

EXPLANATION: This Resolution authorizes the Borough to enter into an Affordable Housing Agreement with the Melillo Equities, LLC, for the inclusionary, affordable housing development at the property identified as Block 5, Lot 4, located at 220 Route 202.

**BOROUGH OF FAR HILLS
RESOLUTION 19-155
AUTHORIZING AFFORDABLE HOUSING AGREEMENT
MELILLO EQUITIES, LLC
220 ROUTE 202, B5, L4**

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 of Far Hills (“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, seeking a Judgment of Compliance and Repose approving its Fair Share Plan, in addition to related reliefs (the “Compliance Action”); and

WHEREAS, Melillo Equities, LLC (“Melillo”) approached the Borough with a proposal for the development of inclusionary, residential rental and for sale development on the property identified as Block 5, Lot 4, located at 220 Route 202, consisting of approximately 42.3± acres (hereinafter referred to as “Errico Acres Site”) and the development of a mixed-use project on property identified as Block 15, Lot 3 (located at 39 Dumont Road), Block 15, Lot 4 (located at 43 Dumont Road), Block 15, Lot 5 (located at 45 Route 202) and Block 15, Lot 1.01 (located at 49 Route 202), consisting of approximately 2.1 acres (“Far Hills Proper Site” together with the Errico Acres Site, the “Properties”); and

WHEREAS, at the October 9, 2018 Borough Council meeting, Melillo made a public presentation of the proposed development of the Errico Acres Site and Far Hills Proper Site, with opportunity for the public input and question; and

WHEREAS, the Borough and Melillo entered into a Memorandum of Understanding, dated October 9, 2018, setting for the general terms for the inclusionary, residential development at the Errico Acres site and mixed-use development (residential / commercial) on the Far Hills Proper Site (“MOU”); and

WHEREAS, the proposed residential development of the Errico Acres site agreed to be developed with a permitted density of up to one hundred thirty four (134) total units, including not less than twenty five (25) non-age restricted, family rental affordable housing units and four (4) age-restricted rental units (for a total of 29 affordable rental units); and

WHEREAS, pursuant to subsequent negotiations, Melillo agreed to age-restrict the for sale, market units at the Errico Acres site, which consisted up to one hundred and five (105) units, and as the market rate units are subsidizing the construction of the affordable units, the Borough agreed to make an affordable housing contribution towards the project to address the loss in value converting from a family project to an age-restricted project; and

WHEREAS, the Borough and Melillo negotiated and agreed to an Affordable Housing Agreement (the "Agreement") to memorialize the agreed upon terms of the development of the Errico Acres Site, which is in compliance with the settlement agreement between the Borough and the Fair Share Housing Center ("FSHC") approved by the Court in connection with the Compliance Action.

WHEREAS, the Agreement, in substantially the form attached hereto, has been reviewed and approved by the Borough's professionals, along with the representatives for Melillo; and

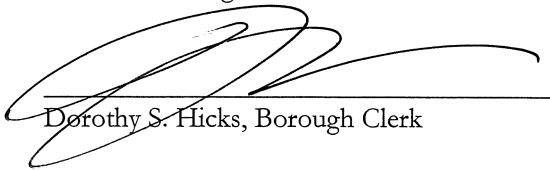
WHEREAS, the Mayor and Borough Council finds it to be in the best interest of the Borough to enter into the Agreement with Melillo to memorialize the agreed upon terms of the development of the inclusionary, affordable housing development at the Errico Acres Site.

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 Mayor and Borough Clerk are hereby authorized and directed to execute the Agreement with Melillo in substantially the form attached hereto for the inclusionary, affordable housing development of the Errico Acres Site.
2. Appropriate Borough officials are hereby authorized to take all actions necessary to carry out and complete the terms of the Agreement, including having same included in the Borough's Fair Share Plan and approved by the Court.

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 12/9/19.



Dorothy S. Hicks, Borough Clerk