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Attorneys for Interested Party,
DMH2, LLC

IN THE MATTER OF THE APPLICATION
OF THE TOWNSHIP OF VERONA,

Petitioner.

SUPERIOR COURT OF NEW JERSEY

AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

DOCKET NO. ESX-L-594-25

ANSWER AND AFFIRMATIVE
DEFENSES OF INTERESTED PARTY,
DMH2, LLC

Now comes DMH2, LLC (“DMH2”), owner of property located at 176 Bloomfield Avenue, Verona, New Jersey, by and through its counsel, Gibbons P.C., which does hereby answer the complaint filed by the Township of Verona in the above-captioned matter as follows, by way of challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b):

NATURE OF ACTION

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Paragraph 5 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent any factual assertions are made therein, they are denied.

JURISDICTION AND VENUE

6. Paragraph 6 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required.
7. Paragraph 7 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required.
8. Paragraph 8 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required.

FACTUAL AND PROCEDURAL BACKGROUND

9. Paragraph 9 of the Complaint consists solely of legal argument and characterization of the Township's prior pleadings; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required, as any prior pleadings speak for themselves. To the extent the allegations of the paragraph involve factual assertions, same are denied.
10. Paragraph 10 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
11. Paragraph 11 of the Complaint consists solely of legal argument and characterization of obligations under P.L. 2024, c. 2 (referred to by the Township as "A4"); accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
12. Paragraph 12 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

13. Paragraph 13 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
14. Paragraph 14 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
15. Paragraph 15 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
16. Paragraph 16 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
17. Paragraph 17 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
18. Paragraph 18 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

COUNT ONE

JURISDICTION PURSUANT TO A4

19. DMH2 repeats and reincorporates its responses in paragraphs 1-18 as if set forth more fully herein.

20. Paragraph 20 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
21. Paragraph 21 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
22. Paragraph 22 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
23. Paragraph 23 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
24. Paragraph 24 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
25. Paragraph 25 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.
26. Paragraph 26 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

COUNT TWO

DETERMINATION OF OBLIGATION

27. DMH2 repeats and reincorporates its responses in paragraphs 1-26 as if set forth more fully herein.

28. Paragraph 28 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

29. Admitted.

30. Paragraph 30 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

31. Paragraph 31 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

32. Paragraph 32 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

33. Admitted.

COUNT THREE

4TH ROUND HEFSP

34. DMH2 repeats and reincorporates its responses in paragraphs 1-33 as if set forth more fully herein.

35. Paragraph 35 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

36. Paragraph 36 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

37. Paragraph 37 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

38. Paragraph 38 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

39. Paragraph 39 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

COUNT FOUR

IMMUNITY

40. DMH2 repeats and reincorporates its responses in paragraphs 1-39 as if set forth more fully herein.

41. Paragraph 41 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

42. Paragraph 42 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

43. Paragraph 43 of the Complaint consists solely of legal argument; accordingly, DMH2 neither admits nor denies the allegations therein, as no answer is required. To the extent the allegations of the paragraph involve factual assertions, same are denied.

WHEREFORE, DMH2 requests the following declaratory relief from the Program:

- (a) DECLARING the Program lacks jurisdiction over the Township's submission;
- (b) DECLARING the Housing Element and Fair Share Plan adopted by the Township is legally insufficient in violation of the Fair Housing Act;
- (c) DECLARING that the Township's immunity from exclusionary zoning and builder's remedy actions is revoked; and
- (d) ORDERING such additional relief as the Program may deem just and equitable.

AFFIRMATIVE DEFENSES

1. The Housing Plan Element and Fair Share Plan Element advanced by the Township fails to satisfy statutory criteria under the Fair Housing Act.
2. The Township's Housing Plan Element and Fair Share Plan Element advanced by the Township violates the *Mt. Laurel* doctrine.
3. The Township's Housing Plan Element and Fair Share Plan Element improperly relies on a vacant land adjustment, without having properly exhausted all available vacant and redevelopment properties with the Township, despite the Township's knowledge of such properties.
4. The Township's Housing Plan Element and Fair Share Plan Element fails to create realistic opportunities for the development of inclusionary housing by failing to create economically feasible zoning.
5. DMH2 incorporates by reference all affirmative defenses of other parties hereto as if set forth more fully herein.
6. DMH2 reserves its right to assert such additional affirmative defenses arising in fact or in law as may be ascertained during the course of the within proceedings.

WHEREFORE, DMH2 requests the following declaratory relief from the Program:

- (a) DECLARING the Housing Element and Fair Share Plan adopted by the Township is legally insufficient in violation of the Fair Housing Act;
- (b) DECLARING that the Township's immunity from exclusionary zoning and builder's remedy actions is revoked;
- (c) DECLARING that the Township shall rezone properties for inclusionary development; and
- (d) ORDERING such additional relief as the Program may deem just and equitable.

GIBBONS P.C.

*Attorneys for Interested Party,
DMH2, LLC*

By: /s/ Cameron W. MacLeod, Esq.
Cameron W. MacLeod, Esq.

Dated: August 31, 2025

Designation of Trial Counsel

Pursuant to R. 4:5-1(c) and R. 4:25-4, Gibbons P.C. is hereby designated as counsel for DMH2 in this matter.

GIBBONS P.C.
Attorneys for Interested Party,
DMH2, LLC

By: /s/ Cameron W. MacLeod, Esq.
Cameron W. MacLeod, Esq.

Dated: August 31, 2025

R. 4:5-1 Certification

Pursuant to R. 4:5-1, I hereby certify that, to the best of my knowledge, the above-captioned matter is not the subject of any other action pending in any court or the subject of a pending arbitration proceeding. I further certify that I know of no other non-parties who should be joined in this action pursuant to R. 4:28 or who are subject to joinder pursuant to R. 4:29-1(b) because of potential liability to any party on the basis of the same transactional facts at this time.

GIBBONS P.C.
Attorneys for Interested Party,
DMH2, LLC

By: /s/ Cameron W. MacLeod, Esq.
Cameron W. MacLeod, Esq.

Dated: August 31, 2025

R. 1:38-7 Certification

Pursuant to R. 1:38-7, I hereby certify that all confidential identifies have been redacted from the documents submitted to the Program and will be redacted from any documents submitted in the future in accordance therewith.

GIBBONS P.C.

*Attorneys for Interested Party,
DMH2, LLC*

By: /s/ Cameron W. MacLeod, Esq.
Cameron W. MacLeod, Esq.

Dated: August 31, 2025

R. 4:6-1 Certification

Pursuant to R. 4:6-1, I hereby certify that the within Answer was filed within the time period permitted by N.J.S.A. 52:27D-304.1(f)(2)(b).

GIBBONS P.C.

*Attorneys for Interested Party,
DMH2, LLC*

By: /s/ Cameron W. MacLeod, Esq.
Cameron W. MacLeod, Esq.

Dated: August 31, 2025



New Jersey Judiciary
Civil Practice Division

Civil Case Information Statement (CIS)

Use for initial Law Division Civil Part pleadings (not motions) under Rule 4:5-1. Pleading will be rejected for filing, under Rule 1:5-6(c), if information above the black bar is not completed, or attorney's signature is not affixed.

For Use by Clerk's Office Only

Payment type <input type="checkbox"/> check <input type="checkbox"/> charge <input type="checkbox"/> cash	Charge/Check Number	Amount \$	Overpayment \$	Batch Number
Attorney/Pro Se Name Cameron W MacLeod, Esq.	Telephone Number (609) 858-2445 ext.	County of Venue Essex		
Firm Name (if applicable) Gibbons P.C.	Docket Number (when available) ESX-L-594-25			
Office Address - Street 50 W. State Street, Suite 1104	City Trenton	State NJ	Zip 08608	
Document Type Challenge - Housing Element and Fair Share Plan	Jury Demand <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Name of Party (e.g., John Doe, Plaintiff) DMH2, LLC	Caption IMO Application of the Township of Verona			
Case Type Number (See page 3 for listing) 816	Are sexual abuse claims alleged? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Does this case involve claims related to COVID-19? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Is this a professional malpractice case? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," see N.J.S.A. 2A:53A-27 and applicable case law regarding your obligation to file an affidavit of merit.			
Related Cases Pending? If "Yes," list docket numbers	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Do you anticipate adding any parties (arising out of same transaction or occurrence)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Name of defendant's primary insurance company (if known)	<input type="checkbox"/> None <input checked="" type="checkbox"/> Unknown			

The Information Provided on This Form Cannot be Introduced into Evidence.


Case Characteristics for Purposes of Determining if Case is Appropriate for Mediation

Do parties have a current, past or recurrent relationship? ☐ Yes ☒ No

If "Yes," is that relationship:

☐ Employer/Employee ☐ Friend/Neighbor ☐ Familial ☐ Business☐ Other (explain) _____Does the statute governing this case provide for payment of fees by the losing party? ☐ Yes ☒ No

Use this space to alert the court to any special case characteristics that may warrant individual management or accelerated disposition.

 Do you or your client need any disability accommodations? ☐ Yes ☒ No
If yes, please identify the requested accommodation:Will an interpreter be needed? ☐ Yes ☐ No
If yes, for what language?**I certify that confidential personal identifiers have been redacted from documents now submitted to the court and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).**Attorney/Self-Represented Litigant Signature: /s/ Cameron W. MacLeod, Esq.



Cameron W. MacLeod
Director

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August 31, 2025

VIA ECOURTS

Affordable Housing Dispute Resolution Program
Superior Court of New Jersey
Richard J. Hughes Justice Complex
P.O. Box 037
Trenton, New Jersey 08625

Re: IMO Township of Verona, Docket No. ESX-L-594-25

Dear Judge Miller and Members of the Program:

This office serves as counsel to DMH2, LLC, the owner of certain property located at 176-200 Bloomfield Avenue, otherwise known on the tax maps of the Township of Verona as Block 202, Lots 1 and 23 (the "Property"). Over the course of the past fourteen years, DMH2 has been attempting to advance various development proposals on the Property, with associated litigation with the municipal planning board and neighbors at both the trial and appellate levels. DMH2 appears in this matter to preserve its interest in assuring the realistic, feasible, and timely development of the Property as an inclusionary project.

As indicated in the adopted Housing Element and Fair Share Plan (the "Plan"), the Property is available, approvable, suitable, and developable, and has been identified as a site for inclusionary development within the Plan. As is further indicated, a proposed settlement has been discussed and generally agreed between the Township, the Planning Board, and DMH2 in the past eight months for the Property to include an inclusionary housing project at a decreased density, an on-site development restriction to preserve a portion of the Property, and timely advancement of the

GIBBONS P.C.

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development. However, that settlement has yet to be finalized and approved by the Township, and no proposed zoning or redevelopment plan has been advanced.

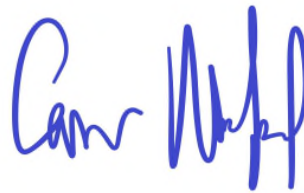
We fully expect the Township's approval of a settlement agreement on reasonable, feasible terms in the coming weeks, consistent with the representations made to the Program and the public in the Plan. We would request that the Township confirm the status of the settlement agreement and any redevelopment plan with the Program as a condition precedent to any conference with the Program pursuant to N.J.S.A. 52:27D-304.1f(2)(b). These two items are fundamental to assuring that the Plan adequately complies with the statutory and regulatory schemes advanced, and with the constitutional mandates of the *Mt. Laurel* doctrine.

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If that confirmation cannot be provided, DMH2 must reserve all rights to challenge the appropriateness of the Plan as it relates to the Property, should the settlement agreement and associated redevelopment plan not timely advance. Accordingly, and out of such caution, DMH2 has filed its challenge and a CIS in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cameron W. MacLeod". The signature is fluid and cursive, with the first name "Cameron" and last name "MacLeod" clearly distinguishable.

Cameron W. MacLeod
Director

CWM:

cc: Counsel of Record (via eCourts)
M. Semeraro, Esq.

