1/23/18 Update - Questions From the Public and the Township's Answers to Them

I understand that developers have already been chosen for these projects?

There are two projects for which developers are fully known and these have been in the approval process for several years as they relate to pre-1999 fixed obligations.

- **The Old Muni Building** (also known as Fox Seals) is much more a redevelopment or "clean up" project than an affordable housing project as it contains 1 affordable unit, 11 market rate units and a restaurant. Rob Fernandes from Fernandes Fine homes was chosen as the redeveloper in 2017. We note that he has completed 3 recent projects in High Bridge as a part of their shopping district renewal and his plan received a standing ovation from attendees (which included Annandale residents) when presented at Council. We expect the project to go to the Planning Board in February 2018. There is no cost to the Township for this eagerly anticipated project.
- **The Willows at Annandale** is a 66 unit 100% municipally sponsored project on Beaver Avenue in Annandale; because of rental bonus credits, it will yield 132 units. It is also a redevelopment project and Ingerman Homes was selected as the redeveloper. It received preliminary Planning Board approval in June 2016. In September 2017 it received very favorable and highly competitive financing from NJHMFA and will therefore cost the Township nothing. We expect Ingerman to appear before the Planning Board in February 2018 seeking final approval.

There are a number of projects in our settlement agreement which relate to our new "Third Round affordable housing obligation". The parties involved are individuals or entities which control the land rather than developers and they are:

- **The Marookian project** – This has been listed in our Affordable Housing plans for the past several years. It is an 84 unit 100% affordable municipally sponsored project on 6 acres of the Marookian tract along RT 31 south which was purchased with Township funds in late 2011. Because of rental bonus credits, it will yield a total of 142 units to be split between our pre 1999 obligation and our "new" or "Third Round" prospective obligation. Adequate water and sewerage utility capacity has been obtained by the Township. Work towards the development of this project has not yet begun; developer selection will be in the future and will be done via public RFP.
- **Windy Acres** – This is another 100% affordable municipally sponsored project on Township owned land which has been in and out of various Affordable Housing Plans since the overall Windy Acres site was purchased by the township in 2008. Projects ranging up to 150 units have been contemplated over the years; the current configuration calls for 89 units. Adequate utility capacity has not yet been obtained by the Township. Work towards the development of this project has not yet begun; any developer selection is in the future and would be done via public RFP.
- **The Alton Place project** – This would be located at 108 Alton Place, a 16 acre undeveloped lot at the far northwestern corner of the Beaverbrook development. The settlement provides for 138 units of which 20% are affordable. The density of this inclusionary project is comparable with other nearby development. A partnership – Kerwin and Savage - holds an option on the property given by the current owner. It is entirely speculative as to what entity would develop the property if and when it proceeds as adequate water AND sewerage capacities have not been acquired by Kerwin and Savage.
- **The Headley Farm project** – This would be located at the old Headley Farm property located above the Annandale train station. It is currently approved for 21 large single family homes on 155 acres; roads are in and the land has been cleared and graded. The current owner, CRC Communities (http://www.crccommunities.com/) is proposing 400 units on the property. These would be mostly rental apartments with some townhouses and 104 or 26% of them would be affordable. Like the approved single family home development, all traffic from the development would be routed AWAY from Annandale Village out to East Main Street, to Petticoat Lane and onto RT 22 where traffic improvements are anticipated. Also like the single family home project, pedestrian access and emergency vehicle only access through the train station is anticipated. While CRC Communities could be the developer it is also possible that CRC could sell the project to another entity. As with Windy Acres and the Alton Place project, the CRC project cannot go forward unless and until adequate water AND sewerage capacities have been acquired by CRC.

I keep hearing about 805 units and also 337 units – what do these numbers represent?

- From a Township perspective, we have 2 kinds of requirements. Those from before 1999 (so-called "prior round" obligations) and which were not negotiable as the Supreme Court has ruled that they are fixed and must be satisfied, and the new "Third Round" prospective need projects. As set forth above, we have 2 projects far along in the approval process (the Old Muni Building and The Willows at Annandale) which are directed at this "prior round" requirement. We also have a portion of the Marookian project which is required to meet this prior round requirement (43 units of the 84 unit total). The total number of new physical units associated with this prior round obligation is 108.
- What actually was negotiable is the new Third Round obligation (the obligation applicable to the period 1999 to 2025) and which we have agreed to settle at 337. The total number of new physical units associated with this obligation is 685 because of the two inclusionary developments in the settlement, which produce "market rate" units as well as affordable units.
- And so the actual total is 793 of which 108 are already in progress.

So is 337 units a good settlement?

- Well, our discussions started with an obligation, from FSHC's perspective, of 1,454 units (which was capped by law at 913 units). However, the Township had opted to conform to the Highlands Regional Master plan in June of 2015 which, in addition to improving ground water quality, significantly reduced overall development potential within the Township. Between this action, our reading of the Mercer County Judge's master's report for the "numbers trial" and a "bonus" reduction for settling, we were successful in reducing our obligation to 337 affordable units (279 physical dwelling units).

That's nice but why settle and not continue to litigate?

- Well, let's look at an example of what could happen if a Township chooses to litigate rather than settle. A judge recently decided that the Township of South Brunswick had failed to make sufficient progress towards meeting its affordable housing obligations. The court then mandated a requirement requiring the construction of more than 2,900 affordable housing units. In addition, the judge appointed a hearing officer to substitute for the Planning Board in reviewing applications for inclusionary developments (i.e., – typically 4 market rate for every 1 affordable unit or worse). So development in that Township is now in the hands of builders rather than the local elected and appointed officials.

"People" have compared the new inclusionary projects unfavorably to "The Mews" in the Annandale section of the Township – How do they stack up?

- Here are the facts – A key goal in any inclusionary development negotiation is the set aside percentage or how many affordable units we get vs. how many market rate units for a developer. The Mews is comprised of 221 units of which 35 are affordable; this is a set aside rate of 16%. The Alton Place Project is 138 units of which 38 would be affordable; a set aside rate of 20% or a 25% improvement over the Mews. Headley Farm is 400 units of which 104 are affordable; a set aside rate of 26% or a 63% improvement over the Mews. So, in both cases, the current negotiation results are significant improvements over the Mews

I've "heard" that the Township is required to sue neighboring towns to get utility capacity for all these projects?

This is not true. The agreement contains language which states that the Township "agrees to take all reasonable efforts, which **MAY** include litigation, to obtain water and sewer access for the Windy Acres site……". As one can see from a plain reading of the language, there is no requirement or plan to sue anyone. In addition, it is not directed at any municipality as, for instance, water access is largely controlled by DEP. Finally, this language pertains to Windy Acres and ONLY Windy Acres.

I've also "heard" that the Township has to expend funds to ensure 805 units of this housing are completed on time and to Fair Share Housing Center's satisfaction?

- This is an outrageously false statement. The Agreement is perfectly clear – the Township has NO financial obligation to any developments but for the two 100% affordable municipally sponsored developments – Windy Acres and Marookian – which, by the way, total 170 units.

- This requirement is typical for any municipally sponsored project included in a certified Affordable Housing Plan as the control of the project lies 100% with the Township.
- This requirement is a major reason why we have a balanced mix of 100% municipally sponsored projects (which have a nice compact footprint) and inclusionary projects (which require more land and units to generate a like number of affordable units)
- As far as timing is concerned, to ensure that both municipally sponsored projects progress adequately, we do have reasonable milestones agreed to. As both water and sewerage capacity are in short supply (only our Marookian project has secured the required utilities), the units associated with Windy Acres, Headley Farm and Alton Place have been granted what is termed a "durational adjustment". This defers the obligation and construction until adequate capacity is available with the proviso that, when capacity is available, they are first in line for it.
- If and when utility capacity is obtained, projects will be approved and built to the Township's satisfaction (not Fair Share Housing Center's satisfaction) through the normal Planning Board or Zoning Board of Adjustment processes.

I've "heard" that these projects are all for very low income people?

- Again, not true. The affordable units involved in all projects are not section 8 housing. The agreement and the law are both clear on eligibility and income limits. 50% of affordable units will be available to "moderate income" people (for 2017, the upper limit for a single person is $59K); 37% for "low income" people (upper limit of $39.5K); 13% for "very low income" people (upper income limit of $22.1K). Additional details are in the chart at the end of the settlement agreement.

What about this $30,000 contribution to Fair Share Housing Center?

- FSHC is a small non-profit organization and a contribution is a standard part of their settlements. This arises because FSHC have an obligation in these settlements to conduct a joint defense of the settlement with the Township that is a party to it. And so these contributions help to ensure that FSHC can comply fully with this requirement.
- With the complexity and scope of our agreement, multiple known intervenors and the likelihood of additional intervenors entering the proceedings, we expect litigation and perhaps significant litigation.
- The good part of this expenditure is that FSHC's participation in any defense action is expected to significantly offset Township direct legal costs

I've "heard" that Fair Share Housing Center is a developer which makes profits by building and operating affordable housing?

- This is also not true. FSHC is an 501C3 non-profit advocacy group . Their mission is to advocate for sufficient affordable housing in New Jersey. The neither build nor operate affordable housing.