of such expenditures, in the previous year from January 1st to December 31st.
- b. The City by February 15, 2026, and annually, agrees to electronically enter data into the AHMS system of the Department of Community Affairs of up-to-date municipal information concerning the number of affordable housing units actually constructed, construction starts, certificates of occupancy granted, and the start and expiration dates of deed restrictions. With respect to units actually constructed, the information shall specify the characteristics of the housing, including housing type,

tenure, affordability level, number of bedrooms, date and expiration of affordability controls, and whether occupancy is reserved for families, senior citizens, or other special populations.

- c. For the midpoint realistic opportunity review as of July 1, 2030, pursuant to N.J.S.A. 52:27D-313, the City or other interested party may file an action through the Program seeking a realistic opportunity review and shall provide for notice to the public, including a realistic opportunity review of any inclusionary development site as set forth in the adopted HEFSP that has not received preliminary site plan approval prior to the midpoint of the 10-year round. Any such filing shall be through eCourts or any similar system set forth by the Program with notice to any party that has appeared in this matter.
15. This Agreement may be executed in counterparts, all of which together shall constitute the same agreement, and any exhibits or schedules attached hereto shall be hereby made a part of this Agreement. This Agreement shall not be modified, amended or altered in any way except by a writing signed by each of the parties. Each party acknowledges that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each signatory is the proper person and possesses the authority to sign the Agreement, and that this Agreement was not drafted by any one of the parties, but was drafted, negotiated and reviewed by all parties, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be

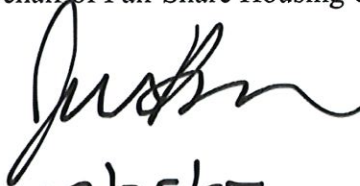
adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections. No member, official or employee of the municipality shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

On behalf of the City of Lambertville:



Date: 1/5/2026

On behalf of Fair Share Housing Center:



Date: 12/26/25