

**AFFORDABLE HOUSING
THIRD ROUND MIDPOINT REVIEW
TOWNSHIP OF LAWRENCE
MERCER COUNTY, NEW JERSEY**

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PURPOSE

Lawrence's Settlement Agreement with Fair Share Housing Center ("FSHC") requires that the Township comply with the statutory midpoint review requirements of the Fair Housing Act ("FHA") and specifically N.J.S.A. 52:27D-313, which provides in relevant part: "[t]he Council shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public." Pursuant to the FSHC Settlement Agreement, that review requires the Township to post on its website, with a copy to FSHC and an opportunity for comment, a status report regarding its compliance mechanisms and whether or not unbuilt sites/unfulfilled mechanisms continue to present a realistic opportunity, and whether any mechanisms to address unmet need should be revised or supplemented. This report has been prepared to comply with those statutory midpoint review requirements.

BACKGROUND

The Township filed a petition on July 7, 2015, seeking declaration of its compliance with the Mount Laurel doctrine and the Fair Housing Act, in accordance with In re N.J.A.C. 5:96 and 5:97. The Township and Fair Share Housing Center negotiated a Settlement Agreement, executed on April 28, 2017, that determined the Township's fair share obligations. The agreement was approved by the Court in an order entered July 5, 2017.

On August 6, 2018, the Planning Board adopted a Third Round Housing Element and Fair Share Plan that enumerated how the Township will comply with the terms of the Settlement Agreement between now and the end of the Third Round of affordable housing obligations, which runs through July 2025.

The Township plans to adopt a revision of the 2018 Housing Element and Fair Share Plan to address unforeseen circumstances related to the development of one property, and to account for the fact that the owners of one of the unmet need sites has entered into an option agreement for a portion of the site for the development of affordable housing. The tables and discussion below reflect these changes.

The Settlement Agreement established the Township's Third Round Fair Share obligation as follows:

- Rehabilitation share: 73 units
- Prior Round obligation: 891 units
- Third Round gap and prospective need obligation: 1,110 units

Through the application of a Vacant Land Adjustment that acknowledges the Township’s shortage of land that presents a reasonable opportunity for development of affordable housing, its obligation is reduced to a Realistic Development Potential (“RDP”) of 696 units, leaving a remaining unmet need of 414 units. Subsequent changes in some of the sites, as detailed below, raise the Township’s RDP to 710 units and reduce its unmet need to 400 units. The Township is able to provide a total of 790 affordable units to satisfy its RDP, 80 units more than required, which will be applied against its unmet need. The amended plan adopted in June 2020 reflects these changes.

REHABILITATION OBLIGATION REVIEW

The Settlement Agreement set the Township’s Rehabilitation obligation at a total of 73 units. At the time of Plan adoption, 19 units had been rehabilitated. The Township has provided information on three additional units that have been rehabilitated, and two in which rehabilitation is currently under way.

PRIOR ROUND REVIEW

The Township satisfied its 891-unit Prior Round obligation through a combination of Regional Contribution Agreement payments, group home bedrooms, inclusionary family affordable rental and affordable for-sale units, and age-restricted affordable rentals. The table below gives additional detail.

| Prior Round Obligation | 891 | Bonuses | Rental | Senior |
|--|-----|---------|--------|--------|
| REGIONAL CONTRIBUTION AGREEMENT | | | | |
| Trenton (AvalonBay) | 62 | | | |
| Trenton (Yorkshire Village) (88 of 98 units) | 88 | | | |
| Subtotal | 150 | 0 | N/A | 0 |
| ALTERNATIVE LIVING ARRANGEMENTS | | | | |
| Allies, Inc. | 6 | 6 | 6 | |
| The ARC Mercer (Lawrence Rd.) | 6 | 6 | 6 | |
| The ARC Mercer (Vanderveer Dr.) | 4 | 4 | 4 | |
| The ARC Mercer (Darrah Lane) | 4 | 4 | 4 | |

| Prior Round Obligation | 891 | Bonuses | Rental | Senior |
|--|------------|---------|--------|--------|
| Community Options, Inc. (Federal City Rd.) | 3 | 3 | 3 | |
| Community Options, Inc. (Texas Ave.) | 3 | 3 | 3 | |
| Service Center of New Jersey | 4 | 4 | 4 | |
| Subtotal | 30 | 30 | 30 | 0 |
| 100% AFFORDABLE HOUSING CONSTRUCTED | | | | |
| Brookshire (24 of 117) | 24 | | 24 | 24 |
| Lawrence Plaza (originally Prior Cycle) | 161 | | 161 | 161 |
| Subtotal | 185 | 0 | 185 | 185 |
| INCLUSIONARY HOUSING CONSTRUCTED | | | | |
| Avalon Run | 64 | 64 | 64 | |
| Avalon Run East | 31 | 31 | 31 | |
| Eagles Chase | 40 | | | |
| Lawrence Square Village | 159 | | | |
| Steward's Crossing | 36 | 36 | 36 | |
| Stonerise | 12 | | | |
| Tiffany Woods | 23 | | | |
| Subtotal | 365 | 131 | 131 | 0 |
| TOTALS | 730 | 161 | 346 | 185 |
| Total Units and Credits | 891 | | | |

All affordable housing units that contributed to satisfaction of the Prior Round obligation had been completed at the time of Plan adoption.

THIRD ROUND REALISTIC DEVELOPMENT POTENTIAL REVIEW

As will be reflected in the amended Housing Element and Fair Share Plan the Township plans to adopt, the Township agrees to satisfy its increased Third Round RDP of 710 units with the following compliance mechanisms:

| Third Round RDP Obligation | 710 | Bonuses | Rental | Senior |
|---|-----|---------|--------|--------|
| EXCESS RCA CREDITS | 10 | 0 | N/A | N/A |
| ALTERNATIVE LIVING ARRANGEMENTS | | | | |
| CIFA III | 4 | 4 | 4 | |
| Eden Acres, Inc. (Lawrenceville-Pennington Rd.) | 3 | 3 | 3 | |
| Hillcrest Group Home, Inc. | 5 | 5 | 5 | |
| Homefront-TLC, Inc. | 6 | 6 | 6 | |
| Mercer Alliance | 3 | 3 | 3 | |
| Project Freedom | 54 | 54 | 54 | |
| Subtotal | 75 | 75 | 75 | 0 |
| 100% AFFORDABLE HOUSING CONSTRUCTED | | | | |
| Brookshire (93 of 117) | 93 | 0 | 93 | 93 |
| Subtotal | 93 | 0 | 93 | 93 |
| INCLUSIONARY HOUSING APPROVED OR CONSTRUCTED | | | | |
| Berk's Walk (formerly Lawrenceville Gardens) | 2 | 2 | 2 | 0 |
| Carriage Park – For Sale | 21 | 0 | 0 | 21 |
| Carriage Park – Rental (approved) | 16 | 0 | 16 | 16 |
| The Gatherings (formerly Milestones) | 22 | 0 | 0 | 22 |
| Liberty Green | 64 | 0 | 0 | 0 |
| Morris Hall/St. Mary's | 10 | 0 | 10 | 10 |
| Traditions at Federal Point (13 of 28) | 13 | 0 | 0 | 13 |
| Subtotal | 148 | 2 | 28 | 82 |
| 100% AFFORDABLE HOUSING PROPOSED | | | | |
| RPM Development (Texas Avenue) | 69 | 59 | 69 | 0 |
| Subtotal | 69 | 59 | 69 | 0 |
| INCLUSIONARY HOUSING PROPOSED | | | | |
| Brandywine | 42 | 42 | 42 | 0 |

| Third Round RDP Obligation | 710 | Bonuses | Rental | Senior |
|---|------------|---------|--------|--------|
| Quaker Bridge Mall | 70 | 0 | 70 | 0 |
| Subtotal | 112 | 42 | 112 | 0 |
| EXTENSIONS OF EXPIRING CONTROLS | | | | |
| Various (42 completed at time of plan adoption) | 105 | 0 | N/A | N/A |
| PROJECT TOTALS | 612 | 178 | 377 | 175 |
| Total Units and Credits | 790 | | | |
| Excess Credits for Unmet Need | 80 | | | |
| Excess Senior Credits for Unmet Need | 15 | | | |

Since the adoption of the 2018 Plan, the following changes have occurred in the Township’s mechanisms for satisfying its RDP:

Berk’s Walk (formerly Lawrenceville Gardens): In 2015, the Township Planning Board approved the construction of eight townhouse units at this development of 166 existing garden apartments, with the requirement that two units be deed-restricted as affordable. The owner/developer chose to construct all eight townhouse units as market-rate units and to deed-restrict two existing garden apartment units as affordable family rentals, and has provided a copy of the filed deed restriction.

Carriage Park rentals: At the time of Plan adoption, a new rental building was under construction at this existing development of age-restricted for-sale units. The rental building has been completed, received its certificate of occupancy in 2019, and provides 16 age-restricted affordable units, administered by Elite Realty Associates in Palisades Park, N.J.

Brandywine: The Township completed the required rezoning for this property in December 2017. The developer’s agreement anticipated construction of 300 housing units, including 60 family affordable units. However, the Township later learned that a small portion of the property is within 1,000 feet of the Delaware and Raritan Canal. Under the rules of the Delaware and Raritan Canal Commission, buildings on property situated within that distance are not permitted to be taller than 40 feet, even though the municipal zoning district permits taller structures. Consequently, where the developer’s agreement originally anticipated four-story apartment buildings, height is limited to three stories, generating a concomitant reduction in the expected yield of the site. The yield of affordable units is expected to be 42 family rental apartments. The rental bonus credit expected from the development is also reduced from 60 to 42.

Quaker Bridge Mall: In 2017 the Township adopted zoning ordinance No. 2284-17, that adds inclusionary development as an option to the Quaker Bridge Mall property, permitting as many as 350 residential units with an affordable housing set-aside of 20% (70 units), regardless of tenure. The zoning amendment does not affect the land development regulations pertaining to the current shopping mall use and its accessory uses, but allows for the development of the housing as an added use on up to 35 acres of the mall property.

Extensions of Affordability Controls: In the 2018 Plan, the Township claimed 105 credits for extending the affordability controls on family affordable low- and moderate-income for-sale units that had controls scheduled to expire between 1999 and 2025. At the time of Plan adoption the Township had extended affordability controls beyond 2025 on 42 family affordable units, and has since extended controls on another 16 units. In addition to executing agreements with existing owners for extensions of affordability controls on eligible units, the Township also executes an agreement for extensions of controls with the purchaser at the time of resale of any eligible family affordable unit.

RPM Development (Texas Avenue): The Settlement Agreement included the Lawrence Shopping Center site as a mechanism to address unmet need, and identified it as potentially eligible for designation as an area in need of redevelopment. The agreement required a redevelopment study to be completed by December 31, 2018; it was completed and submitted to the Township on December 21, 2018. The study identified a portion of the site where housing could realistically be developed. The owners of the site have since entered into an option agreement with the RPM Development Group for that portion of the site, and RPM proposes to develop 69 units of affordable housing. Development of this portion of the site with housing raises the Township's RDP from 696 units to 710 units, as reflected in the above table. The additional units planned for this site more than address the change in the number of units at the Brandywine site.

THIRD ROUND UNMET NEED REVIEW

The Township is proposing various measures to help satisfy its unmet need, including a development fee ordinance, a mandatory Township-wide affordable housing set-aside, and inclusionary overlay zones on the following sites:

| | |
|--------------------------------|---------------------|
| Third Round Unmet Need | 414 |
| EXCESS THIRD ROUND RDP CREDITS | 80 |
| EXISTING ZONING | |
| Morris Hall | 28 |
| INCLUSIONARY OVERLAY ZONING | |
| HUB City Distributing | 21 |
| Capital Health | 49 |
| Tricone Engineers | 21 |
| Fampec LLC | 21 |
| Total | At least 220 |

Since the adoption of the 2018 Plan, the following changes have occurred in the Township’s mechanisms for satisfying its Unmet Need:

Lawrence Shopping Center: Please see **RPM Development (Texas Avenue)** above under Realistic Development Potential for an update on this site.

Overlay zones: The Township has adopted Ordinance No. 2283-17, amending its Apartment and Townhouse District specifications to apply to the four sites listed above.

Mandatory set-aside, development fee: The Township has adopted a mandatory Township-wide affordable housing set-aside as part of its Affordable Housing Ordinance, no. 2303-18, and an updated development fee ordinance, no. 2302-18.

SUMMARY

Since the Township's adoption of its 2018 Third Round Housing Element and Fair Share Plan, the Carriage Park II age-restricted rental project has been completed and is occupied; and the Township has complied with all requirements of the Settlement Agreement, including having begun or completed the rehabilitation of five additional units toward satisfaction of its Rehabilitation obligation, extending controls on 16 additional affordable for-sale units whose controls were due to expire during the Third Round, and adopting all required ordinances. It has addressed a change in circumstances at one site with a proposed development on another site that provides additional units above the number outlined in the 2018 Plan, and will adopt a revised plan to reflect that change. The Township now has a total of 790 units and credits to address the increased Third Round RDP of 710.