



PRINCETON
MAYOR AND COUNCIL OF PRINCETON
AGENDA • DECEMBER 18, 2019

Special Meeting

Main Council Room

7:30 PM

400 Witherspoon Street, Princeton, NJ 08540

I. STATEMENT CONCERNING NOTICE OF MEETING

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PRESENTATION

V. PUBLIC COMMENT

VI. COUNCIL RESPONSES

VII. RESOLUTIONS

1. 19-399 Resolution Authorizing the Execution of a Settlement Agreement with Fair Share Housing
2. 19-400 Resolution Designating Certain Property Located on Thanet Road, Designated as Lot 4 in Block 5502 on the Tax Map of Princeton, as a Non-Condensation Redevelopment Area and Directing the Preparation of a Redevelopment Plan
3. 19-401 Resolution Authorizing A Memorandum of Understanding For An Inclusionary Project To Be Located On Thanet Road, Designated As A Portion Of Lot 4 In Block 5502 On The Tax Map Of Princeton
4. 19-402 Resolution Authorizing An Affordable Housing Agreement For "PIRHL" Affordable Housing Project To Be Located On Thanet Road Designated As A Portion Of Lot 4 In Block 5502 On The Tax Map Of Princeton

VIII. ADJOURNMENT



RESOLUTION 19-399

Resolution Authorizing the Execution of a Settlement Agreement with Fair Share Housing

WHEREAS, on or about December 30, 2008, the Borough of Princeton (the “Borough”) and the Township of Princeton (the “Township”) petitioned the New Jersey Council on Affordable Housing (“COAH”) for Third Round substantive certification of their respective Third Round Housing Element and Fair Share Plans; and

WHEREAS, before COAH acted upon the Borough’s or Township’s petitions, the Appellate Division invalidated COAH’s revised Third Round Rules in In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J.Super. 462 (App.Div.2010) and, thereafter, in In re Adoption of N.J.A.C. 5:96 and 5:97, 215 N.J. 578 (2013), the New Jersey Supreme Court affirmed, finding that the “growth share methodology” utilized by COAH in its rules was inconsistent with the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. (“FHA”), and requiring COAH to adopt new Third Round rules within five months based upon COAH’s prior round rules and methodologies; and

WHEREAS, on January 1, 2013, the Borough and Township consolidated into the Municipality of Princeton (“Princeton”); and

WHEREAS, COAH failed to adopt new rules as required by the Supreme Court, and on March 10, 2015, the Supreme Court issued a decision entitled In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (“Mount Laurel IV”), in which, inter alia, it: (1) found that COAH had violated its requirement to timely adopt new Third Round regulations; (2) held that, without new Third Round regulations, COAH could not process petitions for substantive certification for the municipalities currently under COAH’s jurisdiction, (3) determined that for municipalities, such as Princeton, that had “participating status” before COAH under COAH’s third round rules, court review of such municipalities’ housing plans would be necessary; (4) directed trial courts to be an alternative forum to COAH, (5) authorized municipalities under COAH’s jurisdiction to file a Declaratory Judgment Action along with a motion for Temporary Immunity by July 8, 2015, or risk exposure to exclusionary zoning lawsuits, and (6) ruled that municipalities would have up to five months to prepare and file a Housing Element and Fair Share Plan with the trial court for review; and

WHEREAS, on July 7, 2015, pursuant to the Court’s Mount Laurel IV decision, Princeton instituted a declaratory judgment action in the Superior Court of New Jersey, entitled In the Matter of the Application of the Municipality of Princeton in Mercer County, bearing Docket No. MER-L-1550-15, seeking a judgment of immunity and repose pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and a judicial declaration that Princeton’s housing plan is presumptively valid because it presents a realistic opportunity for providing its fair share of the regional need for low- and moderate- income housing (the “DJ Action”); and

WHEREAS, Fair Share Housing Center (“FSHC”) is an interested party in the DJ Action;
and

WHEREAS, Princeton and FSHC engaged in good faith negotiations in an effort to resolve the issues and claims raised by FSHC regarding Princeton’s compliance with its affordable housing obligations; and

WHEREAS, initial efforts to reach a settlement were unsuccessful and the Court conducted a methodology trial, resulting in a March 8, 2018 comprehensive opinion and Order issued by the Court establishing Princeton’s third round affordable housing obligations; and

WHEREAS, with Princeton’s obligation established by the Court, Princeton and FSHC successfully re-engaged in settlement negotiations and participated in mediation, and were able to resolve their outstanding issues regarding Princeton’s compliance plan; and

WHEREAS, settlement of the claims brought by FSHC present an opportunity to resolve the various matters pending between the parties, provides certainty regarding Princeton’s ability to satisfy its affordable housing obligations, and will avoid further litigation costs associated with a compliance trial and further proceedings; and

WHEREAS, the terms of the settlement reached with FSHC have been memorialized in a Settlement Agreement dated December ____, 2019, the terms of which the Parties agree are fair and reasonable to low and moderate income households and satisfies Princeton third round affordable housing obligations.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18th day of December, 2019, as follows:

1. The preamble to this Resolution is hereby incorporated as if more fully set forth herein.
2. Princeton is hereby authorized to enter into the December 18, 2019 Settlement Agreement with Fair Share Housing Center in resolution of the Mount Laurel Declaratory Judgment Action referenced above, upon the terms and conditions set forth in the Agreement.
3. The Mayor and Clerk are hereby authorized and directed to sign on behalf of Princeton the above-referenced Settlement Agreement, a copy of which is on file in the Municipal Clerk’s Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by the Municipal Attorney in consultation with the Mayor and Administrator.
4. The Mayor, Administrator, Clerk, Attorneys, Planners, and other appropriate officers, employees and professionals, are hereby authorized and directed to

prepare and execute any and all such other documents and undertake any and all such further acts as may be necessary or required to effectuate the above-referenced settlement.

5. This Resolution shall take effect immediately.

Councilperson	Absent	Present	1 st	2 nd	Yea	Nay	Abstain	Disqualified
Mr. Cohen								
Ms. Crumiller								
Ms. Fraga								
Ms. Niedergang								
Mr. Quinn								
Mr. Williamson								
Mayor Lempert								

I, Delores A. Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held December 18, 2019.

Delores A. Williams, Municipal Clerk

ATTACHMENTS:

- 2019-12-18 Princeton FSHC Sett'l Agmt (Final) (PDF)



Peter J. O'Connor, Esq.
Kevin D. Walsh, Esq.
Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.
David T. Rammler, Esq.
Joshua D. Bauers, Esq.
Bassam F. Gergi, Esq.

December 18, 2019

Kevin A. Van Hise, Esq.
Mason, Griffin & Pierson, PC
101 Poor Farm Road
Princeton, NJ 08540

Re: In the Matter of the Application of the Municipality of Princeton in Mercer County
Docket No. MER-L-1550-15

Dear Mr. Van Hise:

This letter memorializes the terms of an agreement reached between the Municipality of Princeton in Mercer County (hereinafter, "Princeton" or "Petitioner"), the declaratory judgment plaintiff, and Fair Share Housing Center ("FSHC"), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) ("Mount Laurel IV") and, through this settlement, a defendant in this proceeding.

Background

Princeton filed the above-captioned matter with the Superior Court of New Jersey, Law Division, Mercer County, on July 8, 2015 (the "Action") seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Through the declaratory judgment process, Princeton and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

Settlement terms

Princeton and FSHC hereby agree to the following terms:

1. FSHC agrees that Princeton, through the adoption of a Housing Element and Fair Share Plan conforming with the terms of this Agreement (hereafter "the Plan") and through the implementation of the Plan and this Agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. The fair share obligations in this matter are the subject of a court decision issued by the Honorable Mary C. Jacobson on March 8, 2018. Although the court has adjudicated the methodology for determining Third Round fair share obligations, the court has not adjudicated certain issues regarding compliance with that obligation, and the parties, absent entering into this settlement, would have the right to appeal that adjudication. The parties through this Agreement agree to waive any right of appeal of Judge Jacobson's March 8, 2018 decision on methodology and through this Agreement request that the Court approve the compliance mechanisms set forth herein.

3. FSHC and Princeton hereby agree that Princeton's affordable housing obligations are as follows:

Present Need/Rehabilitation Share	80
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	641
Third Round Obligation(1999-2025) (New Construction)	753

- a. The Third Round Obligation includes the Gap present need for new construction to address the affordable housing needs of households formed from 1999-2015, a need that was recognized by the Supreme Court in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017), and the Prospective Need, which is a measure of the affordable housing need anticipated to be generated between July 1, 2015 and June 30, 2025.
- b. The parties, for purposes of this Agreement, have stipulated and agreed to the obligations set forth in Paragraph 3 above, as found and determined by the trial court in the Opinion and Order entered by the Honorable Mary C. Jacobson, A.J.S.C., on March 8, 2018 in the consolidated methodology trial for Princeton (Docket No. MER-L-1550-15) and West Windsor Township (Docket No. MER-L-1561-15).
- c. The parties agree that the provisions of this Agreement represent a fair and reasonable settlement of this litigation pursuant to the standards elucidated by East/West Venture v. Borough of Fort Lee, 286 N.J.Super. 311 (App. Div. 1996) and related case law, recognizing that (1) either or both parties could have appealed the trial court's Methodology determination, raising issues on appeal that could have resulted in a higher or lower fair share obligation, and (2) that other aspects of this settlement resolve additional important issues, beyond the fair share obligation, that are relevant to the East/West Venture analysis of the fairness and reasonableness of the settlement, issues that have not yet been adjudicated by the trial court as of the date of the settlement. Thus, both Princeton and FSHC agree to support this Agreement as fair and reasonable before the trial court, and if an appeal is filed by a third party, upon any appeal to the Appellate Division and/or the Supreme Court.
4. Princeton's rehabilitation obligation is 80 units. Five units have been completed since 2010. Documentation related to these units will be provided during the compliance phase of this proceeding. Princeton will meet the remainder of its obligation through a local rehabilitation program for both rental and for-sale housing administered by the Princeton Affordable Housing Office (Maureen Fullaway) in accordance with COAH's rules. This is sufficient to satisfy the Township's present need / rehabilitation obligation.
- a. Princeton may seek modification of its rehabilitation share obligation by conducting a survey of the municipal housing stock as provided for by N.J.A.C. 5:97-6.2(a) and N.J.A.C. 5:93-5.2(a).
- b. Any such application for a modification of the rehabilitation share obligation shall be subject to the review and approval of the Court on notice to the Special Master and FSHC and be completed during the compliance phase and submitted to the Court, Special Master, and FSHC at least 30 days prior to the Compliance Hearing.

5. Princeton is unique in that as a municipality, it has no COAH-calculated prior round obligation due to the fact that the Municipality of Princeton was created on January 1, 2013 by the consolidation of the former Borough of Princeton and the former Township of Princeton. As such, Princeton’s prior round obligation has been established by the separate obligations of the two former municipalities:

a. Princeton Borough. The prior round obligation of the former Princeton Borough is 323 units.

i. Pursuant to a Judgment of Compliance and Repose entered on October 16, 2002, the Borough addressed its Second Round obligation through the following compliance mechanisms:

Name	Type	Units
Elm Court (Prior Cycle) (Block 1.01, Lot 4.01)	Age-Restricted Rentals. Constructed 1984 – Section 202 Program, by Princeton Community Housing, Inc.	88
Vacant Land Adjustment	(Unmet Need Obligation) 323-100=223	223

ii. The Borough also provided the following units to address its present need in the Prior Round:

Name	Address	Block	Lot	Type	Units
John & Clay Streets	237 & 241 John Street	15.03	49.02, 49.04	Family For- Sale. Completed 1994	5
	92, 94 & 96 Clay Street	15.02	106.02, 106.03, 106.04		
Hamilton Avenue	101, 105, 113, 115, 123 & 127 Hamilton Avenue	33.04	1.17, 1.15, 1.11, 1.10, 1.06, 1.04	Family For- Sale. Completed 1990	6
171 John Street	171 John Street	17.03	71	Family For- Sale. Completed 1992	1
TOTAL:					12

iii. To address its vacant land adjustment of 223 units, and as a court-requirement for its judgment of compliance and repose, the Borough adopted an affordable housing overlay zoning ordinance (Section 17A-202.1, et seq. of the Borough Code). The overlay ordinance requires a twenty-percent (20%) set-aside of affordable housing for development of the land located in the former Borough for a multiple dwelling or joint occupancy building with five or more dwelling units. Princeton has continued to maintain that ordinance post consolidation. The overlay ordinance has produced the following units:

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units
The Princewood	253 Nassau Street	48.01	6	0.517	12 rental units with 1 very-low income family unit.	12	1
Princeton International Properties	291-293 Nassau Street	51.02	46	0.438	7 family rental units with 1 moderate income family rental	7	1
41 Spring Street	41 Spring Street	27.04	18	0.113	Family rental units	22	2
45 Spring Street	45 Spring Street	27.04	20	0.034	Approved in 2018 for 6 residential units with 1 two-bedroom low income unit	6	1
Shirley Court	1, 2, 3, 4 & 5 Shirley Court	24.01	15	0.146	Family For-Sale Completed 2001	6	5
MacLean Street	14, 18 & 22 MacLean Street	17.03	116.0105, 116.0103, 116.0101	0.146	Family For-Sale Completed 2001	6	3
Palmer Sq. Hulfish North	Palmer Square				Court settlement for 100 apartment units with 10 AH units (8 with 20yr controls + 2 COAH compliant units)	100	2
TOTAL:						159	15

iv. Pursuant to COAH's 2008 calculations set forth in N.J.A.C. 5:97, Appendix C, the Borough's recalculated prior round obligation was 311 units.

v. In combination with a 1 unit excess credit from the (former) Township being applied to the unmet need obligation, the current unmet need from the former Borough is as follows:

Total unmet need	223
Less:	
Units from Overlay Ordinance	15
Adjustment from COAH Recalculated Prior Round Obligation	12
Township Prior Round Excess Credit	1
Remaining Unmet Need Calculation from Former Borough	<u>195</u>

vi. Pursuant to Paragraph 5.a.iii above, Section 17A-202.1, et seq. of the Borough Code requires an affordable housing set-aside on projects located in the lands of the former Borough. As part of this settlement agreement, Princeton agrees to amend, or repeal and replace, the existing ordinance

with a new ordinance applicable to the entire consolidated municipality that requires an on-site affordable housing set-aside of 20% for all new multi-family residential developments of five (5) or more additional units that are developed at a density of six (6) or more units per acre, which developments become permissible through: a use variance; a density variance increasing the permissible density at the site; a rezoning permitting multi-family residential housing where not previously permitted; or a new or amended redevelopment plan; or a new or amended rehabilitation plan.

1. This ordinance shall not apply to student housing, defined to mean *“Non-profit housing owned and operated by an accredited academic institution for full-time undergraduate and graduate students who are currently registered and enrolled in a degree-granting program at same academic institution located within the Municipality of Princeton.”*
2. This ordinance shall not give any developer the right to any such rezoning, variance, redevelopment designation or redevelopment or rehabilitation plan approval, or any other such relief, or establish any obligation on the part of the municipality to grant such rezoning, variance, redevelopment designation, redevelopment or rehabilitation plan approval, or such other or further relief.
3. This provision shall not apply to sites zoned for inclusionary residential development or for which an inclusionary residential redevelopment plan has been adopted consistent with the municipality's Court-approved Housing Element and Fair Share Plan adopted in accordance with this Agreement, which sites shall comply with the applicable adopted zoning. No site shall be permitted to be subdivided so as to avoid compliance with this requirement.
4. The ordinance shall be enacted to apply to the entire municipality of Princeton.
 - a. Affordable housing developed in accordance with this ordinance within the boundaries of the former Borough shall be credited to the unmet need obligation of the former Borough.
 - b. Affordable housing developed in accordance with this ordinance within the boundaries of the former Township shall be credited to the consolidated municipality's prospective need for future affordable housing obligations in accordance with then applicable law.

- vii. In addition to maintaining the existing overlay ordinance, Princeton will also enact area specific overlays to incentivize inclusionary and mixed use redevelopment with a required affordable housing set-aside for sites commonly known as:

Name	Address	Block	Lot	Acr.	To New District
Bank of America	370 Nassau Street	32.01	171	1.430	AHO-2
7-Eleven & USPS	257 1/2 Nassau St. Alley & 259 Nassau Street	48.01	16,21	0.839	AHO-1
Jay's Cycle & Nassau East Inc.	249 Nassau Street; 245-247 Nassau Street	48.01	18, 5	1.150	AHO-1
Craft Cleaners	225-227 Nassau Street	47.02	27, 28	0.285	AHO-1
Thompson Realty	195 Nassau Street; 9-11 Charlton Street	47.01	23, 26	0.445	AHO-1
Princeton University	199-201 Nassau Street	47.01	24, 25	0.200	AHO-1
Princeton Proprietary Holdings, LLC	211-213 Nassau Street	47.02	21, 22	0.220	AHO-1
TCO Metals, LLC	215 Nassau Street	47.02	23	0.125	AHO-1
Princeton University	221-223 Nassau Street	47.02	26	0.211	AHO-1
Sunoco Gas	273 Nassau Street (at Murray Place)	51.02	41	0.424	AHO-1
The Jewish Center	457 Nassau Street	56.03	170	4.840	AHO-3
Appari, LLC	217 Nassau Street	47.02	24	0.114	AHO-1
219 Nassau St. LLC	219 Nassau Street	47.02	25	0.121	AHO-1
Craabumch & Co.	229-231 Nassau Street	47.02	29	0.104	AHO-1
Princeton Intl. Properties	360 Nassau Street	32.01	1	0.734	AHO-2
Fleet / BOA	372-374 Nassau Street	32.01	172	0.367	AHO-2
Princeton Intl. Properties	366 Nassau Street	32.01	173, 213	0.281	AHO-2
Shelpuk	364 Nassau Street	32.01	221	0.160	AHO-2
Princeton Intl. Properties	354 Nassau Street	32.01	222	0.354	AHO-2
Pang	238 Nassau Street	30.02	38	0.172	AHO-2
254-258 Nassau Street LLC	254-258 Nassau Street	30.02	78	0.182	AHO-2
252 Nassau Street LLC	252 Nassau Street	30.02	79, 80	0.211	AHO-2
Roussos Family LP	246 Nassau Street	30.02	81	0.149	AHO-2
Roussos Family LP	242 Nassau Street	30.02	82	0.120	AHO-2
Pang	240 Nassau Street	30.02	83	0.170	AHO-2
250 Nassau Street LLC	250 Nassau Street	30.02	87	0.163	AHO-2
248 Nassau Street LLC	248 Nassau Street	30.02	89	0.160	AHO-2
Roussos Family LP	244 Nassau Street	30.02	92	0.089	AHO-2

1. The ordinance implementing the area specific overlays will be in substantially the form as attached hereto as **Exhibit A**, creating three new overlay zoning districts, to be known as AHO-1, AHO-2 and AHO-3.
 2. The AHO-1 and AHO-2 provisions of the proposed ordinance will incorporate the following provisions: (a) 3-story buildings will be permitted; (b) establish or utilize a required parking ratio of 1.3 spaces per dwelling unit; and (c) add a maximum front yard setback requirement.
- viii. With the adoption of the set aside ordinance required by Paragraph 5.a.vi above and the area specific overlays ordinance to be adopted pursuant to Paragraph 5.a.vii above, and the requirement imposed by Paragraph 5.a.ix, the parties agree that the former Borough's unmet need obligation is adequately addressed in accordance with COAH's rules, and in particular, N.J.A.C. 5:93-4.2(f).
- ix. Princeton will continue to encourage and foster new affordable housing opportunities by site specific redevelopment negotiations with developers in the former Borough on sites not specifically identified in this Agreement. Opportunities obtained as a result of such efforts within the boundaries of the former Borough shall be credited first to the former Borough's unmet need obligation, and upon satisfaction of the unmet obligation, any additional credits may be applied to Princeton's future round obligation(s).
- b. Princeton Township. The prior round obligation from the former Princeton Township is 330 units. In accordance with the Township's grant of Substantive Certification from COAH on October 2, 1996, the Township addressed its Second Round obligation through the following compliance mechanisms:

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
CIFA II, LLC	16 Gulick Road	4701	28	0.570	2 Br. Group Home + 2 Bonus completed 1994		2	2	4
Griggs Farm - PCH	Griggs Drive	802	1	26.500	140 Sale & Rental + 70 Bonus, completed 1989		140	70	210
White Farm / Calton Homes / Washington Oaks	Route 206 @ Hutchinson Drive			73.000	60 Family Sale Units, completed 1994	300	60	-	60
7 Leigh Avenue	7 Leigh Avenue	6905	21	0.110	1 Reconstr. Family Sale Unit, compl. 1994		1	-	1

West Drive / Karin Court	Karin Court	11301	1.02	2.633	16 Very low inc. rentals + 11 bonus, compl. 1999	16	11	27	
RCA / Trenton					23 Units	23	-	23	
Substantial Compliance Bonus - 1st to 2nd Round					6 Unit Reduction (Prev. Awarded)	6	-	6	
TOTALS:						300	248	83	331

6. Princeton has implemented or will implement the following mechanisms to address its Third Round New Construction obligation of 753 units:

Constructed Units

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
Witherspoon Phase I	57 Witherspoon Street	27.02	76	1.280	Family Rental	24	2	2	4
Witherspoon Phase II	Spring Street	27.01	10, 12, 13, 78	0.558	Family Rental	53	10	10	20
114 Leigh Avenue	114 Leigh Avenue	13.01	4	0.069	Family Sale	5	1	-	1
100-104 Leigh Avenue	100-104 Leigh Avenue	13.01	9.01	0.210	Family Rental	5	5	5	10
135 Bayard Lane	135 Bayard Lane	13.01	1	0.227	Family Rental	4	4	4	8
Harriet Bryan House	310 Elm Road	6501	3.01, 1.01	10.193	Age Restricted	67	67	-	67
Acorn Glen	775 Mt. Lucas Road	2802	3	10.000	Assisted Living	-	5	-	5
52 Leigh Avenue	52 Leigh Avenue	6906	24	0.070	Family Sale	2	2	-	2
159 John Street	159 John Street	17.03	68	0.066	Family Sale	1	1	-	1
190-198 Witherspoon St.	194-198 Witherspoon St.	15.01	25.01	0.296	Family Rental	4	2	2	4
12-14 Vandeventer Ave.	12-14 Vandeventer Ave.	27.04	24	0.270	Family Rental	4	1	1	2
24 North Harrison St.	24 North Harrison Street	34.01	15	0.214	Group Home	-	4	4	8

246 John Street	246 John Street	15.04	76	0.041	Family Rental	1	1	1	2
76-1/2 Linden Inc. / Catholic Ch.	76-1/2 Linden Lane	33.04	104	0.219	Group Home	-	3	-	3
Community Options	24 Dorann Ave.	7308	20	0.230	Group Home	-	4	4	8
Copperwood	300 Bunn Drive	4301	3	9.264	Family Rental	153	12	-	12
Youth Consultation Serv.	9 Hilltop Drive	5401	5	0.570	Group Home	-	4	4	8
Merwick / Stanworth	Bayard Lane @ Stanworth	14.01	2	17.130	Family Rental	325	56	56	112
AvalonBay - Witherspoon Street	100 Albert Way	21.02 & 7101	1.01 & 12.01	10.553	Family Rental	280	56	56	112
255 Nassau Corp / Carnevale	255 Nassau Street	48.01	22	0.861	Family Rental	23	4	4	8
TOTAL CONSTRUCTED UNITS:						951	244	153	397

Approved - Not Yet Constructed

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
Princeton Maclean, LLC	30 Maclean Street	17.03	73	0.165	Family Rental	10	2	2	4
Lytle Street (Habitat for Humanity)	31 Lytle Street	15.02	71	0.062	Family Sale	2	2	-	2
TOTAL APPROVED UNITS:						12	4	2	6

Municipally Sponsored / 100% Affordable Housing Developments

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H Units	Bonus Credits	Total Credits
Princeton Community Village	Karl Light Boulevard	4401	2	35.706	Family Rental	25	25	-	25
Franklin Avenue & Maple Terrace	Franklin Avenue	21.04	26, 27	2.472	Family Rental	80	80	33	113
RPM - 900 Herrontown Road (SAVE)	900 Herrontown Road	901	21	3.000	Family Rental	65	64	-	64
Thanet Road Senior Project - Avalon Bay	100 Thanet Road	5502	p/o 4	2.500	Age Restricted Rental	80	80	-	80
Group Homes					Group Homes - 4		16	-	16
TOTAL MUNICIPALLY SPONSORED:						250	265	33	298

Sites To Be ReZoned for Inclusionary Development

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
Terhune & Harrison	351 Terhune Road	7401	1.02	4.509	Family Inclusionary	60	12	-	12
Princeton Shopping Center (Edens)	301 North Harrison St.	7401	1.01	29.093	Family Inclusionary	200	44	-	44
Thanet Road - Avalon Bay	100 & 101 Thanet Road	5502	4	15.021	Family Rental	221	6	-	6
					Group Homes (5 3-Br Units)		15	-	15
TOTAL INCLUSIONARY DEVELOPMENT:						481	77	-	77

Third Round Compliance Summary

Municipal Obligation – Municipality of Princeton	753
Less:	
Constructed Units	244
Approved – Not Yet Constructed Units	4
Municipally Sponsored / 100% Affordable Housing Dev.	265
Sites to be Re-Zoned for Inclusionary Development	77
Total Bonus Credits	188
Total Third Round Compliance Credits	778
TOTAL Third Round Satisfaction (Excess Credits)	25

7. As set forth in Paragraph 6 above, Princeton will provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning on the following sites:
- a. *“Terhune & Harrison”* (Block 7401, Lot 1). This vacant site will be rezoned to permit a residential density of 22 units/acre of family housing and to remove the age restriction requirement. This is anticipated to result in 60 residential units with a required 20% set-aside.
 - b. *“Princeton Shopping Center.”* (Block 7401, Lot 1.01) Princeton has reached agreement with the property owner to facilitate the development, via a zoning amendment or use of the Redevelopment process, to provide a density of 6.9± units/acre over the 29.1± acre site, for the development of 200 family rental units with a 22% affordable housing set-aside (44 affordable housing family rental units). The ordinance will permit clustering to facilitate the redevelopment of the southern end of the site without significant impact on the existing commercial development (shopping center).
 - i. Princeton acknowledges that the proposed rezoning or redevelopment plan ordinance will incorporate bulk standards permitting a four-story structure within approximately 50’ of adjacent, existing single family residential dwellings. Development criteria will be set forth in the ordinance, including the potential need for structured parking, conceptual plan for units, etc.
 - ii. The development site plan will prioritize pedestrian, bicycle and transit accessibility as well as thoughtful and creative architectural and landscape design. It will reflect good urban design that will result in the complex, and particularly the Harrison Street frontage, becoming more inviting and visually compatible with the surrounding neighborhoods and to the greater Princeton community. The owner has agreed to provide shuttle service to/from the development to downtown Princeton, and will work closely with the Planning Board and municipal staff to design an attractive and economically viable mixed-use development.
 - iii. Written confirmation, by letter agreement or memorandum of understanding, between the property owner and municipality, confirming

the development plan for this site, will be provided prior to the Fairness Hearing.

- c. *Thanet Circle – Avalon Bay, Block 5502, Lot 4.* This is a 15.02± acre parcel currently improved with two office buildings constructed more than 30-years ago, containing a total of 110,000± square feet. The buildings have been predominantly vacant for the past several years and the site is ripe for redevelopment. Princeton has reached agreement with the contract purchaser of the property to utilize the redevelopment process to provide for a 221-unit market rate rental complex, with six family rental affordable apartments (comprised of one (1) 1-Bedroom apartment, three (3) 2-Bedroom apartments and two (2) 3-Bedroom apartments (one of which will be designated as a very-low income unit)), and five (5) 3-Bedroom special needs apartments. In addition, the contract purchaser has agreed to subdivide a 2.5± acre parcel for Princeton to create an 80-unit, municipally sponsored, age-restricted, 100% affordable housing development (detailed in Paragraph 8.d below). During the compliance phase of this matter, at least 30 days prior to the compliance hearing, Princeton will provide an agreement with the developer of this site regarding the donation of land and terms on which the inclusionary family rental development will be developed. The 80-unit senior project is addressed further in Paragraph 8.d below.
 - d. *Northern S-2 Zoning District.* To advance smart growth principles, Princeton will adopt an overlay ordinance to permit as-of-right, residential uses on the second and third floor of existing or new non-residential development at a density of 15-units per acre with a 20-percent set-aside of affordable housing, creating a mixed-use zone providing residences, shopping and services within an existing corridor that is ripe for redevelopment. Affordable housing developed in accordance with this ordinance shall be credited to the consolidated municipality's prospective need for future affordable housing obligations in accordance with then applicable law.
8. As set forth in Paragraph 6 above, Princeton will provide a realistic opportunity for the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:
- a. *"Princeton Community Village."* Princeton will sponsor the creation of 24 new affordable housing units at Princeton Community Village's existing development located off of Bunn Drive which shall include 3 very low income units, 9 low income units, and 12 moderate income units with an affordability average of 52 percent and will comply with the bedroom distribution provided for in N.J.A.C. 5:80-26.3 with each income tier proportionally distributed across each bedroom type. The proposed project will incorporate the construction of a new mid-rise building utilizing NJHMFA alternative financing (not tax credits).
 - i. A zoning ordinance will be adopted during the Compliance Phase providing for the proposed development.
 - ii. Princeton will commit funding from the municipal affordable housing trust fund to subsidize the project construction costs.

- iii. This will not be a tax credit project. Rather, PCH will obtain tax exempt bond financing through NJHMFA.
 - iv. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.
- b. *“Franklin Avenue & Maple Terrace.”* Redevelopment project being done by PCH that will create 80 new affordable family rental units which shall include 11 very low income units, 29 low income units, and 40 moderate income units with an affordability average of 52 percent and will comply with the bedroom distribution provided for in N.J.A.C. 5:80-26.3 with each income tier proportionally distributed across each bedroom type. The project was originally proposed to have 20 local preference units, but the proposal has since been modified by Princeton to eliminate the Princeton preference proposal.
- i. Princeton will adopt a zoning ordinance providing for the proposed development.
 - ii. PCH will seek 9% tax credits. Funding is anticipated in the 2020 funding round.
 - iii. Construction on the project shall begin within three (3) years of the court’s approval of this Agreement following a fairness hearing.
 - iv. Princeton will adopt a resolution committing funding from the municipal affordable housing trust fund. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.
 - v. The parties agree that the existing tenants, at their option, shall be relocated during project construction and returned to the development without need for re-certification.
- c. *“900 Herrontown Road.”* This is a 3-acre vacant site that formerly housed the SAVE animal shelter. The property owner has entered into a contract with RPM Development Group / 900 Herrontown Princeton LP (“RPM”) for RPM to develop a 65-unit affordable housing project (64 restricted units + 1 on-site residential property manager) which shall include 8 very low income units, 24 low income units, and 32 moderate income units with an affordability average of 52 percent and will comply with the bedroom distribution provided for in N.J.A.C. 5:80-26.3 with each income tier proportionally distributed across each bedroom type.
- i. RPM has already submitted an application with NJHMFA seeking 9% tax credits in the 2019 funding round.
 - ii. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among

other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.

- iii. To facilitate the project, Princeton enacted an ordinance creating the AH-3 zoning district, providing for site specific zoning to accommodate the proposed density and bulk requirements necessary to construct the project. The ordinance was adopted on April 8, 2019.
- iv. Pursuant to enactment of the AH-3 zoning ordinance, RPM submitted an application to the Princeton Planning Board seeking preliminary and final major site plan approval. By Resolution No. P1919-741P, adopted on July 18, 2019, RPM's application was granted.

d. *"Thanet Circle Senior."*

- i. As detailed in Paragraph 7.c above, Princeton will acquire a 2.5± acre tract located on Thanet Road for the development of an 80-unit, municipally sponsored, age-restricted, 100% affordable housing development, which shall include 11 very low income units, 29 low income units, and 40 moderate income units with an affordability average of 52 percent.
- ii. The 80-unit senior project will not be a 9% tax credit project. Rather, the municipality intends to fund the project with the use of 4% volume cap tax credits, its affordable housing trust fund, and/or municipal financing of the project.
- iii. The Municipality recognizes that the currently estimated total cost of the project will be approximately \$15-20 million. The Municipality realizes that while outside sources of funds may be available to offset part of these costs, there is no guarantee of receiving such funds. The Municipality shall provide funding through bonding or any other means necessary to the project sufficient to fully fund the project in a timely fashion to allow construction to begin in accordance with the timetable required by Paragraph 8.g of this Agreement, but in any event shall formally authorize and commit funding sufficient to fully fund the project no later than December 31, 2021, deducting only firmly committed funding from outside sources at that time from the total cost necessary to complete the project.
- iv. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.

- e. *"Supportive & Special Needs / Group Homes."* Princeton will commit and sponsor four group home projects that will provide 16 total bedroom / credits. Princeton agrees to provide a site, sponsor, and funding plan for eight bedrooms no later than June 30, 2021 and have those bedrooms ready for occupancy by June 30, 2022 and a site, sponsor, and funding plan for the remaining eight bedrooms no later than June 30, 2024 and have all 16 bedrooms ready for occupancy by June 30, 2025. The plans and other information shall be provided to FSHC on or before the date they are due. Princeton will provide sufficient funding in its Spending Plan to accomplish these projects. Princeton will adopt a resolution committing funding

from the municipal affordable housing trust fund. Required documentation for the project and commitments will be provided at least 30 days prior to the Compliance Hearing.

- f. In accordance with N.J.A.C. 5:93-5.5, Princeton recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments, i.e., Princeton Community Village, Franklin Avenue and Franklin/Maple Terrace, 900 Herrontown Road, Thanet Circle senior housing, and Supportive & Special Needs/Group Homes. The municipality is required to provide a pro forma of both total development costs and sources of funds and documentation of the funding available to the municipality and/or project sponsor, and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. These obligations will be satisfied through the submission of documentation at least 30 days prior to the compliance hearing in this matter.
 - g. In accordance with N.J.A.C. 5:93-5.5, for non-inclusionary developments, a construction or implementation schedule, or timetable, shall be submitted for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The schedule shall provide for construction to begin within two years of court approval of this Agreement, with the exception of the "Franklin Avenue & Maple Terrace" project that, pursuant to Paragraph 8.b above, will begin within three years of court approval of this Agreement, and the group homes that, pursuant to Paragraph 8.e above, will be in accordance with the schedule referenced therein. The municipality shall indicate the entity responsible for undertaking and monitoring the construction and overall development activity. These obligations will be satisfied through the submission of documentation at least 30 days prior to the compliance hearing in this matter.
 - h. Princeton has elected to satisfy a substantial part of its Third Round obligation using municipally-sponsored construction. In addition to the 244 units already constructed, this Agreement requires Princeton to provide a realistic opportunity through zoning for an additional 77 inclusionary units that have not yet been approved or constructed (including the five (5) 3-bedroom supportive housing apartments at Thanet). Through this Agreement, the Municipality commits itself to providing a realistic opportunity, including through its own municipal funds and bonding, for 265 affordable units that have not all been approved and are not already in existence for which other funding sources have not been fully identified and/or may not be available. Princeton acknowledges this substantial financial responsibility and agrees that it will not rely on the substantial financial costs it has assumed as a reason to delay, modify, or otherwise depart from the terms of this Agreement.
9. Princeton agrees to require 13% of all units referenced in this Agreement, excepting those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very low income units, affordable to households earning 30% or less of area median income, with half of the very low income units being available to families. Of the units identified in this plan, 504 affordable housing units have been developed since 2008, or will be developed in accordance with this Agreement, which leads to a requirement for

66 very low income units. Princeton will comply with this requirement by requiring a minimum of 13% of all affordable units approved in any development, including units required through a set-aside ordinance, whether to address unmet need or not, whether in the former Borough or Township, to be very low income units. The affordable housing ordinance adopted in accordance with this Agreement shall provide that at least 13 percent of all restricted rental units within each bedroom distribution shall be very low-income units (affordable to a household earning 30 percent or less of median income).

Princeton's plan provides for 101 very low income units, which exceeds the 66 unit requirement. More specifically, Princeton represents that the following developments were constructed or approved since July 1, 2008, and include very low income units or shall be required to include very low income units, as follows:

Development/Compliance Mechanism	Total Units	VLI units in existence or to be required
45 Spring Street	1	0
291-293 Nassau Street	1	0
253 Nassau Street	1	0
190-198 Witherspoon	2	0
12-14 Vandeventer	1	0
24 North Harrison Street (Group Home)	4	4
246 John Street	1	0
41 Spring Street	2	0
30 Maclean Street	2	0
24 Dorann Avenue (Group Home)	4	4
Copperwood	12	0
Lytle Street	2	0
9 Hilltop (Group Home)	4	4
255 Nassau Street	4	0
Merwick- Stanworth redevelopment, 135 Bayard Lane and 100-104 Leigh Avenue	65	8
AvalonBay (Avalon Princeton)	56	8
900 Herrontown Road	64	8
Princeton Community Village	25	3
Thanet Circle –Senior 100%	80	11
Group Homes	16	16

Terhune & Harrison	12	2
Shopping Center	44	6
Thanet Circle – Avalon Bay Family and Supportive	21	1 (family); 15 (supportive)
Franklin Avenue & Maple Terrace	80	11
TOTAL:	504	101

10. Princeton shall meet its Third Round Obligation (New Construction) and address the remainder of the former Borough’s unmet need in accordance with the following standards as agreed to by the Parties:

- a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
- b. At least 50 percent of the units addressing the Third Round Obligation and the remainder of the former Borough’s unmet need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households. The affordable housing ordinance adopted in accordance with this Agreement shall provide that at least half of all affordable units within each bedroom distribution shall be low-income units, which shall include at least 13 percent of all restricted rental units within each bedroom distribution as very low-income units (affordable to a household earning 30 percent or less of median income).
- c. At least twenty-five percent of the Third Round Obligation shall be met through rental units, including at least half in rental units available to families.
- d. At least half of the units addressing the Third Round Obligation in total must be available to families.
- e. Princeton agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation. The parties agree in view of the unique circumstances present in this matter that the age-restricted cap of 25%, in accordance with applicable law, shall be calculated for the consolidated municipality for the combined Prior Round and Third Round as follows:

Prior Round Obligation		641
Plus Third Round Obligation	+	753
Less: Former Borough Vacant Land Adjustment	-	223
Former Township RCA	-	23
Total Net Obligation		1,148
Total Age-Restricted Cap	x	0.25
Total Maximum Third Round Age-Restricted Units		287

This Agreement identifies 240 age-restricted credits, which is below the 287-unit Third Round age-restricted cap. Princeton further agrees that no more than 25%

of the unmet need obligation of the Former Borough may be satisfied through age-restricted units.

11. Princeton shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5): Fair Share Housing Center; the New Jersey State Conference of the NAACP; the Latino Action Network; the Trenton, Greater Red Bank, Asbury Park/Neptune, Bayshore, Greater Freehold and Greater Long Branch units of the NAACP; Shiloh Baptist Church; the Supportive Housing Association of New Jersey; and the New Jersey Housing Resource Center. As part of its regional affirmative marketing strategies during its implementation of the affirmative marketing plan, Princeton and/or its administrative agent shall provide notice to those organizations of all available affordable housing units, along with copies of application forms. Princeton also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
12. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. Princeton as part of its HEFSP shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by Princeton annually within 30 days of the publication of determinations of median income by HUD as follows:
 - a. Regional income limits shall be established for the region that Princeton is located within (i.e. Region 4) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the municipality's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
 - b. The income limits attached hereto as **Exhibit B** are the result of applying the percentages set forth in Paragraph 12.a above to HUD's determination of median

income for FY 2019, and shall be utilized until the municipality updates the income limits after HUD has published revised determinations of median income for the next fiscal year.

- c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by Princeton annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
 - d. The resale prices of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region determined pursuant to the process outlined above. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
 - e. The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing tax credits.
 - f. The parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement.
13. 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.
14. The following terms relate to the compliance phase of this matter and documentation of realistic opportunity in accordance with applicable law:
- a. As an essential term of this Agreement, within one hundred and twenty (120) days of the Court's approval of this Agreement, Princeton shall introduce and adopt an ordinance or ordinances providing for the amendment of Princeton's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this Agreement and the zoning contemplated herein; shall adopt all necessary manuals and resolutions required by applicable law; and shall adopt a Housing Element and Fair Share Plan and Spending Plan in conformance with the terms of this Agreement.
 - b. At least 50 percent of the units addressing the Prior Round Obligation of the former Borough, including the remainder of the former Borough's unmet need, and of the former Township and at least 50 percent of the units addressing the Third Round obligation of Princeton, shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households. During the compliance phase of this matter, at least 30 days prior to the Compliance Hearing, the Municipality shall provide evidence of deed restrictions and, where appropriate, agreements demonstrating compliance with this very

low/low-income requirement in a form that is easily reviewable, including a table of information and page references to relevant documents.

15. The parties agree that if the Legislature and Governor enact an amendment to the Fair Housing Act that would result in a calculation of an obligation for Princeton for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total prospective Third Round need obligation established in this Agreement, Princeton may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, Princeton shall be obligated to adopt a Housing Element and Fair Share Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting or leaving in place any site specific zoning adopted or relied upon in connection with the Plan adopted pursuant to this Agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of Princeton's obligation below that established in this Agreement does not provide a basis for seeking leave to amend this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If Princeton prevails in reducing its prospective need for the Third Round, Princeton may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.
16. Princeton shall prepare a Spending Plan within the period referenced above, subject to the review of FSHC and approval of the Court.
 - a. Princeton reserves the right to seek approval from the Court that the expenditures of funds contemplated under the Spending Plan constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563).
 - b. The Spending Plan shall allocate funds required to demonstrate a realistic opportunity for the municipally-sponsored sites identified in Paragraph 8 above.
 - c. On the first anniversary of the entry of final judgment in this matter, and on every anniversary of that date thereafter through July 1, 2025, Princeton agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
17. On the first anniversary of the entry of final judgment in this matter, and every anniversary thereafter through the end of this Agreement, Princeton agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center,

using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.

18. The Fair Housing Act includes two provisions regarding action to be taken by Princeton during the ten-year period of protection provided in this Agreement. Princeton agrees to comply with those provisions as follows:

- a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, Princeton will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of the Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented.
- b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the entry of final judgment in this matter, and every third year thereafter, Princeton will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein.

19. The parties will request that the Superior Court schedule hearings to review this proposed settlement and to evaluate the municipality's compliance with this Agreement as follows:

- a. This settlement agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Princeton shall present its planner as a witness at this hearing. The parties agree to support this settlement at the fairness hearing. If the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
- b. In the event the Court approves this proposed settlement, the parties will request that the court schedule a compliance hearing 120 days after the fairness hearing. At the compliance hearing, the municipality will present all evidence of creditworthiness of units referenced in this Agreement (including deed restrictions and agreements related to affordability) adopted ordinances, any necessary resolutions and manuals, the Housing Element and Fair Share Plan, and the Spending Plan for review and approval by the Court. As part of the order finding that the municipality has complied with the terms of this agreement and taken all necessary steps required by this Agreement, the parties contemplate the municipality will receive "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025.

20. Princeton agrees to pay FSHC's attorney fees and costs in the amount of seventy-five thousand (\$75,000.00) dollars within thirty (30) days of the Court's approval of this Agreement pursuant to a duly-noticed fairness hearing. FSHC agrees that this payment will fully address any claim of attorney fees and costs that FSHC has made or could have

made against Princeton in relation to this matter from the date of the filing of this action through the entry of a final judgment in this matter in accordance with the process provided for in Paragraph 19 above.

21. If an appeal is filed of the Court's approval or rejection of this Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of this Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful, at which point the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
22. This Agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in the Superior Court, Mercer County.
23. 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.
24. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
25. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
26. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
27. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
28. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
29. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
30. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.

31. No member, official or employee of Princeton shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law, absent the need to invoke the rule of necessity.
32. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
33. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

TO FSHC: Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: kevinwalsh@fairsharehousing.org

TO PRINCETON: Kevin A. Van Hise, Esq.
Mason, Griffin & Pierson, PC
101 Poor Farm Road
Princeton, NJ 08540
Phone: (609) 436-1209
Telecopier: (609) 683-7978
Email: k.vanhise@mgplaw.com

WITH A COPY TO THE MUNICIPAL CLERK: Delores Williams, RMC
Municipal Clerk
Municipality of Princeton
400 Witherspoon Street
Princeton, NJ 08540
Phone: (609) 924-5704
Telecopier: (609) 688-2031
Email: dwilliams@princetonnj.gov

Please sign below if these terms are acceptable.

Sincerely,

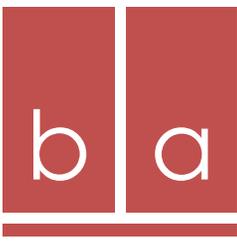
Kevin D. Walsh, Esq.
Counsel for Intervenor/Interested Party
Fair Share Housing Center

On behalf of the Municipality of Princeton,
with the authorization
of the governing body:

Dated: _____

EXHIBIT A

**Proposed Ordinance
Creating AHO-1, AHO-2 and AHO-3 Overlay Zones
[Paragraph 5.a.vii]**



DRAFT

MUNICIPALITY OF PRINCETON, NEW JERSEY
ORDINANCE NO. 2019 -

Draft: December 18, 2019

AN ORDINANCE TO AMEND CHAPTER 17A , ARTICLE XI OF THE PRINCETON CODE, ENTITLED “LAND USE” AND THE PRINCETON ZONING MAP, TO CREATE AN “AHO-1 AFFORDABLE HOUSING OVERLAY RESIDENTIAL/BUSINESS ZONE”, AN “AHO-2 AFFORDABLE HOUSING OVERLAY RESIDENTIAL/BUSINESS ZONE”, AND AN “AHO-3 AFFORDABLE HOUSING OVERLAY RESIDENTIAL-3 ZONE AND THE REGULATIONS ASSOCIATED THERETO IN THE MUNICIPALITY OF PRINCETON

Section 1. Chapter 17A, Article XI. ZONING, Section 17A-202 of the Princeton Code entitled “Districts generally Established; Enumerated” is hereby amended to add the following new zone districts to the list of zone districts:

AHO-1 Affordable Housing Overlay-1 Residential/Business District

AHO-2 Affordable Housing Overlay-2 Residential/Business District

AHO-3 Affordable Housing Overlay-3 Residential District

Section 2. Chapter 17A, Article XI, Section 17A-203 District Map is hereby amended by the depiction of the below identified properties into the zones as designated herein below on the “Zoning Map, Borough of Princeton”, as amended. These overlay zones supplement the underling zone districts that encompass the properties noted herein.

(a) The following properties are hereby rezoned to include the AHO-1 Affordable Housing Overlay-1 Residential/Business District atop their underlying zone districts:

(1) Block 47.01 Lot 23, 24, 25, & 26 is rezoned to include an AHO-1 Overlay Zone atop their underlying RO Zone;

- (2) Block 47.02 Lots 21 through 29 is rezoned to include an AHO-1 Overlay Zone atop their underlying RO Zone;
 - (3) Block 48.01 Lots 5, 16, 18, & 21 is rezoned to include an AHO-1 Overlay Zone atop their underlying SB Zone;
 - (4) Block 51.02 Lot 41 is rezoned to include an AHO-1 Overlay Zone atop its underlying SB and R-3 Zones.
- (b) The following properties are hereby rezoned to include the AHO-2 Affordable Housing Overlay-2 Residential/Business District atop their underlying zone districts:
- (1) Block 32.01 Lot 1, 171, 172, 173, 213, 221, & 222 is rezoned to include an AHO-2 Overlay Zone atop their underlying NB Zone;
 - (2) Block 30.02 Lots 38, 78 through 83, 87, 89, and 92 is rezoned to include an AHO-2 Overlay Zone atop their underlying NB Zone.
- (c) The following property is hereby rezoned to include the AHO-3 Affordable Housing Overlay-2 Residential District atop its underlying R-2 zone district:
- (1) Block 56.03 Lot 170 is rezoned to include the AHO-3 Overlay Zone atop its underlying R-2 Zone.

Section 3 Article XI Zoning is amended and supplemented by the insertion in Sec. 17A-228 Uses Permitted as of Right, a new subparagraph “c”, which shall contain the following provisions, and re-lettering of existing subparagraph “c” as subparagraph “d”.

- (d) Affordable housing uses.

The purpose of the various affordable housing zones is to provide a realistic opportunity for the construction of affordable housing pursuant to the New Jersey Fair Housing Act and thereby comply with the Municipality’s constitutional obligation to provide such housing to low-and moderate-income households. Certain affordable housing zones are exclusively residential; other such zones seek to create vibrant mixed-use developments. Affordable housing dwellings in all

affordable housing zones shall be further regulated by the Princeton Affordable Housing Ordinance, applicable state regulations and all Orders of any Court of competent jurisdiction. The AHO-1 and AHO-2 zones identified herein are established to incentivize redevelopment consisting of residential development with an affordable housing set-aside component and including at grade retail and service commercial development to reinforce the Nassau Street retail sales and service corridor development pattern. The AHO-3 Zone identified herein is established to incentivize redevelopment consisting of residential development with an affordable housing set-aside component.

Section 4 Article XI Zoning is hereby amended and supplemented by the insertion of Section 17A-268.1A Use, Bulk, and Other Development Regulations for the AHO-1 Zone.

- (a) Permitted uses. Within the AH-1 zoning district the following uses shall be permitted.
 - (1) Principal permitted uses. Buildings may be erected or occupied and the tract may be used for multi-family housing with an affordable housing set-aside on the second floor of any building. In this zone, all first-floor occupancy shall be limited to retail sales and services, office and restaurant uses, as well as building mechanical and infrastructure purposes only. “Multi-family housing” is defined as a building containing at least three units, each unit sharing with another unit or units, one or more vertical or horizontal common walls.
 - (2) Accessory uses. Multi-family housing management office, common rooms, communication infrastructure, laundry rooms, maintenance and storage areas, off-street parking and loading areas, street furniture, home occupations, fences and walls, landscape amenities, pedestrian circulation elements, signs, storm water management facilities, open space and other customary uses which are clearly incidental to the principal uses and buildings.
- (b) Minimum tract size. Minimum lot size in the AHO-1 zone shall be 15,000 square feet.
- (c) Mandatory set aside for affordable housing. A minimum of 20 percent of all dwellings shall be deed restricted as affordable housing units.
- (d) Development requirements. Developments within the AHO-1 zone shall comply with the following area and bulk requirements.
 - (1) Minimum yard requirements:
 - (a) Front yard: 0 feet.
 - (b) Side yard: 12 feet.
 - (c) Rear yard: 15 feet.

- (2) Maximum front yard setback: 10 feet.
- (3) Maximum impervious coverage: 90%
- (4) Maximum building height: 3 stories not to exceed 45 feet.
- (5) Parking requirement: 1.3 parking spaces per dwelling unit shall be required. The commercial portion of the development is not required to provide additional off-street parking.
- (6) Minimum landscape buffers to residential zones: 15 feet
- (7) Illumination. Illumination of sites and buildings in this zone shall be regulated pursuant to Section 17A-365.1 Lighting.
- (8) Signage regulations. Signage in this zone shall be regulated pursuant to Section 17A-368 Accessory Signs-Permitted in business districts.

Section 5 Article XI Zoning is amended and supplemented by the insertion of Section 17A-268.1B Use, bulk, and other development regulations for the AHO-2 Zone.

(a) Permitted Uses. Within the AHO-2 zoning district the following uses shall be permitted.

- (1) Principal permitted uses. Buildings may be erected or occupied and property within the zone may be used for multi-family housing with an affordable housing set-aside on the second and third floors of any building. In this zone, all first-floor occupancy shall be limited to retail sales and services, offices and restaurants, as well as building mechanical and infrastructure purposes only. “Multi-family housing” is defined as a building containing at least three units, each unit sharing with another unit or units, one or more vertical or horizontal common walls.
- (2) Accessory uses. Multi-family housing management office, common rooms, communication infrastructure, laundry rooms, maintenance and storage areas, off-street parking and loading areas, street furniture, home occupations, fences and walls, landscape amenities, pedestrian circulation elements, signs, storm water management facilities, open space and other customary uses which are clearly incidental to the principal uses and buildings.

(b) Minimum tract size. Minimum lot size in the AHO-2 zone shall be 40,000 square feet.

(c) Mandatory set aside for affordable housing. A minimum of 20 percent of all dwellings shall be deed restricted as affordable housing units if said units are offered for sale.

- (d) Development requirements. Developments within the AHO-2 zone shall comply with the following area and bulk requirements.
- (1) Minimum yard requirements:
 - a. Front yard: 0 feet.
 - b. Side yard: 12 feet.
 - c. Rear yard: 15 feet.
 - (2) Maximum front yard setback: 10 feet.
 - (3) Maximum impervious coverage: 80%
 - (4) Maximum building height: 3 stories not to exceed 45 feet.
 - (5) Maximum number of buildings: Multiple buildings per lot are permitted.
 - (6) Minimum landscape buffers to residential zones: 15 feet
 - (7) Parking requirement: 1.3 parking spaces per dwelling unit shall be required. The portion of the development that is commercial shall comply with the commercial parking standards set forth in the municipal ordinances.
 - (8) Illumination. Illumination of sites and buildings in this zone shall be regulated pursuant to Section 17A-365.1 Lighting.
 - (8) Signage regulations. Signage in this zone shall be regulated pursuant to Section 17A-368 Accessory Signs-Permitted in business districts.

Section 6 Article XI Zoning is amended and supplemented by the insertion of Section 17A-268.1B Use, bulk, and other development regulations for the AHO-3 Zone.

- (a) Permitted Uses. Within the AHO-3 zoning district the following uses shall be permitted.
- (1) Principal permitted uses. Buildings may be erected or occupied and property within the zone may be used for multi-family housing with an affordable housing set-aside. “Multi-family housing” is defined as a building containing at least three units, each unit sharing with another unit or units, one or more vertical or horizontal common walls.
 - (2) Accessory uses. Multi-family housing management office, common rooms, communication infrastructure, laundry rooms, maintenance and storage areas, off-street

parking and loading areas, street furniture, home occupations, fences and walls, landscape amenities, pedestrian circulation elements, signs, storm water management facilities, open space and other customary uses which are clearly incidental to the principal uses and buildings.

- (b) Minimum tract size. Minimum lot size in the AHO-3 zone shall be two acres.
- (c) Mandatory set aside for affordable housing. A minimum of 20 percent of all dwellings shall be deed restricted as affordable housing units.
- (d) Development requirements. Developments within the AHO-3 zone shall comply with the following area and bulk requirements.
 - (1) Minimum yard requirements:
 - Front yard: 15 feet.
 - Side yard: 20 feet.
 - Rear yard: 25 feet.
 - (2) Maximum front yard setback: 10 feet.
 - (3) Maximum Density: 20 dwelling units per acre
 - (4) Maximum impervious coverage: 70%
 - (5) Maximum building height: 3 stories not to exceed 45 feet.
 - (6) Maximum number of buildings: Multiple buildings per lot are permitted.
 - (7) Minimum landscape buffers to residential zones: 15 feet
 - (8) Parking requirement: 1.3 parking spaces per dwelling unit shall be required.
 - (9) Illumination. Illumination of sites and buildings in this zone shall be regulated pursuant to Section 17A-365.1 Lighting.
 - (10) Signage regulations. Signage in this zone shall be regulated pursuant to Section 17A-368 Accessory Signs-Permitted in business districts.

Section 7. The properties in the overlay zones identified herein are entitled to be developed pursuant to their underlying zoning districts, and may also be developed pursuant to the overlay zone regulations set forth herein for the overlay zones.

Section 8. If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect.

Section 9 In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance, the provisions hereof shall be determined to govern. All other parts, portions and provisions of the general ordinances are hereby ratified and confirmed, except where inconsistent with the terms hereof.

Section 10. The Municipal Clerk is directed to give notice at least ten (10) days prior to a hearing on the adoption of this ordinance to the Mercer County Planning Board and to all other persons entitled thereto pursuant to N.J.S.A. 40:55D-15, and N.J.S.A. 40:55D-63 (if required).

Section 11. After introduction, the Municipal Clerk is hereby directed to submit a copy of the within Ordinance to the planning board for its review in accordance with N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The planning board is directed to make and transmit to the governing body, within 35 days after referral, a report including identification of any provisions in the proposed ordinance which are inconsistent with the master plan and recommendations concerning any inconsistencies and any other matter as the board deems appropriate.

Section 12. This Ordinance shall be presented to the Mayor for her approval and signature, which approval shall be granted or denied within ten (10) days of receipt of same, pursuant to N.J.S.A. 40:69A-149.7. If the Mayor fails to return this Ordinance with either her approval or objection to same within ten (10) days after it has been presented to her, then this Ordinance shall be deemed approved.

Section 13. This Ordinance shall take effect immediately upon (1) adoption; (2) approval by the Mayor pursuant to N.J.S.A. 40:69A-149.7; (3) publication in accordance with the laws of the State of New Jersey; and (4) filing of the final form of adopted ordinance by the Clerk with (a) the Mercer County Planning Board pursuant to N.J.S.A. 40:55D-16, and (b) the Municipal Tax Assessor as required by N.J.S.A. 40:49-2.1.

INTRODUCED: the _____ day of _____, 2020.

ADOPTED: the _____ day of _____, 2020.

Liz Lempert, Mayor

ATTEST:

Delores Williams, RMC Municipal Clerk

EXHIBIT B

**2019 Regional Income Limits Chart
[Paragraph 12.a]**

2019 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on AHPNJ.org

	1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents** Sales***	Regional Asset Limit****
Region 1	Median	\$66,607	\$71,365	\$76,122	\$85,637	\$95,153	\$98,959	\$102,765	\$110,377	\$117,989	\$125,602	
Bergen, Hudson, Passaic and Sussex	Moderate Low	\$53,286	\$57,092	\$60,898	\$68,510	\$76,122	\$79,167	\$82,212	\$88,302	\$94,391	\$100,481	4.73%
	Very Low	\$33,303	\$35,682	\$38,061	\$42,819	\$47,576	\$49,479	\$51,382	\$55,189	\$58,995	\$62,801	2.6%
	Very Low	\$19,982	\$21,409	\$22,837	\$25,691	\$28,546	\$29,688	\$30,829	\$33,113	\$35,397	\$37,680	
Region 2	Median	\$70,537	\$75,576	\$80,614	\$90,691	\$100,767	\$104,798	\$108,829	\$116,890	\$124,952	\$133,013	
Essex, Morris, Union and Warren	Moderate Low	\$56,430	\$60,460	\$64,491	\$72,553	\$80,614	\$83,838	\$87,063	\$93,512	\$99,961	\$106,410	5.67%
	Very Low	\$35,269	\$37,788	\$40,307	\$45,345	\$50,384	\$52,399	\$54,414	\$58,445	\$62,476	\$66,506	2.6%
	Very Low	\$21,161	\$22,673	\$24,184	\$27,207	\$30,230	\$31,439	\$32,649	\$35,067	\$37,485	\$39,904	
Region 3	Median	\$82,810	\$88,725	\$94,640	\$106,470	\$118,300	\$123,032	\$127,764	\$137,228	\$146,692	\$156,156	
Hunterdon, Middlesex and Somerset	Moderate Low	\$66,248	\$70,980	\$75,712	\$85,176	\$94,640	\$98,426	\$102,211	\$109,782	\$117,354	\$124,925	9.64%
	Very Low	\$41,405	\$44,363	\$47,320	\$53,235	\$59,150	\$61,516	\$63,882	\$68,614	\$73,346	\$78,078	2.6%
	Very Low	\$24,843	\$26,618	\$28,392	\$31,941	\$35,490	\$36,910	\$38,329	\$41,168	\$44,008	\$46,847	
Region 4	Median	\$72,165	\$77,319	\$82,474	\$92,783	\$103,092	\$107,216	\$111,340	\$119,587	\$127,834	\$136,082	
Mercer, Monmouth and Ocean	Moderate Low	\$57,732	\$61,855	\$65,979	\$74,226	\$82,474	\$85,773	\$89,072	\$95,670	\$102,268	\$108,865	3.91%
	Very Low	\$36,082	\$38,660	\$41,237	\$46,392	\$51,546	\$53,608	\$55,670	\$59,794	\$63,917	\$68,041	2.6%
	Very Low	\$21,649	\$23,196	\$24,742	\$27,935	\$30,928	\$32,165	\$33,402	\$35,876	\$38,350	\$40,825	
Region 5	Median	\$63,070	\$67,575	\$72,080	\$81,090	\$90,100	\$93,704	\$97,308	\$104,516	\$111,724	\$118,932	
Burlington, Camden and Gloucester	Moderate Low	\$50,456	\$54,060	\$57,664	\$64,872	\$72,080	\$74,963	\$77,846	\$83,613	\$89,379	\$95,146	3.09%
	Very Low	\$31,535	\$33,788	\$36,040	\$40,545	\$45,050	\$46,852	\$48,654	\$52,258	\$55,862	\$59,466	2.6%
	Very Low	\$18,921	\$20,273	\$21,624	\$24,327	\$27,030	\$28,111	\$29,192	\$31,355	\$33,517	\$35,680	
Region 6	Median	\$53,714	\$57,550	\$61,387	\$69,061	\$76,734	\$79,803	\$82,873	\$89,011	\$95,150	\$101,289	
Atlantic, Cape May, Cumberland and Salem	Moderate Low	\$42,971	\$46,040	\$49,110	\$55,248	\$61,387	\$63,843	\$66,298	\$71,209	\$76,120	\$81,031	5.15%
	Very Low	\$26,857	\$28,775	\$30,694	\$34,530	\$38,367	\$39,902	\$41,436	\$44,506	\$47,575	\$50,644	2.6%
	Very Low	\$16,114	\$17,265	\$18,416	\$20,718	\$23,020	\$23,941	\$24,862	\$26,703	\$28,545	\$30,387	

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

** This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 was 2.2%. The increase for 2019 is 2.6% (Consumer Price Index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, 2017, or 2018 may increase rent by up to the applicable combined percentage including 2019 or 9.0% whichever is less in accordance with N.J.A.C. 5:97-9.3(c). In no case can rent for any particular apartment be increased more than one time per year.

*** This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Low income tax credit developments may increase based on the low income tax credit regulations.

**** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3.

EXHIBIT C

**Resolution Authorizing Settlement Agreement
by the
Municipality of Princeton**

PRINCETON

COUNTY OF MERCER

STATE OF NEW JERSEY

RESOLUTION 2019-___

**RESOLUTION AUTHORIZING THE EXECUTION OF A
SETTLEMENT AGREEMENT WITH FAIR SHARE HOUSING CENTER**

WHEREAS, on or about December 30, 2008, the Borough of Princeton (the “Borough”) and the Township of Princeton (the “Township”) petitioned the New Jersey Council on Affordable Housing (“COAH”) for Third Round substantive certification of their respective Third Round Housing Element and Fair Share Plans; and

WHEREAS, before COAH acted upon the Borough’s or Township’s petitions, the Appellate Division invalidated COAH’s revised Third Round Rules in In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J.Super. 462 (App.Div.2010) and, thereafter, in In re Adoption of N.J.A.C. 5:96 and 5:97, 215 N.J. 578 (2013), the New Jersey Supreme Court affirmed, finding that the “growth share methodology” utilized by COAH in its rules was inconsistent with the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. (“FHA”), and requiring COAH to adopt new Third Round rules within five months based upon COAH’s prior round rules and methodologies; and

WHEREAS, on January 1, 2013, the Borough and Township consolidated into the Municipality of Princeton (“Princeton”); and

WHEREAS, COAH failed to adopt new rules as required by the Supreme Court, and on March 10, 2015, the Supreme Court issued a decision entitled In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (“Mount Laurel IV”), in which, inter alia, it: (1) found that COAH had violated its requirement to timely adopt new Third Round regulations; (2) held that, without new Third Round regulations, COAH could not process petitions for substantive certification for the municipalities currently under COAH’s jurisdiction, (3) determined that for municipalities, such as Princeton, that had “participating status” before COAH under COAH’s third round rules, court review of such municipalities’ housing plans would be necessary; (4) directed trial courts to be an alternative forum to COAH, (5) authorized municipalities under COAH’s jurisdiction to file a Declaratory Judgment Action along with a motion for Temporary Immunity by July 8, 2015, or risk exposure to exclusionary zoning lawsuits, and (6) ruled that municipalities would have up to five months to prepare and file a Housing Element and Fair Share Plan with the trial court for review; and

WHEREAS, on July 7, 2015, pursuant to the Court’s Mount Laurel IV decision, Princeton instituted a declaratory judgment action in the Superior Court of New Jersey, entitled In the Matter of the Application of the Municipality of Princeton in Mercer County, bearing Docket No. MER-L-1550-15, seeking a judgment of immunity and repose pursuant to the Fair

Housing Act, N.J.S.A. 52:27D-301 et seq., and a judicial declaration that Princeton's housing plan is presumptively valid because it presents a realistic opportunity for providing its fair share of the regional need for low- and moderate- income housing (the "DJ Action"); and

WHEREAS, Fair Share Housing Center ("FSHC") is an interested party in the DJ Action; and

WHEREAS, Princeton and FSHC engaged in good faith negotiations in an effort to resolve the issues and claims raised by FSHC regarding Princeton's compliance with its affordable housing obligations; and

WHEREAS, initial efforts to reach a settlement were unsuccessful and the Court conducted a methodology trial, resulting in a March 8, 2018 comprehensive opinion and Order issued by the Court establishing Princeton's third round affordable housing obligations; and

WHEREAS, with Princeton's obligation established by the Court, Princeton and FSHC successfully re-engaged in settlement negotiations and participated in mediation, and were able to resolve their outstanding issues regarding Princeton's compliance plan; and

WHEREAS, settlement of the claims brought by FSHC present an opportunity to resolve the various matters pending between the parties, provides certainty regarding Princeton's ability to satisfy its affordable housing obligations, and will avoid further litigation costs associated with a compliance trial and further proceedings; and

WHEREAS, the terms of the settlement reached with FSHC have been memorialized in a Settlement Agreement dated December ____, 2019, the terms of which the Parties agree are fair and reasonable to low and moderate income households and satisfies Princeton third round affordable housing obligations.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18th day of December, 2019, as follows:

1. The preamble to this Resolution is hereby incorporated as if more fully set forth herein.
2. Princeton is hereby authorized to enter into the December 18, 2019 Settlement Agreement with Fair Share Housing Center in resolution of the Mount Laurel Declaratory Judgment Action referenced above, upon the terms and conditions set forth in the Agreement.
3. The Mayor and Clerk are hereby authorized and directed to sign on behalf of Princeton the above-referenced Settlement Agreement, a copy of which is on file in the Municipal Clerk's Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by the Municipal Attorney in consultation with the Mayor and Administrator.

4. The Mayor, Administrator, Clerk, Attorneys, Planners, and other appropriate officers, employees and professionals, are hereby authorized and directed to prepare and execute any and all such other documents and undertake any and all such further acts as may be necessary or required to effectuate the above-referenced settlement.
5. This Resolution shall take effect immediately.



RESOLUTION 19-400

Resolution Designating Certain Property Located on Thanet Road, Designated as Lot 4 in Block 5502 on the Tax Map of Princeton, as a Non-Condensation Redevelopment Area and Directing the Preparation of a Redevelopment Plan

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the “Redevelopment Law”), was enacted to provide an effective mechanism to empower and assist local governments in their efforts to arrest and reverse deteriorated conditions in housing and commercial and industrial installations and in public services and facilities, and to promote the advancement of community interests through programs of redevelopment, rehabilitation and incentives for the expansion and improvement of commercial, industrial, residential and civic facilities; and

WHEREAS, the Redevelopment Law authorizes a municipality to determine whether certain properties or parcels of land located within the municipality constitute an area in need of redevelopment, pursuant to the enumerated criteria set forth in the Redevelopment Law; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-6, by Resolution 2019-306, adopted October 14, 2019, the Mayor and Council of Princeton authorized and directed the Princeton Planning Board (the “Board”) to undertake an investigation of certain property located at 100 and 101 Thanet Road, designated as Lot 4 in Block 5502 on the Tax Map of Princeton (the “Study Area”) to determine if the Study Area meets the criteria set forth at N.J.S.A. 40A:12A-5, and to make a recommendation to the governing body as to whether all or a portion of the area should be designated as a non-condemnation redevelopment area; and

WHEREAS, the Board conducted a preliminary investigation of the Study Area to determine whether it should be designated as a non-condemnation redevelopment area in accordance with the criteria and procedures set forth in N.J.S.A. 40A:12A-5 and 40A:12A-6; and

WHEREAS, as part of its preliminary investigation, the Board caused the Princeton Planning Director, Michael LaPlace, PP, AICP, and the Board’s planning consultant, Joseph H. Burgis, PP, AICP of Burgis Associates, Inc., to prepare a map showing the boundaries of the Study Area and to prepare an investigation study for the Board’s consideration in determining whether the Study Area should be designated as a non-condemnation redevelopment area; and

WHEREAS, by report dated November 26, 2019, entitled “Thanet Site, Area in Need of Redevelopment Study, Non-Condensation” (the “Investigation Report”), Mr. Burgis prepared and filed his investigation study; and

WHEREAS, a public hearing was conducted by the Board on December 12, 2019, with notice having been properly given pursuant to N.J.S.A. 40A:12A-6(b)(3); and

WHEREAS, at the public hearing, the Board reviewed the Map, the Investigation Report, any associated documents, if any, and received the testimony of Michael LaPlace, PP, AICP and John P. Szabo, Jr., PP, AICP of Burgis Associates, Inc., and the Board provided an opportunity for interested parties and members of the public to ask questions and make comments regarding this matter; and

WHEREAS, after completing its investigation and public hearing on this matter, the Board concluded that there was sufficient credible evidence to support findings that satisfy the criteria set forth in the Redevelopment Law, particularly at N.J.S.A. 40A:12A-5 et seq., for designating the Study Area as a non-condemnation redevelopment area; and

WHEREAS, having made such finding, the Board adopted the Investigation Report and in accordance with the Redevelopment Law, recommended to the Mayor and Council of the Municipality of Princeton that the Study Area be designated as a non-condemnation redevelopment area; and

WHEREAS, the governing body of Princeton has considered the Board's findings and recommendations and accepts said recommendation to declare the Study Area as a non-condemnation redevelopment area

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18th day of December, 2019, as follows:

1. The preamble to this resolution is hereby incorporated as if fully restated herein.
2. The Mayor and Council accepts the recommendation from the Princeton Planning Board and finds that Lot 4 in Block 5502 on the Tax Map of Princeton, be and hereby is deemed and declared to be a Non-Condemnation Redevelopment Area pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., such that the municipality is authorized to use all those powers provided by the Legislature for use in a redevelopment area other than the use of the power of eminent domain.
3. The Municipal Clerk is hereby authorized and directed to forthwith transmit a copy of this Resolution to the Commissioner of the Department of Community Affairs for review.
4. Within ten (10) days of the date of this Resolution, the Municipal Clerk shall serve notice of this determination and the within Resolution upon all record owners of the property within the Non-Condemnation Redevelopment Area, and upon each person, if any, who filed a written objection thereto and provided an address to which notice of the determination and Resolution may be sent.
5. The firm of Burgis Associates, Inc. (Joseph H. Burgis, PP, AICP), having been previously retained by Princeton, is authorized and directed to prepare a proposed

Redevelopment Plan for the Non-Condensation Redevelopment Area on behalf of the Mayor and Council.

- 6. Princeton staff and professionals are authorized and directed to assist Burgis Associates in preparation of the proposed Redevelopment Plan.
- 7. This resolution shall take effect immediately.

Councilperson	Absent	Present	1 st	2 nd	Yea	Nay	Abstain	Disqualified
Mr. Cohen								
Ms. Crumiller								
Ms. Fraga								
Ms. Niedergang								
Mr. Quinn								
Mr. Williamson								
Mayor Lempert								

I, Delores A. Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held December 18, 2019.

Delores A. Williams, Municipal Clerk

ATTACHMENTS:

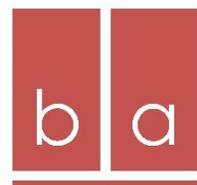
- Area in Need of Redev Rpt Dec 12 2019 Final Adopted (PDF)

Thanet Site

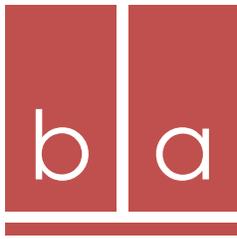
Area in Need of Redevelopment Study Non-Condernnation

Adopted by the Princeton Planning Board December 12, 2019

Princeton, Mercer County, New Jersey



B U R G I S
A S S O C I A T E S , I N C .



Community Planning
Land Development and Design
Landscape Architecture

B U R G I S
ASSOCIATES, INC.

Principals:

*Joseph H. Burgis PP, AICP
Edward Snieckus, Jr. PP, LLA, ASLA
David Novak PP, AICP*

Thanet Site Area in Need of Redevelopment Study Non-Condensation

Princeton
Mercer County, New Jersey

Prepared for the Municipality of Princeton
Planning Board

BA# 3507.02

The original document was appropriately signed and sealed on December 12, 2019 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners.

Joseph H. Burgis PP, AICP
Professional Planner #2450

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Introduction

On October 14, 2019, the Mayor and Council of Princeton, New Jersey authorized its Planning Board to conduct a preliminary investigation to determine whether certain property located on Thanet Road and designated as Block 5502 Lot 4 on municipal tax maps (hereinafter referred to as the “Study Area”) constitute a “Non-Condemnation Area in Need of Redevelopment” pursuant to the New Jersey Local Redevelopment and Housing Law (LRHL). Burgis Associates, Inc. was directed to prepare the planning analysis to assist the planning board in its review and determination of the whether the study area met the statutory criteria set forth in the LRHL, and its subsequent recommendation to the Mayor and Council.

As identified in the Mayor and Council’s authorizing Resolution #19-306 (See Appendix A), the Study Area consists of one tax lot as noted above and encompasses a total of 15.02 acres.

The October 14, 2019 resolution also declares that the preliminary investigation of the study area shall be undertaken within the context of a “non-condemnation” redevelopment procedure. This means that, if the Study Area or a portion thereof is determined to be an Area in Need of Redevelopment pursuant to the LRHL, it shall be designated a “Non-Condemnation Redevelopment Area.” Such a designation would preclude the municipality from utilizing the ‘eminent domain’ powers that is otherwise provided by the Legislature in such a proceeding.

The following study examines whether the study area qualifies as an Area in Need of Redevelopment pursuant to the requirements and criteria set forth by the LRHL. It is based upon: an examination of the study area’s established developed character and features; review of environmental information; site inspection; a review of historical data; an assessment of the area’s surrounding development pattern; a review of the municipal master plan goals, objectives, policy statements, and land use recommendations; a review of applicable zoning provisions, all within the context of the statutory “Area in Need of Redevelopment” criteria.

As detailed herein this study finds the study area meets a number of the criteria established by the LRHL to enable the municipality to conclude the site can be designated an area in need of redevelopment. This conclusion is based upon a review of the site’s physical characteristics, the buildings significant vacancy rates that have been consistent for more than two consecutive years, the buildings long term vacancy rates due to their interior spatial configurations which were designed for single tenant occupancy, excessive corridor widths which diminishes available usable floor area, interior spaces’ lack of natural light, low floor to ceiling heights and internal spacing configurations which effectively minimizes redeveloping the floor plates for

multiple tenancies. This consequently justifies its designation as an area in need of redevelopment.

The remainder of this Area in Need of Redevelopment Study is divided into the following sections:

❖ [Section 1: LRHL Background](#)

The first section discusses the background of the LRHL as well as the redevelopment process and the statutory criteria for determining whether a site qualifies as an Area in Need of Redevelopment.

❖ [Section 2: Study Area](#)

The next section provides an overview of the study area. It includes an analysis of its existing land uses, ownership records, property tax records, and surrounding development pattern. Detailed information for each lot within the Study Area is also provided.

❖ [Section 3: Borough Master Plan](#)

Section 3 discusses the relationship of the municipal master plan to the study area.

❖ [Section 4: Existing Zoning](#)

Next, Section 4 discusses the existing zoning of the study area and how it relates to the master plan.

❖ [Section 5: Compliance with the Statutory Criteria](#)

This section analyzes the area's compliance with the LRHL statutory criteria.

❖ [Section 6: Planning Conclusions and Recommendations](#)

Finally, Section 6 offers the study's planning conclusions and recommendations.

Section 1: LRHL Background

In 1992, the New Jersey Legislature enacted a new statute which revised and consolidated the State's various redevelopment statutes. Known as the Local Redevelopment and Housing Law (LRHL), this new statute rescinded a number of prior redevelopment statutes and replaced them with a single comprehensive statute governing local redevelopment activities throughout the State.

Ultimately, the LRHL was designed by the State Legislature to assist municipalities in the process of redevelopment and rehabilitation. As explained by the Legislature in the preamble to the LRHL:

"There exist, have existed and persist in various communities of this State conditions of deterioration in housing, commercial and industrial installations, public services and facilities and other physical components and supports of community life, and improper, or lack of proper development which result from forces which are amenable to correction and amelioration by concerted effort of responsible public bodies, and without this public effort are not likely to be corrected or ameliorated by private effort."

The LRHL provides the statutory authority for municipalities to engage in a number of redevelopment activities, including: designating property an "Area in Need of Redevelopment"; preparing and adopting redevelopment plans; and implementing redevelopment projects. Essentially, the LRHL is a planning and financial tool that allows an area to be overlain with specific zoning and other incentives to stimulate its redevelopment or rehabilitation.

More specifically, a redevelopment designation allows a municipality to:

1. Adopt a redevelopment plan that will identify the manner in which an area will be developed, including its use and intensity of use;
2. Issue bonds for the purpose of redevelopment;
3. Acquire property through eminent domain (not applicable in this instance of a Council resolution directing the preparation of a 'non-condemnation' area in need study);
4. Lease or convey property without having to go through the public bidding process;
5. Collect revenue from a selected developer; and/or

6. Grant tax exemptions and abatements.

1.1: Redevelopment Process

As outlined by the LRHL, the first step of the redevelopment process is for the governing body to direct the planning board to undertake a preliminary investigation to determine whether or not an area is in need of redevelopment. As required by recent amendments to the LRHL, the governing body must also indicate whether it is seeking to designate the area as a “Non-Condernation Redevelopment Area” or a “Condernation Redevelopment Area.” Pursuant to the resolution adopted on October 14, 2019, Princeton’s Mayor and Council has initiated this process as a “Non-Condernation” Study Area (see Appendix A).

An area qualifies as an area in need of redevelopment if it meets at least one of the eight statutory criteria listed under Section 5 of the LRHL. These criteria, which are described in detail later in this section, are the same regardless of whether a governing body seeks to designate a study area as a “Non-Condernation Redevelopment Area” or a “Condernation Redevelopment Area.”

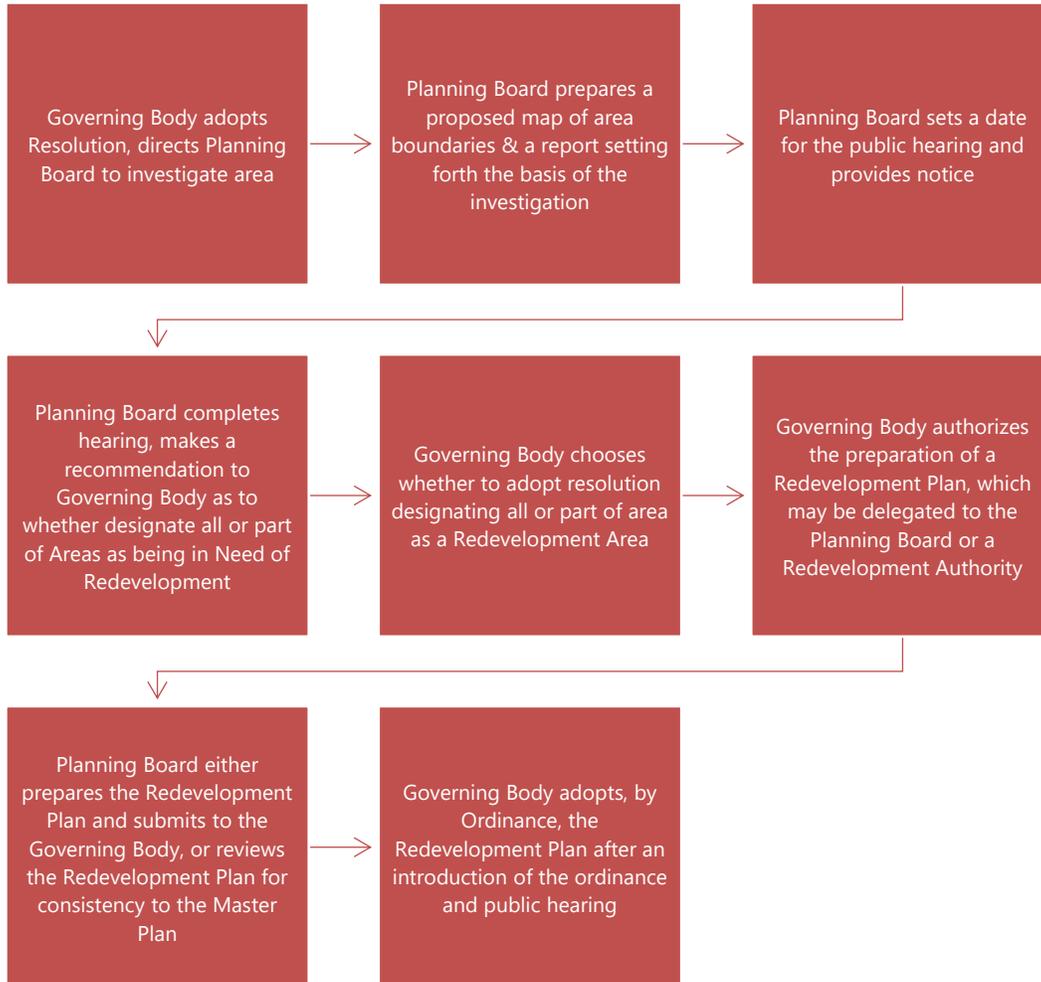
The statute also specifically establishes that a redevelopment area may include lands which of themselves are not detrimental to the public health, safety, or welfare, provided that the inclusion of those lands is necessary for the effective redevelopment of the area.

After it conducts its investigation, the planning board must hold a public hearing on the proposed redevelopment area designation. Following the planning board’s recommendation, the governing body may designate all or a portion of the area as an “Area in Need of Redevelopment.” or choose not to proceed with any designation. The governing body will then prepare a redevelopment plan for the area, or alternatively can direct the planning board to prepare such a plan.

Following the adoption of the redevelopment plan, the governing body (or another public agency/authority designated by the governing body as the “redevelopment entity”) will oversee the implementation of the redevelopment plan. This redevelopment entity is responsible for selecting a redeveloper to undertake the redevelopment project which implements the plan.

In summary, the LRHL essentially establishes a two-fold process in which a site is designated as an Area of Need of Redevelopment (Step 1), and a plan is prepared based on that designation (Step 2). The accompanying figure depicts this process, beginning with the adoption of a resolution by the governing body to the preparation and adoption of a redevelopment plan.

Figure 1: Summary of Redevelopment Process



1.2: Statutory Criteria

The LRHL establishes eight criteria to determine if an area qualifies as being in need of redevelopment. The statute provides that a delineated area may be determined to be in need of redevelopment if “after investigation, notice and hearing...the governing body of the municipality by resolution concludes that within the delineated area” any one of the eight criteria are present.

The criteria area as follows:

- | | |
|--|---|
| 1. The “a” Criterion:
Deterioration | The generality of buildings in the area are substandard, unsafe, unsanitary, dilapidated, or obsolescent, or possess any of such characteristics, or are so lacking in light, air, or space, as to be conducive to unwholesome living or working conditions. |
| 2. The “b” Criterion:
Abandoned
Commercial and
Industrial Buildings | The discontinuance of the use of a building or buildings previously used for commercial, retail, shopping malls or plazas, office parks, manufacturing, or industrial purposes; the abandonment of such building or buildings; significant vacancies of such building or buildings for at least two consecutive years; or the same being allowed to fall into so great a state of disrepair as to be untenable. |
| 3. The “c” Criterion:
Public and Vacant
Land | Land that is owned by the municipality, the county, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten (10) years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography or nature of the soil, is not likely to be developed through the instrumentality of private capital. |
| 4. The “d” Criterion:
Obsolete Layout and
Design | Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community. |

5. The “e” Criterion: Property Ownership and Title Issues
- A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real properties therein or other similar conditions which impede land assemblage or discourage the undertaking of improvements, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare, which condition is presumed to be having a negative social or economic impact or otherwise being detrimental to the safety, health, morals, or welfare of the surrounding area or the community in general.
-
6. The “f” Criterion: Fire and Natural Disasters
- Areas in excess of five (5) contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by the action of storm, fire, cyclone, tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.
-
7. The “g” Criterion: Urban Enterprise Zones
- In any municipality in which an enterprise zone has been designated pursuant to the “New Jersey Urban Enterprise Zone Act,” the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment
-
8. The “h” Criterion: Smart Growth Consistency
- The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation. Smart growth principles include a focus on mixed land use arrangements; compact building design; the creation of a range of housing opportunities and choices; fostering of walkable neighborhoods; promotion of distinctive, attractive communities with a strong sense of place; preservation of open space, farmland and critical environmental areas; strengthening and encouraging growth in existing communities; provision of a variety of transportation choices; making development decisions predictable, fair and cost-effective; and, encouraging citizen and stakeholder participation in development decisions.

In regard to the “h” criterion, there are ten principles of smart growth. These principles are established as follows:

1. Mix of land uses
2. Take advantage of compact design
3. Create a range of housing opportunities and choice
4. Create walkable neighborhoods
5. Foster distinctive, attractive communities with a strong sense of place
6. Preserve open space, farmland, natural beauty, and critical environmental areas
7. Direct development toward existing communities
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair, and cost effective
10. Encourage community and stakeholder collaboration in development decisions

Section 2: Study Area

The following section provides a general overview of the study area, including an analysis of its existing developed character, physical features, ownership records, property tax records, and surrounding development pattern.

2.1: Study Area Overview

The study area is located in the central-western portion of the municipality, at the intersection of Terhune and Thanet Roads. It is identified as Block 5502 Lot 4 according to municipal tax records.

The property encompasses a total of 15.02 acres and is irregular in shape. Its dimensions include approximately 429 feet of frontage on Terhune Road and 1,018 feet on Thanet Road inclusive of the cul-de-sac at the end of this road. Its depth is approximately 1,400 feet as measured from Terhune Road.

The following table provides an overview of the existing buildings on-site.

Table 1: Existing Land Uses

Block	Lot	Address	Area	Land Use
5502	4	100 Thanet Road	--	3 story 55,000+ <u>+</u> sf office building
	4	101 Thanet Road	--	3 story 55,000+ <u>+</u> sf office building
		Total Area	15.02	110,000 square feet

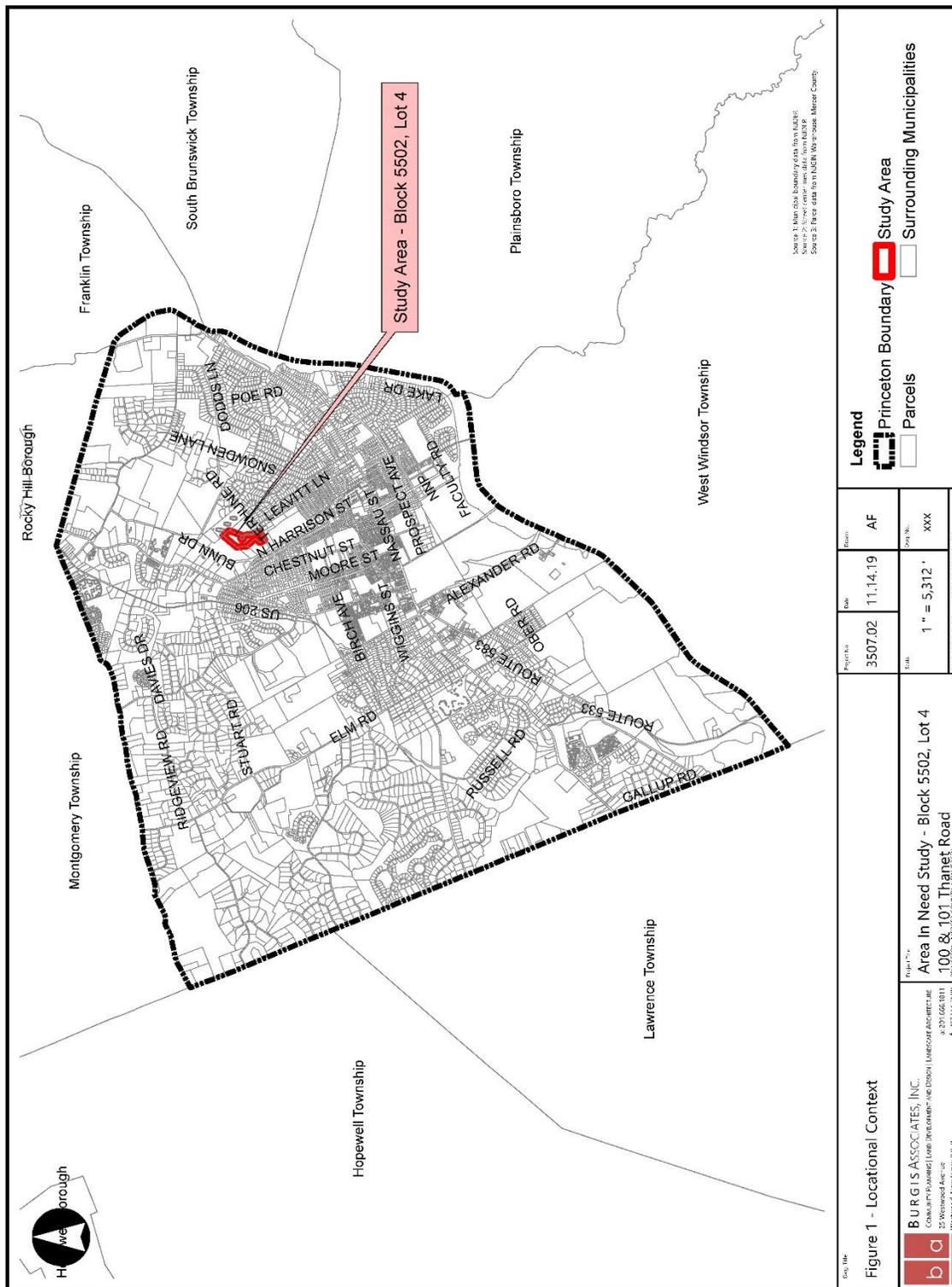
Source: CBRE

The site contains 427 parking spaces to serve the buildings.

2.2: Surrounding Land Uses

The surrounding development pattern includes a variety of uses. To the north and west are office uses, while the area to the south and east are developed with residential uses, including attached residential use to the east. This is reflected on the accompanying Location Map, two aerial maps, and Existing land Use Map.

Map 1: Location



Map 2: Aerial



Figure 2 - Aerial

Legend
 Parcels
 Study Area

Project No.	3507.02	Date	11.14.19	Drawn	AF
Scale	1" = 303'		Page No.	XXX	
THIS DOCUMENT IS NOT TO BE REPRODUCED					

Project Title:
Area in Need Study - Block 5502, Lot 4
100 & 101 Thanet Road

Client:
BURGIS ASSOCIATES, INC.
 33 Westmore Avenue
 Westwood, New Jersey 07675
 P: 201.666.5111
 F: 201.666.5399

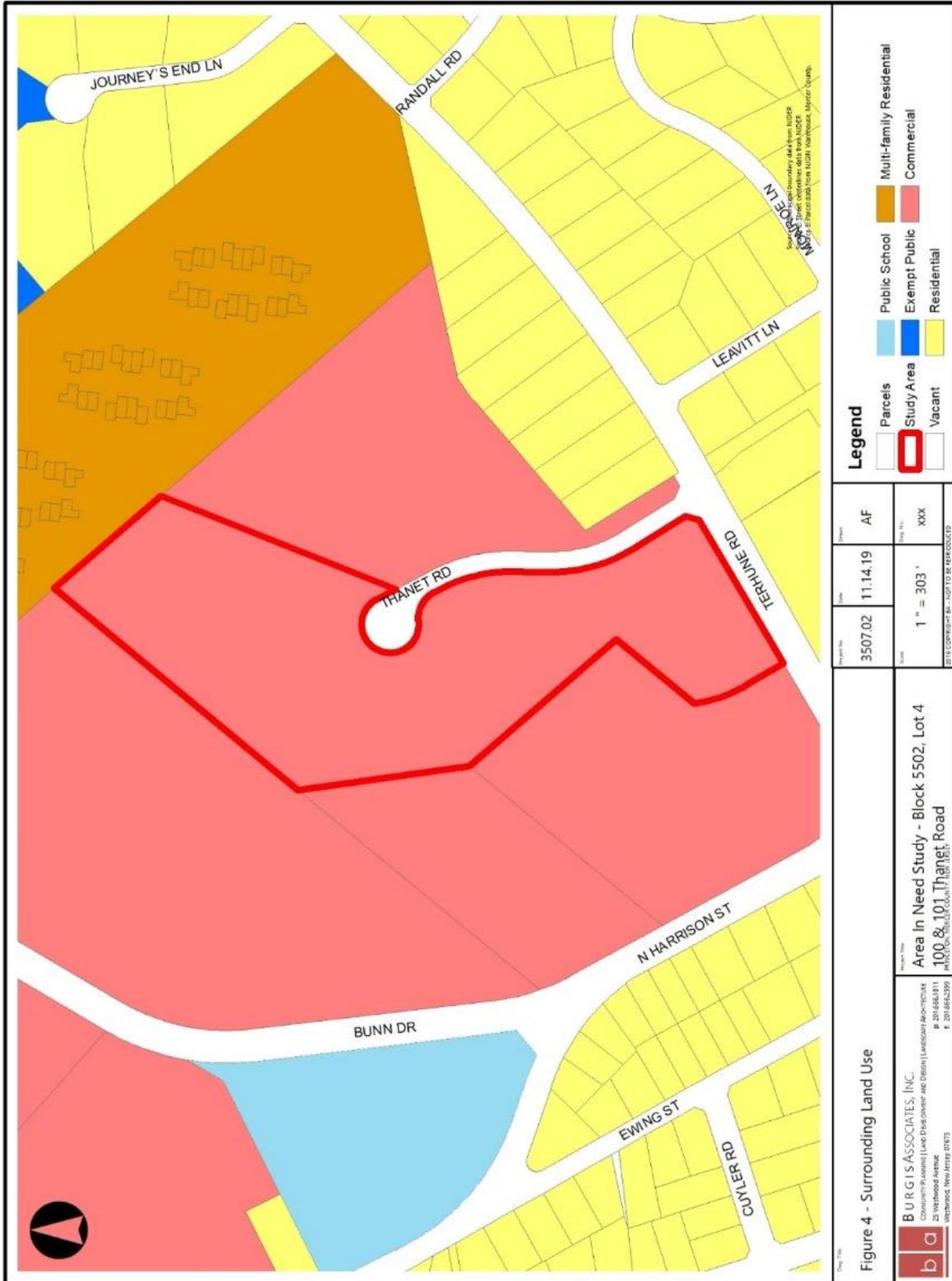
Map No.: **ba**

Map 3: Bird's Eye Aerial of Site



Note: Not to scale. Lot lines approximate.

Map 4: Existing Land Use



2.3: Site Specific Information

The study area is developed with two three-story office buildings, each containing approximately 60,000 square feet of gross floor area. The buildings are setback approximately 50 feet from Thanet Road and cover approximately eighteen percent of the 15.02-acre property.

The two buildings on-site were developed between 1982 and 1984. They typify the type of office construction and design that was prevalent at that time. The buildings have a brick exterior with window design that limits the amount of natural light entering the interior center spaces of the buildings. They were both designed with floorplates of approximately 18,000 square feet of net space per floor, with single tenant occupancies in mind. Low maximum eight foot ceiling heights, typical of 1980s design (which no longer meets the needs of today's office market that typically require ten to eleven foot heights), and corridors characterized by excessive widths, also typify the buildings' designs. These factors likely play a part in the building's high vacancy levels for at least the past ten years.

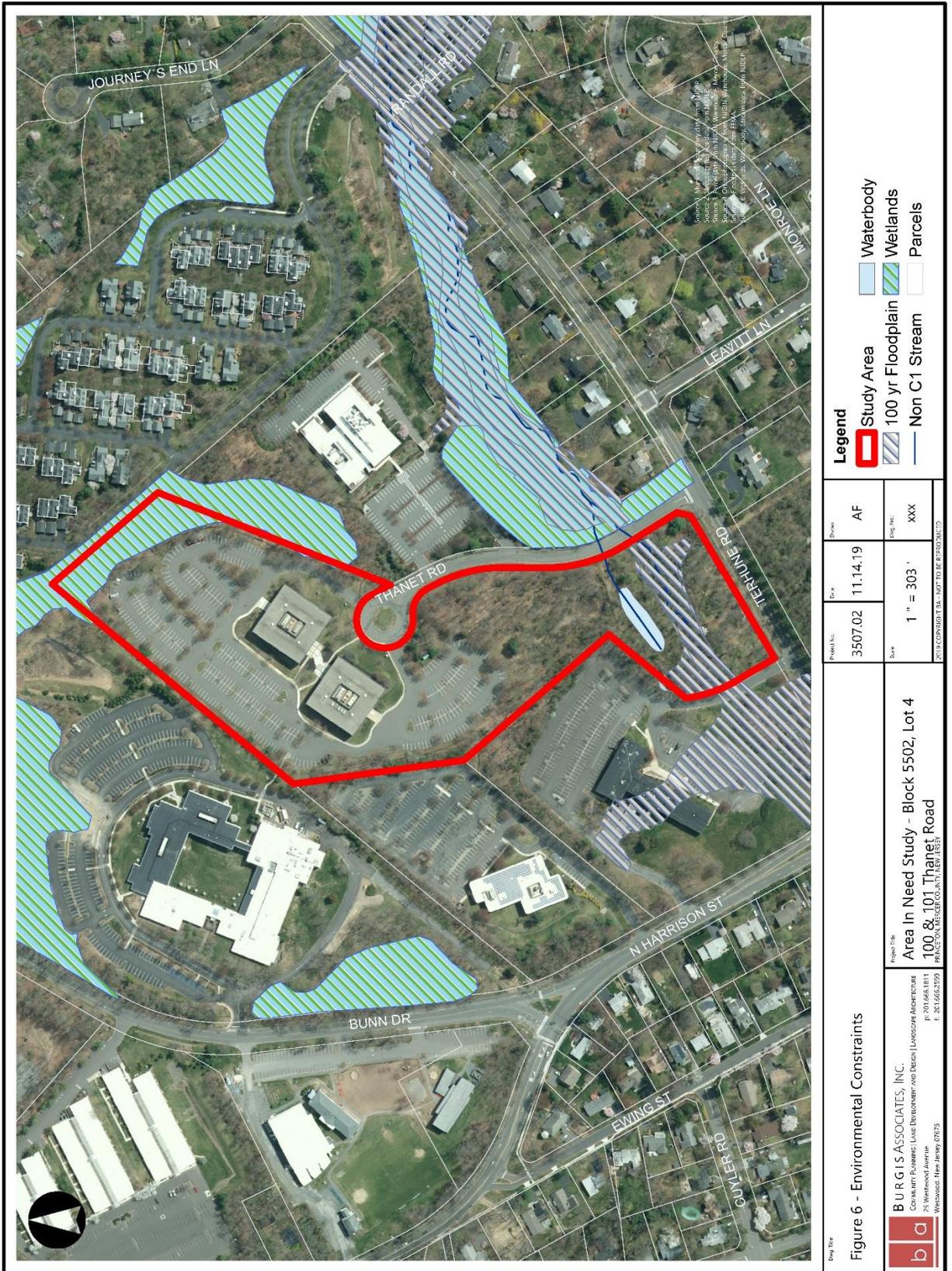
There are 427 parking spaces serving the needs of this facility, representing a ratio of 3.88 parking spaces per 1,000 square feet of net floor area. Additionally, there is a vacant portion of the site that is designed to accommodate an additional one hundred parking spaces if it were determined to be in need.

The site occupies an area of 15.02 acres and is irregular in shape. Its dimensions include approximately 429 feet of frontage on Terhune Road and 1,018 feet on Thanet Road. Its depth is approximately 1,400 feet as measured from Terhune Road.

A review of the site survey reveals a number of existing easements which bisect the property. These include a twenty-foot-wide sewer easement in the southerly portion of the site, another twenty foot wide sewer easement along the site's westerly border, a fifteen foot wide water main easement between the two buildings, another easement in the easternmost portion of the property, and a small storm drainage easement off of the southerly portion of Thanet Road.

The site is characterized by a number of environmental constraints that impact the southerly portion of the property. These include streams that extend in an east-west direction through the southerly part of the site, a one hundred year flood plain area encompassing the southernmost portion of the property, and wetlands in the northeasterly portion of the site. These features are shown on an accompanying Environmental Constraints Map.

Map 5: Environmental Constraints



Section 3: Master Plan & Reexamination Report

The Princeton master plan places the site in an office research land use category.

The reexamination report notes a shortage of vacant developable land to meet the many competing needs in the community, ensuring that redevelopment is compatible with existing development, providing affordable housing and meeting the needs for middle income housing, amongst other issues facing the community. The report specifically points out that, "given reduced demand for office space, especially in outlying areas consideration should be given to identifying alternative sites and evaluating the appropriateness of other land use designations in the ordinances".

Section 4: Existing Zoning

As shown on the accompanying existing zoning map, the site is located in the OR-2 Office Research District. This zoning designation is consistent with the Borough’s Land Use Plan, which places the study area in an Office Research land use category.

The following tables summarize the principal permitted and conditionally permitted uses allowed in the OR-2 District, as well as the district’s bulk standards.

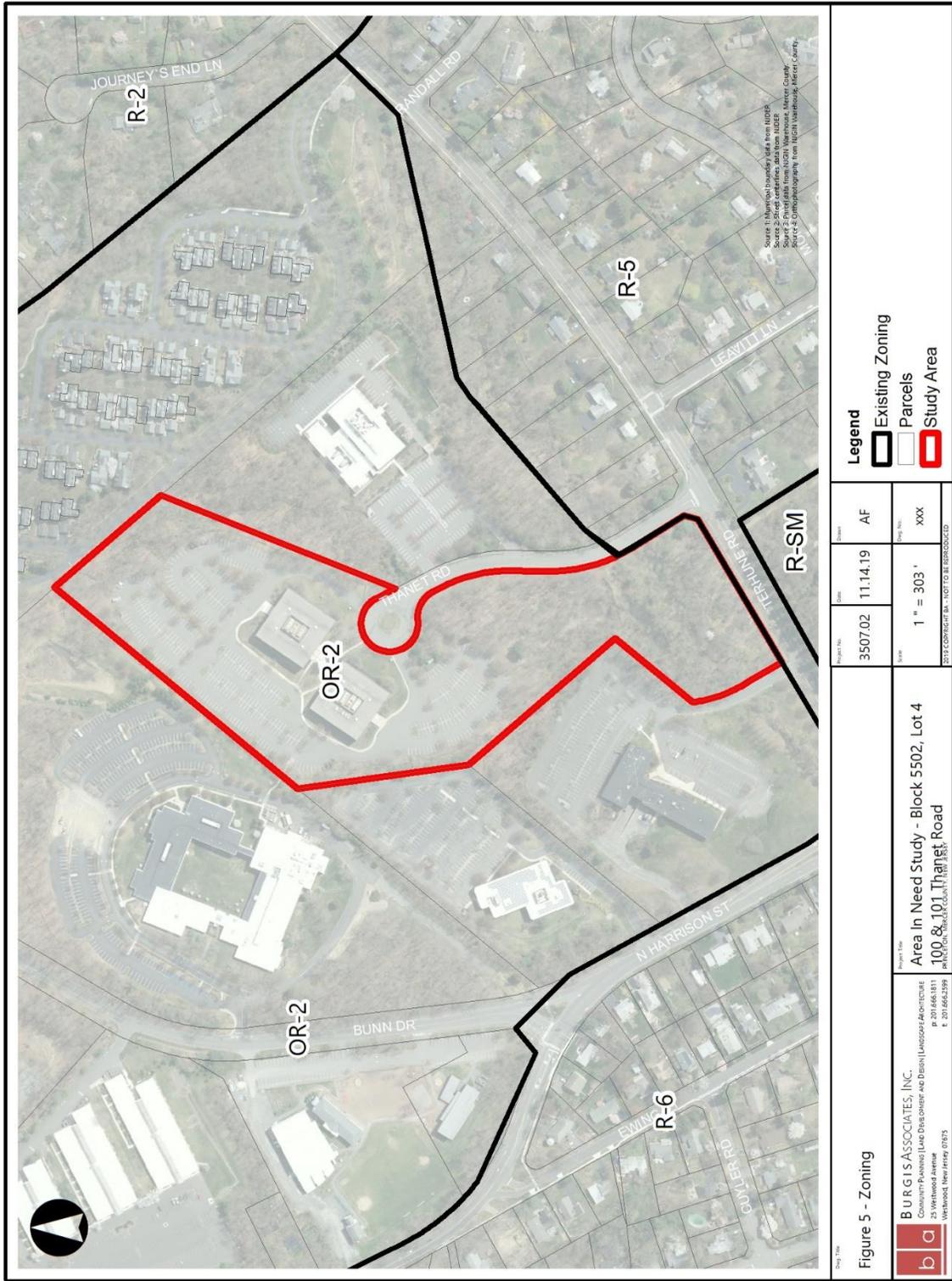
Table 2: OR-2 District Permitted and Conditional Uses

Permitted Uses	Conditional Uses
1. General, professional or other office uses	1. Governmental facilities
2. Any use of a research nature involving scientific investigation, research or engineering study or related instruction, product development and similar use	2. Railroad & public utility buildings
3. Accessory uses	3. Farming
	4. Public & private day schools
	5. Childcare facilities, adult day care, & nursery schools
	6. Nonprofit membership clubs for outdoor sports
	7. Places of worship
	8. Nursing homes and assisted living residences
	9. Cemeteries

Table 3: OR-2 Bulk Standards

Regulation	OR-2 Required
Min. Lot Area (ac)	5
Min. Lot Width (ft)	330
Min. Lot Depth (ft)	330
Min. Lot Frontage (ft)	165
Min. Front Yard (ft)	60
Min. Side Yard (ft)	60
Min. Rear Yard (ft)	60
Max. Building Height (sty/ft)	3/45
Max. Floor Area Ratio (%)	10

Map 6: Existing Zoning



Section 5: Compliance with the Statutory Criteria

The following section offers an analysis regarding how the study area relates to the statutory criteria established by the LRHL, which are identified above. As shown, the area displays characteristics that satisfy the statutory criteria and consequently justify its designation as an Area in Need of Redevelopment.

A review of the study area's existing conditions, physical features, and master plan designation, and goals and objectives, indicate consistency with the applicable statutory criteria. It also reveals that the study area may be designated a non-condemnation area in need of redevelopment pursuant to the applicable LRHL provisions.

Criterion "a" which relates to issues of obsolescence of the building as it relates to conditions being substandard, Criterion "b" regarding buildings with significant vacancies for at least two consecutive years, and Criterion "d" which relates to areas with buildings that are characterized by obsolescence, are all found to be applicable here.

The analysis of the site's existing conditions, detailed earlier in this report, concludes the existing buildings are functionally obsolete. For example, due to the extensive weakness of the office market, as noted in the Princeton recent master plan reexamination report, the demand for this office space is extremely limited. Additionally, the rehabilitation of these existing buildings is not readily feasible due to the buildings characteristics as noted above. Such issues as the design of the buildings, needed mechanical replacement, roof replacement, lack of any amenities that are part of today's marketplace, need to upgrade the sustainable efficiency of the building which would require a number of improvements to meet market demand, all factor in these determinations., These factors indicate concern about the continued functionality and economic viability of the facility, as reflected in the long term high vacancy rates of these buildings, and leads to the finding that the buildings may be considered in a state of obsolescence due to the rigid design and the practical difficulty of adaptive reuse of the building.

Section 6: Planning Conclusions and Recommendation

The planning analysis contained herein concludes that the study area displays characteristics that satisfy the statutory criteria and consequently justify its designation as a Non-Condemnation Redevelopment Area.

The determination to designate a redevelopment area simply defines and delineates the area in which the municipality intends to pursue an active role in furthering redevelopment. This redevelopment identification can include alternative approaches to upgrade and revitalize the area.

The following are offered for consideration:

1. The statute provides that “no area of a municipality shall be determined a redevelopment area unless the governing body of the municipality shall, by resolution, authorize the planning board to undertake a preliminary investigation to determine whether the proposed area is a redevelopment area according to the criteria set forth in the applicable Laws of the State of New Jersey”. Such determination shall be made after public notice and public hearing.

The Governing Body authorized the Planning Board to conduct this redevelopment investigation. This report concludes that a portion of the Study Area satisfied the “a”, “b” and “d” Criterion, which serves as the basis for the Planning Board’s recommendation to the Governing Body.

2. Based on our analysis, we recommend the area be designation as An Area in Need of Redevelopment without condemnation.
3. Upon completion of a hearing on this matter, the Planning Board is required to forward its recommendation regarding whether the delineated area, or any part thereof, should be designated, or not designated, by the Governing Body as a redevelopment area.
4. After receiving the recommendation of the Planning Board, the Governing Body may adopt a resolution designating the delineated area for redevelopment. Alternatively, the statute provides that a governing body may designate a portion of the area, or not pursue any designation.
5. The Governing Body, after adopting a resolution to delineate the redevelopment area, should direct the Planning Board to prepare a redevelopment plan pursuant to the applicable redevelopment statute. The

plan may be prepared by the Planning Board and then forwarded to the Governing Body for adoption. The redevelopment plan is required to include an outline for the planning, development, redevelopment, or rehabilitation of the project area sufficient to indicate:

- a. The relationship to define local objectives as to appropriate land uses, population density, traffic, public transportation, utilities, recreation and community facilities, and other public improvements;
 - b. Proposed land uses and building requirements in the study area;
 - c. Adequate provision for the temporary and permanent relocation, as necessary, of residents in the project area, including an estimate of the extent to which decent, safe, and sanitary dwelling units affordable to displaced residents will be available in the existing local housing market;
 - d. Identify any property within the redevelopment area that is proposed to be acquired in accordance with the redevelopment plan;
 - e. Any significant relationship of the redevelopment plan to the master plans of contiguous municipalities, County Master Plan and State Development and Redevelopment Plan.
6. Following the adoption of the Redevelopment Plan, the Governing Body may appoint a redevelopment entity to oversee the redevelopment of the area.

Appendix A

RESOLUTION 19-__

RESOLUTION AUTHORIZING AND DIRECTING THE PRINCETON PLANNING BOARD TO CONDUCT A PRELIMINARY INVESTIGATION TO DETERMINE WHETHER CERTAIN PROPERTY LOCATED ON THANET ROAD, DESIGNATED AS LOT 4 IN BLOCK 5502 ON THE TAX MAP OF PRINCETON, MEETS THE CRITERIA FOR DESIGNATION AS A NON-CONDEMNATION REDEVELOPMENT AREA

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the "Redevelopment Law"), was enacted to provide an effective mechanism to empower and assist local governments in their efforts to arrest and reverse deteriorated conditions in housing and commercial and industrial installations and in public services and facilities, and to promote the advancement of community interests through programs of redevelopment, rehabilitation and incentives for the expansion and improvement of commercial, industrial, residential and civic facilities; and

WHEREAS, the Redevelopment Law authorizes a municipality to determine whether certain properties or parcels of land located within the municipality constitute an area in need of redevelopment, pursuant to the enumerated criteria set forth in the Redevelopment Law; and

WHEREAS, the Redevelopment Law sets forth a specific procedure and the specific requirements for determining and establishing an area in need of redevelopment; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-6, before an area of the municipality is determined to be a redevelopment area, the governing body of the municipality shall, by resolution, authorize the municipal planning board to undertake a preliminary investigation to determine whether the proposed area is a redevelopment area according to the criteria set forth in N.J.S.A. 40A:12A-5 of the Redevelopment Law; and

WHEREAS, the Redevelopment Law at N.J.S.A. 40A:12A-6 also requires the governing body to specify whether the area being investigated will be considered for determination as a "non-condemnation redevelopment area," such that the municipality shall be authorized to use all those powers provided by the Legislature for use in a redevelopment area *other than* the use of eminent domain, or as a "condemnation redevelopment area," such that the municipality shall be authorized to use all of those powers provided by the Legislature for use in a redevelopment area, *including* the power of eminent domain; and

WHEREAS, the Mayor and Council of Princeton has determined that an investigation and inquiry should be made of certain property located on Thanet Road to see if it qualifies under the Redevelopment Law as a non-condemnation area in need of redevelopment; and

WHEREAS, the Mayor and Council hereby request and direct the Princeton Planning Board to undertake an investigation of certain property situated in the municipality, located at 100 and 101 Thanet Road, designated as Lot 4 in Block 5502 on the Tax Map of Princeton (the "Study Area"), and produce a report containing its findings as to whether the Study Area meets one or more of the criteria set forth at N.J.S.A. 40A:12A-5, and make a recommendation to the Mayor and Council as to whether all or a portion of the Study Area should be designated as a non-condemnation redevelopment area.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of Princeton, on this 14th day of October, 2019, as follows:

1. The preamble to this resolution is hereby incorporated as if fully restated herein.
2. The Princeton Planning Board ("Board") is hereby directed to conduct a preliminary investigation of the Study Area defined hereinabove, consisting of Lot 4 in Block 5502 on the Tax Map of Princeton, in accordance with the requirements set forth in N.J.S.A. 40A:12A-6 of the Redevelopment Law, in order to determine whether the Study Area, or part(s) thereof, meet the requirements for designation as a non-condemnation redevelopment area, such that the municipality may be authorized to use all those powers provided by the Legislature for use in a redevelopment area other than the use of eminent domain.
3. The Board is directed to prepare a map of the Study Area showing the boundaries of the proposed redevelopment area and locations of the various parcels of property included therein, along with a statement setting forth the basis for the investigation appended to the map; to prepare a report containing the Board's findings; and to hold a duly noticed public hearing for the purpose of presenting the results of its investigation, hearing from all persons who are interested in, or would be affected by, a determination that the Study Area is a redevelopment area, and receiving into the record and considering all objections and evidence in support of such objections to a determination that the Study Area be designated as a non-condemnation redevelopment area.
4. After completing its public hearing on the matter, the Board shall make a recommendation to the Mayor and Council as to whether all, or any portion thereof, of the Study Area should be designated as a non-condemnation redevelopment area.

5. The Board staff and Municipal Land Use Departments, and their consultants, are hereby authorized and directed to assist the Board in conducting its investigation of the Study Area.
6. This resolution shall take effect immediately.
7. The Municipal Clerk shall cause a copy of this resolution to be transmitted forthwith to the Princeton Planning Board.
8. The findings and recommendations of the Board, once completed, shall be submitted to the Mayor and Council for review and consideration in accordance with the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq.

Councilperson	Absent	Present	1 st	2 nd	Yea	Nay	Abstain	Disqualified
Mr. Cohen								
Ms. Crumiller								
Ms. Fraga								
Ms. Niedergang								
Mr. Quinn								
Mr. Williamson								
Mayor Lempert								

I, Delores Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held on October 14, 2019.

Delores Williams, Municipal Clerk



RESOLUTION 19-401

Resolution Authorizing A Memorandum of Understanding For An Inclusionary Project To Be Located On Thanet Road, Designated As A Portion Of Lot 4 In Block 5502 On The Tax Map Of Princeton

WHEREAS, by the adoption of Resolution 2019-___ this day, the Municipality of Princeton designated certain real property located at 100-101 Thanet Road, more specifically known as Lot 4 in Block 5502 on the Tax Map of Princeton (the “Property”), as a non-condemnation redevelopment area pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the “Redevelopment Law”) and directed the preparation of a Redevelopment Plan for the Property; and

WHEREAS, AvalonBay Communities, Inc. (“AvalonBay”) is the contract purchaser of the Property, and

WHEREAS, AvalonBay proposes to construct a 221-unit residential development with 210 market rate units and 11 affordable housing units and related improvements on the Property (the “AvalonBay Project”); and

WHEREAS, AvalonBay has agreed to subdivide and dedicate an approximately 2.1± acre portion of the Property (the “Parcel”) to Princeton for affordable housing purposes; and

WHEREAS, the AvalonBay Project will result in 11 designated affordable housing units comprised of six “family” affordable housing units and five supportive and special needs units of three bedrooms each (collectively, the “affordable units”); and

WHEREAS, the affordable units will provide a total of twenty-one affordable housing opportunities that will assist Princeton in meeting its Mount Laurel affordable housing obligation; and

WHEREAS, the dedication from AvalonBay to Princeton of the Parcel will enable Princeton to separately develop the Parcel with a municipally sponsored affordable housing development providing additional affordable housing opportunities within the municipality and assisting Princeton meet its Mount Laurel affordable housing obligation; and

WHEREAS, AvalonBay and Princeton seek to enter into a Memorandum of Understanding to provide for the development of the Property.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18th day of December, 2019, as follows:

1. The preamble to this resolution is hereby incorporated as if fully restated herein.

2. Princeton is hereby authorized to enter into a Memorandum of Understanding (“MOU”) with AvalonBay Communities, Inc. as set forth and authorized by this Resolution. The Mayor and Clerk are authorized and directed to sign the MOU on behalf of Princeton, a copy of which is on file in the Municipal Clerk’s Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by the Municipal Attorney in consultation with the Mayor and Administrator.

3. The Princeton Mayor, Administrator, Clerk, Finance Officer, Attorney, and other appropriate officers, employees and professionals are hereby authorized and directed to prepare and execute any and all documents regarding the agreement authorized above and undertake any and all further acts necessary to accomplish the purposes hereof.

4. This resolution shall take effect immediately.

Councilperson	Absent	Present	1 st	2 nd	Yea	Nay	Abstain	Disqualified
Mr. Cohen								
Ms. Crumiller								
Ms. Fraga								
Ms. Niedergang								
Mr. Quinn								
Mr. Williamson								
Mayor Lempert								

I, Delores A. Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held December 18, 2019.

 Delores A. Williams, Municipal Clerk

ATTACHMENTS:

- 540728 AVB Princeton MOU(12-18-19 Final) (PDF)

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this _____ day of December 2019, by and between:

PRINCETON, a municipal corporation of the State of New Jersey, County of Mercer, having an address at 400 Witherspoon Street, Princeton, New Jersey 08540 (hereinafter, “Princeton”);

and

AVALONBAY COMMUNITIES, INC., a Maryland corporation, having an office address at 517 Route 1 South, Suite 5500, Iselin, New Jersey 08830 (hereinafter “AvalonBay”);

Collectively, Princeton and AvalonBay shall be referred to as the “Parties.”

WHEREAS, pursuant to the New Jersey Supreme Court’s decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by N.J. Council on Affordable Housing, 221 N.J. 1 (2015), Princeton filed a declaratory judgment action with the Superior Court of New Jersey (“Court”), styled In the Matter of the Application of the Municipality of Princeton, Docket No. MER-L-1550-15, seeking a Judgment of Compliance and Repose approving its Affordable Housing Plan to be developed in that litigation in addition to related reliefs (the “Compliance Action”); and

WHEREAS, AvalonBay is the contract purchaser for a parcel of real property located at 100 & 101 Thanet Circle, Princeton, New Jersey, which is known and designated as Block 5502, Lot 4 (“Property”) according to Princeton’s tax and assessment maps; and

WHEREAS, AvalonBay has entered its appearance as an interested party in the Compliance Action; and

WHEREAS, AvalonBay has proposed various options to develop the Property for multifamily housing with affordable housing to be provided onsite, and the Parties have engaged in a series of settlement meetings regarding the development of the Property; and

NOW, THEREFORE, in consideration of the promises, the mutual obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties hereto have agreed to enter into this MOU and to be bound by its terms:

1. Purpose - The purpose of this MOU to is to set forth the Parties’ understanding regarding the development of the Property.

2. Overall Site Development – AvalonBay shall construct a 221-unit residential development with two hundred ten (210) market rate units and eleven (11) affordable units, along with related improvements (“AvalonBay Development”). AvalonBay will also subdivide an approximately 2.1 or greater acre portion of the Property (the “Parcel”) that is adequate and

developable for the Municipal Project (as hereinafter defined), and which boundaries will be determined and delineated by mutual agreement of the parties during the redevelopment planning process, and dedicate the Parcel to Princeton for the development of a municipally sponsored, age-restricted, 100% affordable housing development (“Municipal Project”).

3. AvalonBay Development (Concept Plan) - The layout of the AvalonBay Development and location of the Parcel shall be consistent with the concept plans attached hereto as **Exhibit A**.

- a. All of the residential units shall be rental.
- b. The residential units shall be constructed within a variety of building types, including a 4-story elevator building, multiple three-story buildings, and multiple townhome-style buildings. The residential units shall be permitted to contain lofts/mezzanines, which shall not be considered a story or half-story, provided they comply with the definition of a mezzanine in the New Jersey Building Code.
- c. The AvalonBay Development shall contain eleven (11) designated affordable housing units (the “Affordable Units”) that shall be deed restricted for very low, low or moderate income households.
 - i. Of the eleven (11) Affordable Units, six (6) shall be “family” units with the following bedroom distribution: (1) one-bedroom unit, three (3) two-bedroom units, and two (2) three-bedroom units. A “family” unit means that the unit is available to the general very low, low and moderate income population and is not restricted to a certain segment of that population such as restrictions based on age or disability.
 - ii. Of the six “family” Affordable Units, one (1) unit (a three-bedroom unit) will be reserved for very low income households (30% of area median income (“AMI”)), two (2) units will be reserved for low income households (less than 50% of AMI), and three (3) units will be reserved for moderate income households (less than 80% of AMI). Other than as set forth above, the family Affordable units shall comply with the requirements of the Uniform Housing Affordability Controls (“UHAC”).
 - iii. Five (5) Affordable Units shall be special needs units (“Special Needs Units”). Each of the five (5) of the Special Needs Units shall have three bedrooms. AvalonBay shall contract with and/or lease these units to a duly qualified non-profit, which will be responsible for the management of these special needs units and the placement of tenants. Princeton shall facilitate and assist AvalonBay’s efforts to identify a duly qualified non-profit to manage these units, and AvalonBay will not be responsible for the qualification of or placement of tenants into the Special Needs Units.

- iv. The rent that AvalonBay shall receive from all Special Needs Units shall qualify as a Very Low Income Rent from each of the fifteen (15) bedrooms.
- d. The AvalonBay Development shall be only required to provide a minimum parking ratio of 1.5 spaces for each dwelling unit.
- e. AvalonBay shall subdivide and convey the Parcel to Princeton at no cost. In addition, AvalonBay has agreed and shall make the following improvements to facilitate the construction of the Municipal Project: site clearing, building demolition, asphalt and curb demolition, grading solely for proper drainage, and sediment and soil erosion control measures (such as silt fencing).
- f. Princeton shall enter into a thirty-year financial agreement with AvalonBay for a payment-in-lieu-of-taxes, which shall be established at 11% of gross annual revenue, and with no other payments due to Princeton in the Financial Agreement.
- g. AvalonBay, at its sole and absolute discretion, will prepare its plan generally consistent with the concept plans shown in Exhibit A. Said plan will be the basis for the eventual land use application.

4. AvalonBay Development (Process) - The Parties intend that the AvalonBay Development will proceed as a redevelopment project under the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1, et seq. The Parties agree to use their best efforts to abide by the timeline (“Timeline”) set forth and attached hereto as **Exhibit B**. If any of the meeting dates set forth in the timeline are not met, the Parties shall fully cooperate regarding the scheduling of Special Meetings to ensure that all of the actions set forth set forth in the Timeline are completed by the deadline set forth in Exhibit B.

- a. In addition to the timeframes set forth in Exhibit B, the Parties will abide by the following scheduling guidelines:
 - i. Upon the Planning Board’s (the “Board”) receipt of the site plan application (“SPA”), the Board shall, within thirty (30) days, review or arrange for the review of the SPA for completeness. If the SPA is found to be incomplete, the Board shall, within the same thirty (30) day period, notify the Developer in writing of such incompleteness, setting forth each of the items that are missing from the SPA that are needed to render the application complete. Should the Board fail to deem the SPA incomplete within the thirty (30) day period, the SPA shall be considered complete as a matter of law. Upon the Developer’s submission of items identified as missing from the initially submitted SPA, the Board shall have fifteen (15) additional days to notify the Developer of any continuing incompleteness. The application shall be deemed complete as of the date of the submission of all items required for the SPA.

- ii. Once the application has been determined to be complete, the Board's professionals shall have twenty-one (21) days to undertake substantive review of the application and prepare preliminary reports evaluating the AvalonBay Development.
- iii. To facilitate the coordination of the technical reviews of the SPA and streamline the public hearing process, one or more technical review meetings shall be scheduled between AvalonBay's professionals and the Board's professionals to review and respond to the preliminary reports, including any review meetings required by the Site Plan Review Advisory Board ("SPRAB"). The first technical review meeting shall be scheduled within fourteen (14) days of the conclusion of the twenty-one (21) day period wherein the preliminary reports were due and prior to the first public hearing. Additional technical review meetings shall be scheduled, if needed, upon request of AvalonBay.
- iv. The first public hearing on the SPA shall be scheduled within forty-five (45) days of the date the SPA was determined to be complete, subject to publication and notice of the hearing as provided by law, unless AvalonBay requests in writing an adjournment to a later date.
- v. The time periods for action on the application shall be those set forth in the Municipal Land Use Law, unless extended in writing by AvalonBay. Should the Board fail to approve the application within the time periods prescribed by law or as extended in writing by AvalonBay, the SPA shall be deemed to have been approved subject to AvalonBay's compliance with N.J.S.A. 40:55D-10.4.
- vi. The Board shall schedule the public hearings on the AvalonBay Development application with the objective of making a minimum of two (2) meetings per month and agenda time slots of at least three (3) hours per meeting available for the review of the SPA. If the Board's calendar is such that it will not permit the application to be heard at the Board's regular meetings or if the length of time available at the regular meetings will be insufficient to allocate a full three (3) hours to the SPA, then, at the request of AvalonBay, the Board shall schedule sufficient special meetings to satisfy the objective of providing two (2) evenings per month and three (3) hours per meeting for the review of the application. AvalonBay shall pay for the cost of any special meeting as provided by Ordinance.
- vii. Following the conclusion of the public hearing, the Board shall deliberate on the SPA and shall vote. Following the vote of the Board, the Board shall memorialize its decision regarding the SPA in a written resolution, which shall be adopted by the Board at its next regularly scheduled meeting. The Board shall publish a Notice of its decision as provided by law.

viii. The Parties acknowledge and agree that AVB will incur carrying costs if the deadlines set forth in **Exhibit B** are not achieved by the dates provided. As a result of the foregoing, if any deadline or timeframe set forth in either paragraph 4a or Exhibit B that is the responsibility of Princeton or its Planning Board (as set forth in parenthesis) is not achieved in accordance with the timeline, there shall be a fee in the amount of five hundred (\$500) dollars per day (“Per Diem Carrying Cost”), excepting Acts of God or Inclement Weather Cancellations, provided Princeton or the Board takes the required action no later than the next regularly scheduled meeting. AVB shall receive a credit (“Credit”) for each day that the task is not achieved by the appropriate deadline. By way of example, if Princeton is responsible for adopting the redevelopment plan ordinance by February 28, 2020 and adopts the redevelopment plan ordinance on March 15, 2020, AVB will be entitled to a credit totaling 15 multiplied by the Per Diem Carrying Cost. AVB shall be entitled to apply the Credit towards any fee that is due and payable to Princeton in the ordinary course of developing property, such as, but not limited to, building or construction permits or connection fees for sanitary sewer or potable water.

b. Municipal Project. The Parties acknowledge that Princeton will be proceeding with, simultaneously with the AvalonBay Development, an application for development of the Parcel with the Municipal Project, which is a separate, municipally sponsored, age-restricted, 100% affordable housing development.

- i. Until such time as the Parcel is subdivided and conveyed to Princeton, AvalonBay agrees to sign, and if necessary, obtain the Property’s Owner’s consent and signature on, any and all applications, documents and plans necessary for Princeton or its appointed redeveloper to obtain approval for the Municipal Project.
- ii. The Parties understand that as of the date of this MOU, the layout and design of the AvalonBay Development and the Municipal Project have not been prepared or engineered. To facilitate each Party’s planning and engineering efforts, the Parties agree to cooperate and share, to the extent possible, information necessary to enable each Party to proceed with its respective development applications and approvals.

5. Miscellaneous Provisions.

a. Defense of Litigation: In the event of any legal challenges to the MOU, the Parties shall diligently defend the MOU from any such litigation and shall cooperate in such defense. Each Party shall bear its own costs and expenses in such defense of any litigation.

b. Compliance Action: This MOU does not purport to resolve all of the issues before the Court in the Compliance Action. The Parties anticipate that this MOU will be attached as an exhibit to Princeton’s affordable housing plan to be developed in the Compliance Action and/or, if applicable, any settlement agreement with the Fair Share Housing Center in the Compliance

Action. As such, this MOU may be subject to Court review and approval at any duly noticed Fairness Hearing and/or Compliance Hearing.

c. Cooperation: The Parties agree to cooperate in good faith to effectuate the purposes of the MOU and the developments contemplated herein, including but not limited to executing documents necessary for outside agency approvals.

d. Governing Law: This MOU shall be governed by and construed by the laws of the State of New Jersey.

e. No Modification: This MOU may not be modified, amended or altered in any way except by a writing signed by each of the Parties.

f. Effect of Counterparts: This MOU may be executed simultaneously in one (1) or more facsimile or pdf (such as sent by e-mail) counterparts, each of which shall be deemed an original. Any facsimile or pdf counterpart forthwith shall be supplemented by the delivery of an original counterpart pursuant to the terms for notice set forth herein.

g. Voluntary Agreement: The Parties acknowledge that each has entered into this MOU on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the MOU, that this MOU contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

h. Interpretation: Each of the Parties hereto acknowledges that this MOU was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties, and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (a) it has been represented by counsel in connection with negotiating the terms of this MOU; and (b) it has conferred due authority for execution of this MOU upon the person(s) executing it.

i. Necessity of Required Approvals: The Parties recognize that the developments described in this Agreement, and any actions as may be required of the Planning Board or Princeton under this MOU, cannot be approved except on the basis of the independent reasonable judgment by the Planning Board and the Princeton Council in accordance with applicable law. Nothing in this MOU is intended to constrain that judgment or to authorize any action not taken in accordance with procedures or requirements established by law.

j. Exhibits: Any and all Exhibits and Schedules annexed to this MOU are hereby made a part of this MOU as if fully set forth herein at length.

k. Entire Agreement: This MOU constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter hereof except as otherwise provided herein.

l. Effective Date: Anything herein contained to the contrary notwithstanding, the effective date (“Effective Date”) of this MOU shall be the date upon which the last of the Parties to execute this Agreement has executed and delivered this Agreement.

m. Captions. The captions and titles to this MOU and the several sections and subsections are inserted for purposes of convenience of reference only and are in no way to be construed as limiting or modifying the scope and intent of the various provisions of this MOU.

n. Resolution of Disputes. Jurisdiction of any litigation ensuing with regard to this Agreement exclusively shall be in the Superior Court of New Jersey, with venue in Mercer County. Service of any Complaint may be effected consistent with the terms hereof for the delivery of “Notices,” hereinafter defined. The Parties waive formal service of process. The Parties expressly waive trial by jury in any such litigation.

o. Recitals. The recitals of this Agreement are incorporated herein and made a part hereof.

THE REMAINDER OF THIS PAGE IS PURPOSEFULLY BLANK

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be properly executed, their corporate seals affixed and attested and this MOU to be effective as of the Effective Date.

Witness/Attest:

AVALONBAY COMMUNITIES, INC.

By: _____
Ronald S. Ladell, Senior Vice President

Dated: _____

Witness/Attest:

PRINCETON, a New Jersey municipal corporation

By: _____
Liz Lempert, Mayor

Dated: _____

EXHIBIT A

**CONCEPT PLANS FOR AVALONBAY DEVELOPMENT WITH PROPOSED
SUBDIVISION FOR THE PARCEL**

Site Plan B

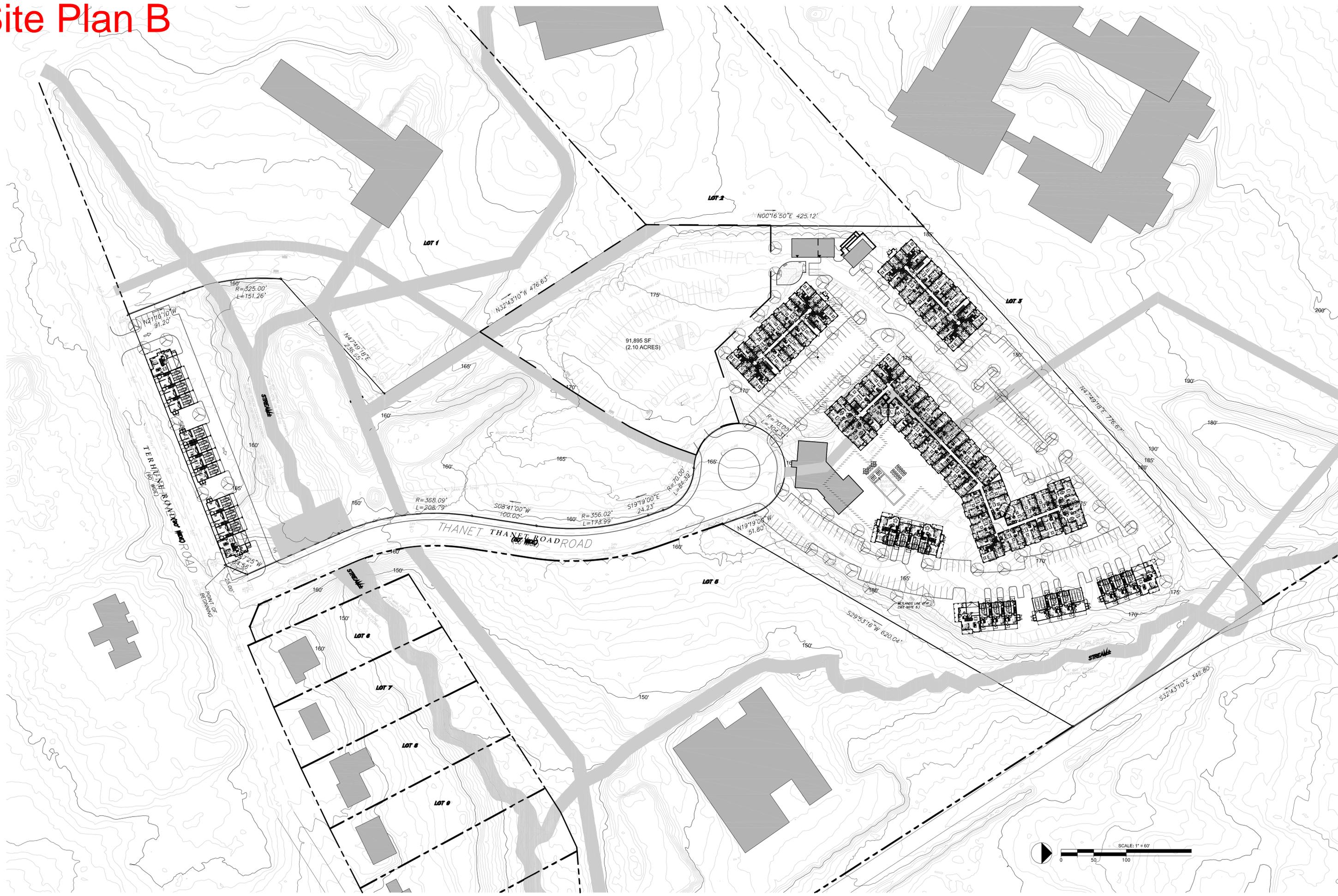


EXHIBIT B - TIMELINE

- 12/18/19 (Responsible Party – PRINCETON GOVERNING BODY)
 - Princeton considers and adopts a resolution designating the Thanet Circle Non-Condemnation Redevelopment Area and directs the preparation of a proposed redevelopment plan for the area.
 - Princeton considers and adopts a resolution authorizing the MOU with AvalonBay.

- 12/31/19 (Responsible Party - AVB)
 - AvalonBay provides plans and information to Princeton for preparation of redevelopment plan.

- 1/27/2020 (Responsible Party – PRINCETON GOVERNING BODY)
 - Princeton completes preparation of Redevelopment Plan
 - Redevelopment Plan Ordinance Introduction

- 2/6/2020 (Responsible Party – PRINCETON PLANNING BOARD)
 - Planning Board review of Redevelopment Plan Ordinance

- 2/10/2020 (Responsible Party – PRINCETON GOVERNING BODY)
 - Second Reading, Public Hearing and Adoption of Redevelopment Plan Ordinance
 - Designation of AvalonBay as Redeveloper
 - Princeton adopts Resolution authorizing Redevelopment Agreement.
 - Princeton adopts Resolution authorizing PILOT Agreement.
 -
 -

- 2/20/2020 – (BOTH AVB AND PRINCETON) Parties execute Redevelopment Agreement and PILOT Agreement.



RESOLUTION 19-402

Resolution Authorizing An Affordable Housing Agreement For "PIRHL" Affordable Housing Project To Be Located On Thanet Road Designated As A Portion Of Lot 4 In Block 5502 On The Tax Map Of Princeton

WHEREAS, by the adoption of Resolution 2019-___ this day, the Municipality of Princeton designated certain real property located at 100-101 Thanet Road, more specifically known as Lot 4 in Block 5502 on the Tax Map of Princeton (the "Property"), as a non-condemnation redevelopment area pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the "Redevelopment Law") and directed the preparation of a Redevelopment Plan for the Property; and

WHEREAS, by the adoption of Resolution 2019-___ this day, the Municipality of Princeton also authorized and entered into a Memorandum of Understanding with AvalonBay Communities, Inc. ("AvalonBay"), the contract purchaser of the Property, regarding AvalonBay's plan to construct a 221-unit residential development with 210 market rate units and 11 affordable housing units and related improvements on the Property; and

WHEREAS, AvalonBay has agreed to subdivide and dedicate an approximately 2.1± acre portion of the Property (the "Parcel") to Princeton for affordable housing purposes; and

WHEREAS, Princeton intends to develop the Parcel with an 80-unit, municipally sponsored, age-restricted, 100% affordable housing development (the "Senior Living Development") that will assist Princeton in meeting its Mount Laurel affordable housing obligation; and

WHEREAS, Princeton has reviewed the qualifications, expertise and prior development efforts of PIRHL Developers, LLC ("PIRHL"), and intends to have PIRHL redevelop the Parcel with the proposed Senior Living Development; and

WHEREAS, to facilitate and assist in the development of the Senior Living Development, Princeton will provide financial support to the project and seeks to enter into an affordable housing agreement with PIRHL providing for the development and Princeton's support thereof; and

WHEREAS, in order to provide funding for the Senior Living Development, Princeton will rely on the funds in its Affordable Housing Trust Fund, and anticipates that funding will come from other sources, including, but not limited to, Federal Low Income Housing Tax Credits, New Jersey Balanced Housing Funds, HUD funding, Federal Home Loan Bank Board financing, HMFA bond financing, etc.; and

WHEREAS, Princeton is committed to funding any shortfall not covered by other sources and will consider and adopt the necessary bonding ordinance to address any costs not funded by other sources.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18th day of December, 2019, as follows:

1. The preamble to this resolution is hereby incorporated as if fully restated herein.
2. Princeton is hereby authorized to enter into an Affordable Housing Agreement with PIRHL providing for the Senior Living Development, and the financial commitment thereof as set forth and authorized by this Resolution. The Mayor and Clerk are authorized and directed to sign the Agreement on behalf of Princeton, a copy of which is on file in the Municipal Clerk’s Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by the Municipal Attorney in consultation with the Mayor and Administrator.
3. Princeton further commits to fund said Project by utilizing its affordable housing trust fund and will consider and adopt the necessary bonding ordinance to address any costs not funded by other sources.
4. The Princeton Mayor, Administrator, Clerk, Finance Officer, Attorney, and other appropriate officers, employees and professionals are hereby authorized and directed to prepare and execute any and all documents regarding the agreement authorized above and undertake any and all further acts necessary to accomplish the purposes hereof.
5. This resolution shall take effect immediately.

Councilperson	Absent	Present	1 st	2 nd	Yea	Nay	Abstain	Disqualified
Mr. Cohen								
Ms. Crumiller								
Ms. Fraga								
Ms. Niedergang								
Mr. Quinn								
Mr. Williamson								
Mayor Lempert								

I, Delores A. Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held December 18, 2019.

Delores A. Williams, Municipal Clerk

ATTACHMENTS:

- Pton PIRHLAH Agmt (12-18-19 Final) (PDF)

AFFORDABLE HOUSING AGREEMENT

This **AFFORDABLE HOUSING AGREEMENT** (“Agreement”) is made and entered into as of the ___ day of _____, 2019 by and between the **MUNICIPALITY OF PRINCETON**, in Mercer County, a municipal corporation of the State of New Jersey (the “Municipality” or “Princeton”), with an address of 400 Witherspoon Street, Municipality, NJ 08540, and **PIRHL DEVELOPERS, LLC**, a limited liability company of the State of Delaware with an address at 5 Commerce Way, Suite 210E, Hamilton, NJ 08691 and **PRINCETON LIHTC URBAN RENEWAL LLC**, a New Jersey limited liability company to be formed with an address at 800 West St. Clair Avenue, 4th Floor, Cleveland, OH 44113 (PIRHL Developers, LLC and Princeton LIHTC Urban Renewal LLC shall be collectively referred to as the “Developer”). Municipality and the Developer, unless otherwise noted, may be individually referred to as “Party” or collectively as the “Parties.”

RECITALS:

WHEREAS (1st), in connection with its ongoing efforts to satisfy the obligations of New Jersey’s Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (the “FHA”) and the judicial requirements of the Mount Laurel Doctrine¹, which are currently under the jurisdiction of Superior Court of Mercer County in the matter captioned In the Matter of the Application of the Municipality of Princeton, Docket No. MER-L-1550-15, the Municipality has sought to identify certain properties and/or opportunities for the production of affordable housing within its borders;

WHEREAS (2nd), the Municipality has identified a certain parcel located within its borders that the Municipality has determined is appropriate for the development of a one hundred percent (100%) age restricted, affordable housing development, said parcel being a portion of property identified on the Municipal tax maps as Block 55.02, Lot 4 (the “Mother Parcel”);

WHEREAS (3rd), the Mother Parcel is within an area designated by Municipality as a non-condemnation redevelopment area pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 12A:40A-1 et seq. (the “LRHL”);

WHEREAS (4th), the Mother Parcel is anticipated to be subdivided so as to allow to the creation of two (2) separate parcels, hereinafter: (i) “Parcel A”; and (ii) “Parcel B” in accordance with the subdivision plan generally depicted at Exhibit “A” (the “Subdivision Plan”);

WHEREAS (5th), following such subdivision, the Municipality intends to acquire Parcel B for the purposes of having constructed on Parcel B a one hundred percent (100%) affordable

¹ The Mount Laurel Doctrine is collectively embodied by the judicial precedent established in Southern Burlington Cty. N.A.A.C.P. v. Tp. of Mt. Laurel, 67 N.J. 151 (1975)(“Mount Laurel I”), Southern Burlington Cty. N.A.A.C.P. v. Tp. of Mt. Laurel, 92 N.J. 189 (1983)(“Mount Laurel II”) and their judicial progeny, the Legislature’s enactment of the FHA and the First (1987-1993) and Second (1993-1999) Round regulations adopted by the New Jersey Council on Affordable Housing (“COAH”), N.J.A.C. 5:91-1, et seq., N.J.A.C. 5:92-1, et seq. and N.J.A.C. 5:93-1, et seq. (the “Rules”).

housing development consisting of eighty (80) residential units, all of which will be reserved for occupancy by very low income, low income and/or moderate income households with all such residential units being reserved for occupancy by individuals fifty-five (55) years or older (the “Project”);

WHEREAS (6th), the Municipality has reviewed the qualifications, expertise and prior development efforts of the Developer and it is the Municipality’s intention to have Developer own, construct and operate the Project;

WHEREAS (7th), the Municipality, pursuant to the LRHL, intends to prepare a Redevelopment Plan for Parcel B and, thereafter, designate the Developer as the redeveloper for Parcel B to allow Developer to proceed with the development and construction of the Project;

WHEREAS (8th), recognizing that funding for the Project would be benefitted by potential receipt of four percent (4%) low income tax credits, the Parties intend to enter into this Agreement to allow the Developer to begin the tax credit application process and expedite the ultimate construction of the Project;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Certain terms used in this Agreement are defined in this Section or other portions of this Agreement by reference to other documents. Each term defined shall have the meaning given it unless the context clearly indicates otherwise. The following terms are defined in this Section:

- (a) “Agreement” shall mean this Affordable Housing Agreement;
- (b) “Event of Default” shall have the meaning set forth in Section 9.1 of this Agreement;
- (c) “Forced Delay” shall mean delay or delays due to: war; insurrection; strikes; riots; floods; earthquakes; acts of God; fires; casualties; governmental restrictions; litigation; acts or failure to act of any public or governmental agency or entity not attributable solely to the Developer or affiliates of the Developer; or any other causes beyond the control or without the fault of the party claiming an extension of time to perform;
- (d) “Plans and Specifications” shall mean those plans and specifications that will be developed for the construction of the Project as they may be amended from time to time and as approved by the Municipality;

(e) “Project” shall mean the Developer’s interest in the Property and the construction of approximately 80 affordable age restricted rental units to be used and maintained in accordance with Section 42 of the Internal Revenue Code, in the event that low income tax credits are utilized in the funding of the Project;

(f) “Project Costs” shall mean the total costs to construct the Project, inclusive of all hard and soft construction costs that are necessary and incidental to the construction of a residential housing development. The current Project Summary, a true and correct copy of which is attached hereto as **Exhibit “B,”** is an estimate of the total costs anticipated for the construction of the Project. The Parties acknowledge and agree that the Project Summary is an estimate only. The Project Costs as referenced in this agreement shall refer to the total, actual costs incurred in the development of the Project as said Project Costs are to be provided by the Developer in accordance with Section 5.3 of this Agreement.

(g) “Tax Credits” shall mean 4% Low Income Housing Tax Credits as set forth in Section 42 of the Internal Revenue Code and as administered and/or awarded by the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”);

Section 1.2. Headings. The headings of this Agreement are for convenience only and shall not define or limit the provisions of this Agreement.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Developer. The Developer represents and covenants that: (a) PIRHL Developers, LLC is a duly organized and validly existing limited liability company under the laws of the State of Delaware and Princeton LIHTC Urban Renewal, LLC or a similarly titled entity is a limited liability company to be formed to carry out the purposes and intent of this Agreement; (b) to the best of the Developer’s knowledge, it is not in violation of or in conflict with any applicable provisions of the laws of the State of New Jersey or any other agreement related to the Project which would impair its ability to carry out its obligations under this Agreement; (c) it is empowered to enter into the transactions contemplated by this Agreement; (d) it has duly authorized the execution, delivery, and performance of this Agreement; (e) there is no litigation or proceeding pending, or to the knowledge of the Developer threatened, against the Developer or any other person affecting in any material manner whatsoever the right of the Developer to execute this Agreement or to otherwise comply with its obligations contained in this Agreement; and (f) when executed by duly authorized officers of its managing member, this Agreement will be binding upon the Developer and enforceable in accordance with its terms; and (g) Developer shall use its best efforts to secure funding sources for the development and construction of the Project, including, but not limited to Tax Credits, with the acknowledgement that the financial obligation to fund the construction of the Project shall be the ultimate responsibility of the Municipality.

Section 2.2. Representations and Covenants of the Municipality. Municipality represents and covenants that: (a) it is the expected beneficiary of Parcel B, which is intended to

be subdivided and dedicated to the Municipality by the current contract purchaser of the Mother Parcel, and as such, this Agreement is contingent upon the Municipality's receipt and acceptance of the intended dedication; (b) it is empowered to enter into the transactions contemplated by this Agreement; (c) it has duly authorized the execution, delivery and performance of this Agreement; (d) there is no litigation or proceeding pending, or to the knowledge of the Municipality threatened, against the Municipality or any other person affecting in any material manner whatsoever the right of the Municipality to execute this Agreement or to otherwise comply with its obligations contained in this Agreement;(e) it will cooperate in responding to reasonable requests for action in a prompt and timely manner in order to assist the Developer in meeting its completion deadlines with respect to application for, and compliance with, the receipt of any Tax Credit award for the Project; (f) it will be responsible for all costs associated with the construction of the Project, with or without receipt of Tax Credits for the Project; and (g) it has sufficient bonding capacity to fund the Project with or without the assistance of a Tax Credit award.

ARTICLE III

ADOPTION OF HOUSING ELEMENT AND FAIR SHARE PLAN AND ACTIONS PURSUANT TO THE LRHL

Section 3.1 Adoption of Housing Element and Fair Share Plan; Submission to Court

In connection with the judicial rules established for the determination of New Jersey municipalities' "Round 3" affordable housing obligations under the FHA and the Mount Laurel Doctrine, including, In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing, the Municipality agrees to include the Project in its Housing Element, Fair Share Plan, and Spending Plan (collectively, the "Plan") and transmit to the designated New Jersey Superior Court judge appointed to hear affordable housing cases for municipalities in Mercer County (the "Court") a Housing Element, Fair Share Plan and Spending Plan (collectively, the "Plan"). The Plan shall include the Project. The Plan shall be submitted in accordance with the deadlines set by the Court.

Section 3.2 Adoption of Necessary Measures Pursuant to the LRHL

In an effort to facilitate the timely construction of the Project, the Municipality, on or before March 1, 2020 agrees to: (i) adopt a Redevelopment Plan pursuant to N.J.S.A. 12A:40A-7 providing for the development of the Project as a permitted use on Parcel B and in accordance with terms and zoning standards that are to be developed by the Municipality in consultation with the Developer; (ii) adopt a Resolution designating the Developer as the Redeveloper for Parcel B pursuant to N.J.S.A. 40A:12A-8; (iii) adopt a Resolution authorizing a payment in lieu of taxes pursuant to N.J.S.A. 55:14K-37.

Section 3.3 Adoption of Bond Ordinance.

Within sixty (60) days of receipt of the Project Costs from the Developer pursuant to Section 5.3 of this Agreement, the Municipality agrees to adopt the necessary bonding ordinance

and/or appropriate from the municipal affordable housing trust fund an amount equal to at least one hundred twenty percent (120%) of the final Project Costs to be funded by the Municipality.

ARTICLE IV

OTHER MUNICIPALITY RESPONSIBILITIES

Section 4.1. Municipal Contribution of Parcel B, Project Costs and Payment in Lieu of Taxes.

(a) Subject to the Developer's satisfaction of the conditions of this Agreement, the Municipality agrees to convey Parcel B (at no cost to the Developer), as well provide the Project Costs to the Developer to be used by the Developer for the development and construction of the Project. The conveyance of Parcel B and the payment of the Project Funds shall be made to the Developer at the Closing, as further described at Section 6.1.

(b) In connection with its support of the Project, the Municipality shall, within sixty (60) days of this Agreement, adopt: (i) a Resolution of Need for the Project pursuant to the applicable requirements of N.J.S.A. 55-14K-1, et seq. and N.J.A.C. 5:80-1.1 et seq.; (ii) as well as a Resolution of Intent to Appropriate Funds or Bond in the Event of a Funding Shortfall for the Project.

Section 4.2. Conditions to Disbursement. The obligation of the Municipality to convey the Property and contribute the Project Costs to the Developer shall be expressly conditioned upon the satisfaction of the following:

(a) The Developer or its Owner Entity shall, as a result of the Municipality's conveyance of Parcel B, be the fee-simple owner of the Property and shall have good and marketable title to same, subject only to encumbrances that do not impair the ability of the Project to be developed for the purposes set forth herein, together with all mortgages and other deed restrictions required in connection with the financing of the Project;

(b) The Project shall have received all final major and minor site plan and subdivision approvals and zoning approvals required by the Municipality in connection with the development of the Project;

(c) The Project shall have received a sufficient allocation of water and sewer capacity from the applicable utilities;

(d) The Project shall have received all approvals required by the County of Mercer (if any) in connection with the development of the Project, including, but not limited to, the Mercer County Planning Board and the Mercer County Soil Conservation District;

(e) The Project shall have received all approvals required by the State of New Jersey or any department, agency or authority thereof, including, but not limited to the New Jersey Department of Environmental Protection, the New Jersey Department of Transportation, and the New Jersey Department of Community Affairs;

(f) The Project shall have received a first mortgage loan commitment from the NJHMFA or other first mortgage lender.

Section 4.3. Sale or Transfer. The Project shall not be sold or transferred without the prior written consent of the Municipality, which consent shall not be unreasonably withheld, subject to all statutory and regulatory requirements and conditions applicable to transfer of the Project. The Developer agrees that the Municipality shall not be deemed unreasonable in refusing to consent to the sale or transfer of the Project if (a) the Developer is in material default under this Agreement or the Federal and State Regulations, and such default has continued beyond any applicable cure period; (b) the Municipality reasonably believes that the risk of a breach of any covenant or agreement contained in this Agreement or the Financing, Deed Restriction and Regulatory Agreement would be increased as a result of such sale or transfer; (c) the Municipality reasonably believes that the prospective transferee has insufficient experience or net worth to operate the Project in a manner satisfactory to the Municipality, or has willfully violated affordability or management covenants with the Municipality or other public agencies; or (d) the Municipality reasonably believes that such sale or transfer will result in the loss of the Project's exemption from real estate taxes, without satisfactory payment or arrangement therefor. No such sale or transfer shall be effective until the transferee signs an assumption agreement that is acceptable to the Municipality and that obligates the transferee to keep all the covenants and agreements contained in this Agreement and/or the Financing, Deed Restriction and Regulatory Agreement that will be recorded in connection with the NJHMFA first mortgage, if applicable.

Notwithstanding anything to the contrary contained herein, the withdrawal, removal and/or replacement of the Developer's managing member(s) for cause in accordance with operating agreement of the Developer (the "Operating Agreement") shall not require the consent of Municipality and shall not constitute a default under this Agreement. If the investor member of the Developer exercises its right to remove a member thereof under the Operating Agreement, the Municipality shall not unreasonably withhold its consent to any substitute managing member proposed by the investor member. In no event shall Municipality's consent be required if the investor member or its affiliate decides to serve as the substitute managing member. Notwithstanding the foregoing, the substitute managing member shall assume all of the rights and obligations of the removed managing member under this Agreement, the Financing, Deed Restriction and Regulatory Agreement, and the Federal and State Regulations.

Section 4.4. Alteration of Project Improvements. No improvements or capital equipment built or installed pursuant to the Plans and Specifications for the Project shall be removed, demolished, or materially altered (other than in the course of construction and operation of the Project), without prior written consent of the Municipality, such consent not to be unreasonably withheld, except that the Developer shall have the right, without such consent, to remove and replace such equipment as from time to time may become worn out or obsolete. Notwithstanding the foregoing, the Developer shall have the right to reconstruct the Project after a casualty.

Section 4.5. Closing Costs. All Closing costs, including those that are attendant to any closing associated with an award of Tax Credits, shall be included within the Project Costs.

Section 4.6. Use of the Project as Affordable Housing. In accordance with the requirements of N.J.S.A. 40A:12A-21, Parcel B and the Project can only be used for the purpose of constructing housing for low and moderate income persons or families or persons with disabilities. In the event that Parcel B and the Project cease to be used for these purposes, and the Municipality, as the grantor does not agree to waive or release this limitation pursuant to N.J.S.A. 40:60-51.2, title to Parcel B shall revert to the Municipality unless the Developer (a) continues to use the Project as housing for low and moderate income persons or families or families with disabilities; (b) agrees to pay the Municipality for the fair market value of Parcel B at that time.

ARTICLE V

DEVELOPER'S OBLIGATIONS

Section 5.1. Application for and pursuit of an award of Tax Credits. The Developer agrees to exert its best efforts to diligently pursue an award of Tax Credits for the Project. Despite those efforts, the Parties acknowledge and agree that a receipt of a Tax Credit award for the Project is not a condition of proceeding with the construction of the Project. All costs incurred by Developer in pursuing a Tax Credit award shall be included within Project Costs, irrespective of any ultimate Tax Credit award.

Section 5.2 Application and pursuit of all necessary approvals for the Project. The Developer agrees to exert its best efforts and diligently pursue any and all approvals and permits necessary to apply for a construction permit to construct the Project ("Government Approvals"). The Developer shall provide the Municipality copies of all applications for and receipt of all Government Approvals. The Developer shall be provided until April 30, 2021 to obtain all Government Approvals, unless such period is extended in writing by the Parties. All costs incurred by Developer in obtaining Government Approvals shall be included within Project Costs. If despite diligent efforts, Developer is unable to obtain all such Government Approvals to construct the Project: (i) the Developer shall be entitled to a reimbursement of any and all costs expended by the Developer, which reimbursement the Parties acknowledge and agree would be a valid expenditure from the Municipality's Affordable Housing Trust Fund; and (ii) the Developer shall be entitled to terminate this Agreement in which case this Agreement shall be of no further force and effect and the Parties shall have no further rights and/or responsibilities to the other.

Section 5.3 Furnishing of Final Project Costs. Within ten (10) days of receipt of a Tax Credit allocation or a denial of Developer's Tax Credit application, whichever the case may be, the Developer shall provide the Municipality an update to the Project Costs as currently set forth at Exhibit B, which update version of the Project Costs shall be utilized by the Municipality for purposes of its obligation to adopt the required bonding ordinance pursuant to Section 3.3 of this Agreement. Further, upon providing notice of its intention to close in accordance with the provision of Section 6.1, the Developer shall provide to the Municipality the final Project Costs to be funded by the Municipality at the time of Closing.

ARTICLE VI

CLOSING AND FUNDING OF PROJECT COSTS

Section 6.1 Transfer on Parcel B and Municipality's Funding of Project Costs. The transfer of Parcel B and the Municipality's furnishing of the Project Costs to the Developer shall occur contemporaneous with the closing of any loan(s) associated with an award of Tax Credits for the Project (the "Closing"). In the event that the Project is not in receipt of a Tax Credit award, the Closing shall take place upon thirty (30) days notice to the Municipality by the Developer after the Developer has obtained all Government Approvals. The Closing shall take place at the offices of Mason, Griffin & Pierson, P.C., 101 Poor Farm Road, Princeton, NJ 08540 at a mutually convenient date and time within the timeframe set forth herein. At the Closing, the Municipality shall deliver to Developer: (i) good and insurable title to the Parcel B, by executing and delivering to a bargain and sale deed with covenant against grantor's acts for the conveyance of Parcel B; (ii) the Project Costs.

ARTICLE VII

TIMING OF CONSTRUCTION

Section 7.1. Timing of Construction. The Developer shall use its best efforts to commence construction of the Project within two (2) years of the execution of this Agreement.

ARTICLE VIII

REGULATORY TERMS AND CONDITIONS

Section 8.1. Limitation on the Municipality's Obligation. The Municipality shall not be liable under this Agreement to the Developer or any other party for the completion of, or failure to complete, any activities which are part of the Project except for the conveyance of Parcel B to the Developer, the payment of the Project Costs to the Developer and the administration of its responsibilities pursuant to this Agreement. Noting herein is intended to limit Developer's rights pursuant to Article IX of this Agreement.

Section 8.2. Equal Opportunity. During the construction of the Project, the Developer shall not discriminate on the basis of race, color, creed, religion, sex, sexual orientation, age, disability, marital status, condition of Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related complex, national origin or ancestry in the hiring, firing, promoting, or demoting, of any person engaged in the construction work.

Section 6.3 Maintenance of the Project. The Owner Entity shall maintain the Project in good condition and in compliance with all applicable health, safety, building, fire, zoning, subdivision, and environmental laws, regulations, codes and ordinances.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.1. Events of Default. Each of the following shall constitute an “Event of Default” hereunder:

(a) Failure of the Developer or the Municipality to materially comply with terms, provisions, or conditions of this Agreement and failure to cure the same within thirty (30) days of receipt of written notice by the non-defaulting party specifying such failure (or if such failure to perform cannot be cured within thirty (30) days, failure to commence cure within thirty (30) days after receipt of such notice and thereafter diligently pursue such cure within thirty (30) days after receipt of such notice);

(b) Failure of the Developer or the Municipality to pay any amounts due hereunder if such default continues after ten (10) days following the defaulting party’s receipt of written notice by the non-defaulting party, subject to all applicable notice and cure periods;

(c) Abandonment, cessation, or delay of construction (other than for Forced Delay) for a period of time which, in the Municipality’s reasonable judgment, but not less than ninety (90) days, would delay completion of the timelines set forth herein for completion;

(d) Except as may be expressly contemplated herein, an attachment of the interest of the Developer in the Property, the Project or of the funds disbursed or to be disbursed to it under this Agreement or the filing of any legal, equitable, or administrative action, not adequately insured, bonded over, dismissed, or adjudicated within ninety (90) days to the reasonable satisfaction of the Municipality, the effect of any of which would have a material adverse impact on: (1) the Developer’s title to, or use of, the Project; (2) the Developer’s right to construct the Project; or (3) the right of the Developer to use and occupy the entire Project for its intended purposes;

(e) The filing of any voluntary petition in bankruptcy court or otherwise seeking relief from creditors by or against the Developer or the Developer’s managing member or the filing of any involuntary petition in bankruptcy not dismissed within ninety (90) days of the date of filing, unless with respect to the managing member of the Developer, the managing member is replaced without the necessity of obtaining consent from the Municipality, with the investor member or any affiliate thereof;

(f) The Developer shall make an assignment for the benefit of creditors, or shall submit in writing its inability to pay its debts generally as they become due;

(g) The Developer consents to, or acquiesces in, the appointment of a receiver, liquidator, or trustee of itself or of the whole or any substantial part of its properties or assets or a court of competent jurisdiction enters an order, judgment or decree appointing a receiver, liquidator or trustee of the Developer, or of the whole or any substantial part of the

property or assets of the Developer, and such order, judgment or decree shall remain unvacated or not set aside or unstayed for one hundred twenty (120) days;

(h) Misrepresentation or misstatement of fact when made in any written document and/or written agreement by the Developer or any of its managing members to the Municipality that has a material adverse effect on the Municipality;

(i) Sale or transfer of the Project by the Developer in violation of Section 4.3 hereof.

Section 9.2. Remedies. Upon the occurrence and during the continuance of an Event of Default under this Agreement,

(a) If the defaulting party is the Developer, then the Municipality shall have the right to institute appropriate proceedings to specifically enforce performance hereof, and pursue all other rights and remedies available at law or in equity;

(b) If the defaulting party is the Municipality, then the Developer shall have the right to institute appropriate proceedings to specifically enforce the performance hereof and pursue all other rights and remedies available at law or in equity, including, but not limited to specific performance.

Section 9.3. Attorney's Fees and Costs. In the event of a dispute hereunder, the prevailing party shall be entitled to reasonable attorney's fees and all other reasonable costs and expenses incurred in connection with the adjudication of such dispute.

Section 9.4. Right to Cure Defaults. In the event of a default under this Agreement where no timeline for cure is given, the defaulting party shall have thirty (30) days from the date of the receipt of written notice of default to cure such default

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1. Agreement Term. The term of this Agreement shall commence upon the date hereof and, subject to the terms of this Section 10.1, terminate on the Closing Date, or on such earlier date as mutually agreed upon by the parties hereto unless terminated by the Developer in accordance with Section 5.2 of this Agreement.

Section 10.2. Hold the Municipality Harmless from Claims. The Developer hereby agrees to defend and hold the Municipality harmless from and against any and all claims, actions, damages, liability and expense, including attorney's fees, in connection with any loss of life, personal injury, damage to property, breach of contract or any other claims, actions, or damages arising from or out of the construction or operation of the Project by the Developer other than and to the extent of those caused by the willful actions or negligence of the Municipality. The Developer's obligations under this Section 10.2 shall terminate upon the

issuance of final Certificates of Occupancy for the Project by the Municipality. This provision shall survive the termination of this Agreement.

During the term of this Agreement, the Developer shall maintain general liability insurance of not less than \$1 million per occurrence combined single limit with excess umbrella liability coverage of not less than \$3 million. This provision shall survive the termination of this Agreement.

Section 10.3. Notices. All notices given in connection herewith shall be deemed effective upon receipt (as evidenced by the U.S. Mail return receipt or commercial delivery service receipt) or refusal to accept delivery, and shall be given by personal delivery, express overnight delivery service, or placed in the U.S. Mail, registered, with return receipt requested, and postage prepaid. Any of the following parties may effect a change of address for notice purposes by written notice thereof to all of the other following parties:

If to the DEVELOPER:

PIRHL DEVELOPERS, LLC
and PRINCETON LIHTC URBAN RENEWAL LLC
5 Commerce Way
Hamilton, New Jersey 08691
Attention: Lara Schwager

or to such other address as the Sponsor may hereafter designate in writing,

with copies to:

PIRHL Acquisitions, LLC
800 West St. Clair Avenue
4th Floor
Cleveland, OH 44113
Attention: David A. Burg

and:

Bisgaier Hoff, LLC
25 Chestnut Street, Suite 3
Haddonfield, NJ 08033
Attention: Richard J. Hoff, Jr., Esq.

If to the Municipality:

Municipality of Princeton
400 Witherspoon Street
Princeton, NJ 08540
Attn: Municipal Clerk

With a copy to:

Mason, Griffin & Pierson, P.C.
101 Poor Farm Road
Princeton, NJ 08540
Attn: Kevin Van Hise, Esq.

The Municipality shall also provide copies of all notices given in connection herewith to the Investor and its counsel to the extent that they provide written notice to the Municipality of their contact information.

Section 10.4. Entire Agreement. This Agreement, including the Exhibits incorporated herein, expresses the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior understandings, agreements, representations, or arrangements, oral or written, between the parties hereto relating to the subject matter of this Agreement, all of which are merged into this Agreement.

Section 10.5. Severability. Each provision of this Agreement is intended to be severable to the extent that such Severability does not materially affect the basic understanding of the parties as reflected in this Agreement. In the event that any one or more provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect by a final, non-appealable decision of a court of competent jurisdiction, the same shall not invalidate or otherwise affect any other provision of this Agreement, and this Agreement shall be construed as if such an invalid, illegal, or unenforceable provision had never been contained herein, provided such Severability does not materially affect the basic understanding of the parties as reflected in this Agreement.

Section 10.6. Counterparts. This Agreement and any amendments hereto may be executed by the parties hereto in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

Section 10.7. Conflicts. To the extent that there may be any inconsistency or conflict between the terms of this Agreement and the NJHMFA Financing, Deed Restriction and Regulatory Agreement, the terms of the NJHMFA Financing, Deed Restriction and Regulatory Agreement shall control.

Section 10.8. Further Assurances. The parties hereto shall cooperate and take such action, give assurances and execute and deliver such documents as may be reasonably required by the other party in order to effectuate the purposes and provisions of this Agreement and to confirm to third parties the existence and good standing of this Agreement.

Section 10.9. Not Assignable. This Agreement is not assignable by the Developer, except to the Owner Entity as contemplated herein.

Section 10.10. Successors. This Agreement shall be binding upon and inure to the benefit of the Developer and the Municipality and their respective successors and assigns.

Section 10.11. Municipality Not a Joint Venturer. The Municipality, by making this Agreement or by any action pursuant hereto, will not be deemed a partner or joint venturer with the Developer, and the Developer and the Municipality each agree to hold the other harmless for any damages and expenses resulting from such a construction of the relationship of the parties or any assertion thereto.

Section 10.12. Applicable Law. This Agreement shall be governed by and construed under the laws of the State of New Jersey. The parties hereto consent to be sued in New Jersey Superior Court - Mercer County in any action to enforce the provisions of this Agreement.

Section 10.13. Modification and Assignment. The terms of this Agreement may not be waived, modified, or changed in any way by implication, correspondence, or otherwise unless such waiver, modification, or change is made in the form of a written amendment to this Agreement signed by both parties. The Developer shall not assign or transfer this Agreement without the prior written consent of the Municipality. Any attempted assignment or transfer shall be void.

Section 10.14. Captions and Headings. The captions and headings contained in this Agreement are included herein for convenience of reference only and shall not be considered a part hereof and are not in any way intended to limit or enlarge the terms hereof.

Section 10.16. Waiver. A waiver by the Municipality of any of the terms and conditions herein shall be in writing and shall not constitute a continuing waiver of said terms and conditions.

signature page follows

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date first set forth above by their duly authorized signatories.

Witness/Attest:

THE MUNICIPALITY OF PRINCETON
a public body corporate and politic

By: _____
Liz Lempert, Mayor

PIRHL DEVELOPERS, LLC

By:

By: _____

EXHIBIT A

EXHIBIT B

EXHIBIT B

SOURCES / USES					
	Sources of Funds	Rate	Amount	%	Per Unit
(1)	1st Mortgage: NJHMFA	5.20%	\$ 3,960,265	23.19%	\$ 49,503
(2)	Total LIHTC (9% + 4%)		\$ 4,739,119	27.75%	\$ 59,239
(3)	NJHMFA Supportive Service		\$ 375,000	2.20%	\$ 4,688
(4)	Municipal Contribution		\$ 8,000,891	46.86%	\$ 100,011
(5)	Financial Gap		\$ 0	0.00%	\$ 0
TOTAL SOURCE OF FUNDS			\$ 17,075,275		\$ 213,441
	Use of Funds		Amount	%	Per Unit
(1)	Acquisition		\$ -	0.00%	\$ -
(2)	Hard Costs		\$ 12,164,341	71.24%	\$ 152,054
(3)	Soft Costs		\$ 1,204,842	7.06%	\$ 15,061
(4)	Professional Services		\$ 1,024,500	6.00%	\$ 12,806
(5)	Financing Costs		\$ 893,616	5.23%	\$ 11,170
(6)	Developer Fee		\$ 1,215,784	7.12%	\$ 15,197
(7)	Reserves / Escrows		\$ 572,192	3.35%	\$ 7,152
TOTAL USE OF FUNDS			\$ 17,075,275		\$ 213,441