AMENDED AGREEMENT TO RESOLVE ISSUES BETWEEN THE TOWNSHIP OF CRANFORD AND FAIR SHARE HOUSING CENTER CONCERNING THE TOWNSHIP'S <u>MOUNT LAUREL</u> FAIR SHARE OBLIGATIONS AND THE MEANS BY WHICH THE TOWNSHIP SHALL SATISFY SAME

In the Matter of the Township of Cranford, County of Union, Docket No. UNN-L-3976-18

THIS SETTLEMENT AGREEMENT ("Agreement") made this ____th day of January, 2021, by and between:

TOWNSHIP OF CRANFORD, a municipal corporation of the State of New Jersey, County of Union, having an address at 8 Springfield Avenue, Cranford, NJ 07016 (hereinafter the "Township" or "Cranford");

And

FAIR SHARE HOUSING CENTER, having an address at 510 Park Boulevard, Cherry Hill, New Jersey 08002, (hereinafter "FSHC");

WHEREAS, pursuant to <u>In re N.J.A.C. 5:96 and 5:97</u>, 221 <u>N.J.</u> 1 (2015) (<u>Mount</u> <u>Laurel IV</u>), the Township filed the above-captioned matter on November 21, 2018 seeking, among other things, a judicial declaration that its Housing Element and Fair Share Plan (hereinafter "Fair Share Plan"), as may be further amended in accordance with the terms of this settlement, satisfies its "fair share" of the regional need for low and moderate income housing pursuant to the <u>Mount Laurel</u> doctrine; and

WHEREAS, the Township simultaneously sought, and ultimately secured, an Order protecting Cranford from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, the immunity secured by Cranford remains in place as of the date of this Agreement; and

WHEREAS, the trial court appointed a "Special Master", as is customary in a <u>Mount Laurel</u> case, to assist the Court; and

WHEREAS, more specifically, the Court appointed Kendra Lelie, P.P., A.I.C.P. to serve as the Special Master;

WHEREAS, with Ms. Lelie's assistance, Cranford and FSHC have engaged in good faith negotiations and have reached an amicable accord on the various substantive provisions, terms and conditions delineated herein; and

WHEREAS, through that process, the Township and FSHC agreed to settle the litigation and to present that settlement to the trial court, recognizing that the settlement

of <u>Mount Laurel</u> 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; and

WHEREAS, it is particularly appropriate where, as here, the Court has yet to make a determination of the Township's fair share, to arrive at a settlement regarding a municipality's fair share obligation, instead of doing so through plenary adjudication of that obligation; and

WHEREAS, due to the successful resolution of litigation between the Township and an objector to the Township's plan, Hartz, the Township and FSHC agreed to amend their prior November 2019 settlement to incorporate said resolution and certain other matters that have arisen since that time; 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, each binding itself, do hereby covenant and agree, each with the other, as follows:

Settlement Terms

The Township and FSHC hereby agree to the following general terms, subject to any relevant conditions set forth in more detail below, which terms replace in their entirety the prior agreement between the Township and FSHC executed in November 2019:

- 1. Cranford's "Rehabilitation" obligation is 85.
- 2. Cranford's "Prior Round" obligation is 148.
- 3. Cranford's allocation of the Round 3 regional need is 440.

4. FSHC and the Township agree that the 440 Round 3 regional need obligation is the number that multiple experts have used as an extrapolation of the Mercer County Opinion, which is not otherwise binding on either party except by way of this Settlement Agreement. Although the Township does not accept the basis of the methodology or calculations proffered by FSHC's consultant, FSHC contends, and is free to take the position before the Court, that the 440-unit Round 3 obligation should be accepted by the Court, because it is based on the Prior Round methodology and reflects a reduction of Dr. Kinsey's July 2016 and April 2017 calculation of the Township's Round 3 (1999-2025) fair share obligation.

5. For the purposes of this Agreement, the "Round 3 regional need" (also referenced as the "Third Round Prospective Need") shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999 to 2015 that need affordable housing, that was recognized by the Supreme Court in In re Declaratory Judgment Actions filed by Various Municipalities, 227 N.J. 508 (2017).

The Township, as calculated in Exhibit A, has a Round 3 realistic 6. development potential (hereinafter "RDP") of 140. In addition, for settlement purposes only, the Parties recognize that the Honorable Judge Kenny's January 16, 2019 Order In CDA vs the Township of Cranford, UNN-L-3759-08 is currently under appeal by the Township. FSHC has not taken (and will not take) a position relative to that appeal. At the time of the drafting of this settlement, the Township has requested a remand of the appeal to the trial court given the Township's settlement with Hartz Mountain, currently pending review at a fairness hearing. The Township reserves its right, via a fairness determination or other mechanism, to request that the trial court, given the subsequent settlement with Hartz Mountain, modify its prior decision to prohibit rental bonuses, and FSHC agrees to not oppose any such request. This settlement provides sufficient credits to satisfy the Township's additional obligation of 20 units, which are not eligible for bonus credits, pursuant to paragraph 9 of this Agreement. That said, to the extent the trial court approves this agreement and this provision, which expressly entitles the Township to claim the 20 rental bonus credits in the manner described in Paragraphs 9 and 11 to this agreement, the units would be treated as "surplus" units per Paragraph 11 on this agreement. The Township is obligated to pursue the compliance mechanisms provided for in this settlement irrespective of the outcome of any litigation pursuing reversal of the trial court's prior decision on bonuses.

7. <u>Satisfaction of the Rehabilitation Obligation</u>: The Township has an 85unit rehabilitation obligation. The Township plans to meet this obligation through participation in the Union County Housing Rehabilitation Program and through a supplemental municipally operated rehabilitation program that shall address the rental rehab requirement but which may also be utilized for for-sale rehabilitation. Said municipal program shall meet the requirements in <u>N.J.A.C.</u> 5:93-5.2.

8. <u>Satisfaction of the Prior Round Obligation</u>: The Township has a 148unit Prior Round obligation, which will be addressed as follows:

	Round Affordable Housin Cranford, Union County, N	0
Project	Affordable Units/Credits	Unit/Credit Type
	Prior Round Obligation	
Lincoln Apartments – Age- Restricted (Block 532, Lot 18.01)(maximum based on 25% of 148)	37	Age-Restricted Rentals
Riverfront Developers, LLC (Block 481; Lots 1.02, 2.01 and 3-9)	16	Non Age-Restricted Family Rentals
SERV Center of NJ (Block 514, Lot 3)	3	Special Needs Housing – 3 Bedroom Group Home
Birchwood Site (formerly Cranford Development Associates (CDA) Project)	34	Non Age-Restricted Family Rentals

(Block 291, Lot 15.01, Block 292, Lot 2)		
Lehigh Acquisition Project (Block 511, Lot 1) aka Woodmont	21	Non Age-Restricted Family Rentals
Subtotal	111	-
Rental Bonus Credits (Based on 25% of 148)	37	Rental Bonus Credits taken on 21 Lehigh Acquisition Project Units, 3 SERV Bedrooms and 13 Riverfront Units
Total	148	Units/Credits
Т	otal for Prior Round Plan	
Total Prior Round Obligation	148	

The plan components shown in the above table fully satisfy the minimums and maximums for the Prior Round, RCA cap (50% of Prior Round obligation), maximum age-restricted unit requirement (25% of Prior Round obligation less RCAs), minimum required rental units (at least 25% of Prior Round obligation), and maximum rental bonus credits (equal to rental obligation).

9. <u>Satisfaction of the Round 3 RDP</u>: The Township has a 140 unit Round 3 RDP + 20 additional units pursuant to paragraph 6 and shall satisfy that obligation as follows:

Project	<u>Units</u>	<u>Bonus</u>	<u>Status</u>
Riverfront – family rental	3	3	Existing
Woodmont – family rental	3	3	Existing
Needlepoint – family rental	1	1	Existing
Lincoln – Senior Rental	35 (of 63*)		Existing
Homefirst (18b Parkway Village)	4		Existing
Homefirst #2: (117 Benjamin)	3		Existing
Bridgeway (304 Lincoln)	2		Existing
SERV (125 Dietz Street)	4		Existing
Community Access Unlimited (CAU) 48 Johnson Ave	6		Existing
310 Centennial - Family rental	2	2	Under Construction
109 Walnut – Family rental	4	4	Constructed
North Ave Redevelopment – family rental	8	2	Proposed
Myrtle Special Needs	8	8	Proposed
201 Walnut (Wells Fargo) – Special Needs (37 total units)	8	7	Proposed
100 – 126 South Avenue (Block 478, Lots 1.01, 1.02 & 2-6) – Family rental 11 11 (55 total units)	11	11	

750 Walnut (Block 541, Lot 2) – Inclusionary	38	-	Proposed
Market-to-Affordable	5		Cranford agrees to provide a realistic opportunity for 5 units through a market-to- affordable program in accordance with the terms of paragraph 9.c of this Agreement.
CAU additional beds or other Group Home bedrooms	7		Cranford agrees to provide a realistic opportunity for 7 units of supportive housing in accordance with the terms of paragraph 9.d of this Agreement.
Total	152	35	
Grand Total	18	7]

- a. The plan components shown in the above table fully satisfy the minimums and maximums for the Third Round RDP, inclusive of maximum age-restricted units (25% of RDP less RCAs), minimum rental units (25% including at least half available to families), and maximum rental bonus credits (equal to rental obligation), including maximum rental bonus credits for age-restricted units (50% of rental obligation). Those maximums and minimums are predicated upon the cumulative 152-figure except that bonus credits are capped at 25% of the RDP pursuant to N.J.A.C. 5:93-5.15.
- b. As to the remaining 7 group home bedrooms, the Township has existing group homes at least the following locations that are not currently claimed for affordable housing credits: (the two CAU site and the one SERV
 - i. 54 Johnson CO date 8/25/1999 4 bedroom (Community Access Unlimited) (Block 403 lot 59);
 - ii. 112 Glenwood Rd 3 bedroom Community Access purchased September 2012;
 - iii. Edwards Place SERV, 5 bedrooms

The Township will undertake efforts to perfect and demonstrate credits for any combination of these credits with the approval of FSHC and report on progress as part of its annual reporting requirements pursuant to Paragraph 25 of this agreement. The Parties acknowledge that the existing CAU projects, consisting of 3 special needs bedrooms and located at 112 Glenwood Road and 4 units located at 54 Johnson may become eligible for affordable housing credits. The Parties acknowledge and agree that in order for these bedrooms to be eligible for affordable housing credits, the Township shall enter into separate agreements with both FSHC and CAU within 6 months after the issuance of a JOR in this matter requiring the group homes to continue to operate as eligible group homes. To the extent more than 7 credits are achieved, the Township reserves the right

to claim those credits towards its surplus, per Paragraph 11 or to utilize any credits in excess of 7 units to eliminate the MTA program. To the extent the units are not creditworthy and are not capable of becoming creditworthy, then the Township shall work with CAU, CIS, Bergen County United way and/or another experienced provider of supportive and special needs housing. In order to be eligible for bonus credits, by the final compliance hearing the Township will provide signed agreements with an experienced provider to provide that are eligible for bonus credits in accordance with N.J.A.C. 5:93.

- c. With respect to the Market-to-Affordable program, the Township shall complete at least 1 unit by July 1, 2022; at least 4 total units by December 31, 2023; and shall complete all 5 units by the end of the year 2024. At least 4 of the units shall be affordable to low-income households unless the Township has otherwise satisfied the requirement to provide half of its RDP as low-income units. The Parties agree that the Township is exempt from these scheduling requirements and the production of MTA units in the event that the Township identifies and generates 5 credits with any combination of supportive housing units or newly constructed municipally-sponsored affordable housing through Habitat for Humanity, CIS, BCUW or other non-profit entity. In either event, the Township is required to report on the MTA program or chosen alternative compliance technique(s) at the annual reporting as required by Paragraph 25 of this Agreement. Regardless of which mechanism is identified and utilized, the Township agrees to comply with all relevant COAH regulations and standards for mechanism, including N.J.A.C. 5:93-5.8 the given (Alternative living arrangements) and N.J.A.C. 5:93-5.5 (Municipally sponsored construction). At or before the time of compliance, the Township shall issue a report as part of its HEFSP that satisfies the conditions and requirements of N.J.A.C. 5:97-6.9.
- d. In accordance with <u>N.J.A.C.</u> 5:93-5.5, the Township recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments. 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 in the event that the funding request is not approved. The Township shall adopt a resolution of intent to fund for any shortfall associated with its municipally-sponsored programs. The municipality shall demonstrate its satisfaction of these obligations during the compliance phase of this matter.
- e. In accordance with <u>N.J.A.C.</u> 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 settlement. The municipality shall indicate the entity responsible for undertaking and monitoring

the construction and overall development activity. The municipality shall demonstrate its satisfaction of these obligations during the compliance phase of this matter.

f. Wells Fargo Redevelopment and 100 – 126 South Avenue (Block 478, Lots 1.01, 1.02 & 2-6) Within one year of the Court's approval of this Agreement, the Township shall adopt a redevelopment plan for 201 Walnut Avenue, Block 484, Lots 19.01 (the "Wells Fargo Site"), which shall permit up to 40 total units of residential housing, of which at least 8 units shall be affordable to low- and moderate-income households. Nothing in this Agreement shall preclude, nor require, the Township and the developer of the Wells Fargo site from agreeing to construct some of the units offsite as family affordable units and/or as special needs bedrooms, provided, however, that a) at least a 15% set aside is provided on site; and b) COAH's phasing requirements are followed relative to all units, both on and offsite. The Redevelopment Agreement shall specify that the affordable units shall be rental units.

10. With Respect to 750 Walnut Avenue (Block 541, Lot 2), the Parties agree that the Township will adopt a redevelopment plan, which will allow up to 250total residential units of which 15%, or up to 38 affordable family rental units in a manner consistent with the Hartz MOU, dated December 21, 2020 and attached hereto as **Exhibit C**.

FSHC and the Township agree that the Township shall have the right to 11. apply the 27-unit surplus (plus any eligible bonuses that may be associated with increases in RDP), in accordance with then-applicable law, and in accordance with required maximum and minimum standards, generated in excess of the Township's Round 3 RDP to any future changed circumstances, which would result in an increase in the Township's RDP. See Fair Share Housing Center v. Cherry Hill, 173 N.J. 393 (2002) ("Cherry Hill"). The Parties recognize that this figure will increase to 47 pursuant to Paragraph 6 of this Agreement if the Township's request described therein is approved by the Court. Should a suitable, available, approvable and developable site become vacant that had not been vacant, available, suitable or developable at the time of the VLA, and did not contribute to the Township's current 140-unit RDP ("additional site"), the Township would be entitled to apply any or all of the 27-unit surplus, as may be necessary, towards addressing the increase in RDP, provided that the Township shall be required to identify in a filing with the Court the additional site or additional sites, and the RDP generated by those sites consistent with N.J.A.C. 5:93-4.2, that it is applying all or part of the 27-unit surplus of the RDP, within forty-five (45) days after the Township becomes aware of the changed circumstance, on notice and opportunity to be heard to FSHC, the owner of the additional site or sites, and any other interested parties. To the extent a change in circumstances results in an increase in RDP that is larger than the Township's 27-unit surplus, the Township shall still have an obligation to address the portion of the RDP in excess of 27-unit surplus ("Residual RDP"), provided, however, that the Township shall maintain the right to satisfy any Residual RDP in a manner and location it deems appropriate pursuant to N.J.A.C. 5:93-4.2 and otherwise

consistent with the requirements of this Agreement and shall not be required to utilize the site generating the increase in RDP in order to satisfy the increase in RDP. The Township agrees that this provision specifically, and the interpretation of application of surplus units generally as it relates to other matters, has no bearing on any other settlement agreement entered into between FSHC and any other municipality. This provision is of no precedential value and cannot be used by either party or their respective attorneys as a mechanism of interpreting any other settlements in other declaratory judgment actions.

12. <u>Addressing the Remaining "Unmet Need"</u>: For the purposes of settlement, the Township agrees to address the 280-unit remaining portion of its allocation of the Round 3 regional need or "unmet need" through the following mechanisms:

- a) The Township will adopt overlay ordinances in the areas described herein and as depicted on Exhibit B to this Settlement Agreement.:
 - D-C Downtown Core District (Except Block 483, Lot 18 and Block 508, Lot 1, which will be treated as D-T pursuant to section 12.a.iii below) in a mixed-use zone permitting up to 40 residential units per acre with a 20% set aside for affordable housing;
 - D-B Downtown Business District in a mixed-use zone permitting up to 30 residential units per acre with a 20% set aside for affordable housing;
 - iii. D-T Downtown Transitional District (and 483, Lot 18 and Block 508, Lot 1) in a mixed-use zone permitting up to 25 residential units per acre with a 20% set aside for affordable housing;
 - iv. Park Street Block 555, lots 1, 2, 3, 7 at 12 units per acre
- b) The sites identified in paragraph 12(a)(i)-(iv) above will be overlaid with zoning for residential density and zoning standards that are consistent with this Agreement and Exhibit B to this Settlement attached hereto. Those standards provide a compensatory benefit by relaxing conditions that are required for residential development in the underlying zoning and by providing an increase in density. For inclusionary projects resulting from paragraph 12(a) the affordable set-aside percentage shall be 20 percent regardless of tenure. Nothing in the paragraph shall preclude the Township from adopting redevelopment plans in any of the overlay zones to address unmet need so long as the residential density and set aside is equal to or greater than the density and yield associated with the subject overlay zone.

c) Subject to all relevant notice and public hearing provisions pursuant to the New Jersey Municipal Land Use Law, prior to the Joint Fairness and Compliance Hearing in this matter, the Township will adopt an ordinance requiring a mandatory affordable housing set aside for all new multifamily residential developments of five (5) units or more. The set aside for developments shall be twenty percent (20%) regardless of tenure. The provisions of the ordinance shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a net increase in the number of dwellings of five or more, or to specific parcels or zones identified in other paragraphs of this agreement which shall be subject to the requirements specified therein. The form of the Ordinance shall be finalized prior to the Joint Fairness and Compliance Hearing through collaboration between FSHC, Special Master Lelie, and representatives of the Township. FSHC and the Township, in collaboration with the Special Master will agree upon the density upon which the ordinance shall be triggered in prior to the Compliance Hearing.

13. The Township's RDP shall not be revisited by FSHC or any other interested party absent a substantial changed circumstance and, if such a change in circumstance occurs with the RDP, the Township shall have the right to address the issue without negatively affecting its continuing entitlement to immunity from all <u>Mount Laurel</u> lawsuits through July 7, 2025. In addition, said substantial change in circumstances shall be governed by paragraph 11 above.

14. The Township agrees to require 13% of all the affordable units referenced in this plan, with the exception of units constructed prior to July 1, 2008, and units subject to preliminary or final site plan approval prior to July 1, 2008, to be very low income units (defined as units affordable to households earning 30 percent or less of the regional median income by household size), with half of the very low income units being available to families. During the compliance phase of this matter, the municipality will demonstrate its satisfaction of this obligation. The municipality will further address this obligation by requiring all unbuilt developments that are identified in this development and all developments that will be credited to unmet need to provide a 13% set-aside of affordable housing.

15. Cranford will apply "rental bonus credits" in accordance with <u>N.J.A.C.</u> 5:93-5.15(d).

16. At least 50 percent of the units addressing the Township's Third Round Prospective Need shall be affordable to a combination of very-low-income and lowincome households, while the remaining affordable units shall be affordable to moderate-income households.

17. At least twenty-five percent of the Township's Third Round Prospective Need shall be met through rental units, including at least half in rental units available to families.

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18. At least half of the units addressing the Township's Third Round Prospective Need in total must be available to families.

19. The Township agrees to comply with COAH's Round 2 age-restricted cap of 25 percent, and to not request a waiver of that requirement. The Parties agree that this cap applies to the Township's RDP + 20 units and is thus 25% of 151 for Round 3. This shall be understood to mean that in no circumstance may the Township claim credit toward its fair share obligation for age-restricted units that exceed 25 percent of all units developed or planned to meet its Prior Round and Third Round fair share obligations.

20. The Township and/or its Administrative Agent shall add the following entities to the list of community and regional organizations in its affirmative marketing plan, pursuant to <u>N.J.A.</u> (17 <u>C.</u> 5:80-26.15(f)(5): Fair Share Housing Center (510 Park Boulevard, Cherry Hill, NJ 08002), the New Jersey State Conference of the NAACP, the Latino Action Network (P.O. Box 943, Freehold, NJ 07728), the Homecorp Talbot Street, Montclair), Housing Partnership (2 East Blackwell Street, Suite 12, Dover), and Union County Housing Coalition. As part of its regional affirmative marketing strategies during implementation of its Housing Element and Fair Share Plan, the Township and/or its administrative agent shall also provide notice of all available affordable housing units to the above-referenced organizations.

All units shall include the required bedroom distribution, be governed by 21. 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. 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. The Township 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 the Township 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 the Township is located within (i.e. Region 2) 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 Township'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 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 D are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for FY 2020 and shall be utilized until the Township 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 <u>N.J.A.C.</u> 5:80-26.16(b)3 shall be calculated by the Township 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 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.

Upon full execution of this Agreement, Cranford shall notify the Court so 22. that a Hearing can be scheduled to approve the Agreement. In addition and prior to the Hearing, Cranford shall adopt an amended Housing Element and Fair Share Plan ("HEFSP"), a spending plan and all ordinances required by this Agreement, and seek Court approval of the amended plan and other required documents at a final Compliance Hearing. It is anticipated that this will occur in a joint "Fairness and Compliance Hearing" or the "Joint Hearing". Cranford will place this Agreement and the Amended HEFSP on file in the Township's municipal building and file a copy with the Court 45 days prior to the Fairness and Compliance Hearing, at which the Township will seek judicial approval the terms of this Agreement and its HEFSP pursuant to the legal standard set forth in 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. City of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Notice of the Joint Hearing shall be published at least 30 days in advance of the Joint Hearing. Although it is expected that the Special Master will provide the majority of the

required testimony at both the Joint Hearing, Cranford shall also make its consulting planner and any other relevant witnesses available for testimony at the Hearings. As long as the Affordable Housing Plan complies with the terms set forth herein, FSHC shall support the Township's application for approval of its Affordable Housing Plan at the Compliance Hearing. If the Court approves this Agreement after a Fairness Hearing, the parties hereto agree not to appeal the Court's approval. If the Court approves the Affordable Housing Plan following a Compliance Hearing, the parties agree that the Township will be entitled to either a "Judgment of Compliance and Repose" ("JOR") or the "judicial equivalent of substantive certification and accompanying protection as provided under the FHA," 221 N.J. at 6, which shall be determined by the trial judge. Each party may advocate regarding whether substantive certification or repose should be provided by the Court, with each party agreeing to accept either form of relief and to not appeal an order granting either repose or substantive certification. The parties further agree that the JOR shall insulate the Township and its Planning Board from, among other things, exclusionary zoning litigation through July 7, 2025.

23. Subsequent to the signing of this Agreement, if a binding legal determination by the Judiciary, the Legislature, or any administrative subdivision of the Executive Branch determines that Cranford's Round 3 obligation is decreased to 352 or less, with any relevant appeal periods having passed, the Township may file a proposed form of Order, on notice to FSHC and the Township's Service List, seeking to reduce its Round 3 obligation accordingly. Such relief shall be presumptively granted. Notwithstanding any such reduction, or in the event of a successful appeal pursuant to Paragraph 6 of this agreement, the Township shall be obligated to implement the Housing Element and Fair Share Plan prepared, adopted and endorsed as a result of this Agreement, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement, maintaining all mechanisms to continue to address the remaining portion of the Township's allocation of the Round 3 regional need, and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Township's obligation below what is established in this Agreement does not provide a basis for seeking leave to amend this Agreement or the Fair Share Plan adopted pursuant to this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Township prevails in reducing its prospective need for Round 3, the Township may carry over any resulting surplus credits to Round 4.

24. The Township shall prepare a Spending Plan for approval by the Court during, or prior to, the duly-noticed Compliance Hearing. FSHC reserves its right to provide any comments or objections on the Spending Plan to the Court upon review. Upon approval by the Court, the Township and FSHC agree that the expenditures of funds contemplated in the Township's Spending Plan shall constitute the "commitment" for expenditure required pursuant to <u>N.J.S.A.</u> 52:27D-329.2 and -329.3, with the four-year time period contemplated therein commencing in accordance with the provisions of applicable law. Upon approval of its Spending Plan, the Township shall also provide an annual <u>Mount Laurel</u> Trust Fund accounting report to the New Jersey Department of Community Affairs, Council on Affordable Housing, Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to FSHC 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.

25. On the first anniversary of the Judgment of Compliance and Repose, and every anniversary thereafter through the end of this Agreement, the Township 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 FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC. In addition to the foregoing, the Township may also post such activity on the CTM system and/or file a copy of its report with the Council on Affordable Housing or its successor agency at the State level.

26. The Fair Housing Act includes two provisions regarding actions to be taken by the Township during the ten-year period of protection provided in this agreement. The Township agrees to comply with those provisions as follows:

- a) For the midpoint realistic opportunity review due on July 7, 2020, as required pursuant to <u>N.J.S.A.</u> 52:27D-313, the Township will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether the mechanisms to meet unmet need should be revised or supplemented. Such posting shall provide the opportunity for the aforementioned entities to submit comments to the municipality regarding whether any sites no longer present a realistic opportunity and should be replaced and whether the mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the Court regarding these issues.
- b) For the review of very low income housing requirements required by <u>N.J.S.A.</u> 52:27D-329.1, within 30 days of the third anniversary of the Judgment of Compliance and Repose, and every third year thereafter, the Township will post on its municipal website, with a copy provided to FSHC, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall provide the opportunity for entities to submit comments to the municipality and FSHC on the issue of whether the municipality has complied with its very low-income housing obligation under the terms of this settlement.
- c) In addition to the foregoing postings, the Township may also elect to file copies of its reports with the Council on Affordable Housing or its successor agency at the State level.

27. This Agreement may be enforced by the Township or FSHC through a motion to enforce litigant's rights or a separate action filed in Superior Court, Union County. If FSHC determines that such action is necessary, the Township consents to the entry of an order providing FSHC party status as an intervenor solely for purposes of its motion to enforce litigant's rights.

28. The Township will ensure that the sum of \$50,000 in payment of fees and costs is conveyed to Fair Share Housing Center within 60 days of the approval of this Agreement by court order following a Fairness Hearing or if a joint fairness and compliance hearing is scheduled, a Joint Hearing as described in paragraph 22. The Township may enter into a separate agreement with Developer(s) for the payment of the entire fee of \$50,000.00 to be paid to FSHC, but failure to secure payment from Developer(s) shall not remove the requirement that \$50,000.00 shall be conveyed to FSHC within 30 days of the approval pursuant to a duly-noticed fairness hearing or Joint Hearing. The Township agrees to enter into agreements with the developers that require the payment of the funds to their counsel to be held in escrow within 30 days of the agreements between the Township and intervenors and before the fairness hearing in this matter.

29. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement. However, if an appeal of the Court's approval or rejection of the Settlement Agreement is filed by a third party, 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 the Settlement Agreement if the Agreement is approved by 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 return to the *status quo ante*. In this regard, the Township and FSHC acknowledge that the parties have entered into this Agreement to settle the litigation and that each is free to take such position as it deems appropriate should the matter return to the *status quo ante*.

30. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

31. 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.

32. This Agreement may not be modified, amended or altered in any way except by a writing signed by both the Township and FSHC.

33. 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.

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

35. The Township and FSHC acknowledge that this Agreement was not drafted by the Township and FSHC, but was drafted, negotiated and reviewed by representatives of the Township and FSHC and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. The Township and FSHC expressly represent that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the persons executing it.

36. 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 the Township and FSHC.

37. This Agreement constitutes the entire Agreement between the Township and FSHC hereto and supersedes all prior oral and written agreements between the Township and FSHC with respect to the subject matter hereof except as otherwise provided herein.

38. No member, official or employee of the Township shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

39. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which representatives of the Township and FSHC have executed and delivered this Agreement.

40. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the Township and FSHC 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:

Adam Gordon, Esq. Fair Share Housing Center 510 Park Boulevard Cherry Hill, NJ 08002 Phone: (856) 665-5444 Telecopier: (856) 663-8182 Email: adamgordon@fairsharehousing.org

TO THE TOWNSHIP: Michael J. Edwards, Esq. Jeffrey R. Surenian & Associates, LLC 707 Union Avenue, Suite 301 Brielle, NJ 08730 Phone: (732) 612-3100 Telecopier: (732) 612-3101 Email: MJE@Surenian.com

WITH A COPY TO THE TOWNSHIP ADMINISTRATOR:

Township Administrator Township of Cranford Jamie Cryan Cranford, NJ 07016 Email: j-cryan@cranfordnj.org

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

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

Witness/Attest:

FAIR SHARE HOUSING CENTER:

By: _

Adam Gordon, Esq. On Behalf of Fair Share Housing Center

Dated: $\Im - \Im / .2021$

Witness/Attest:

TOWNSHIP OF CRANFORD:

Karken Ch. fendhan By:

Kathleen Miller Pruhty, Maydr On Behalf of the Township of Cranford

EXHIBIT A Vacant Land Analysis

ATTACHMENT A LAND INVENTORY TABLES

Class 1 (Private Vacant), Class 3A/3B (Farmland), and 4A (Commercial) Lands Cranford Township, Union County, NJ

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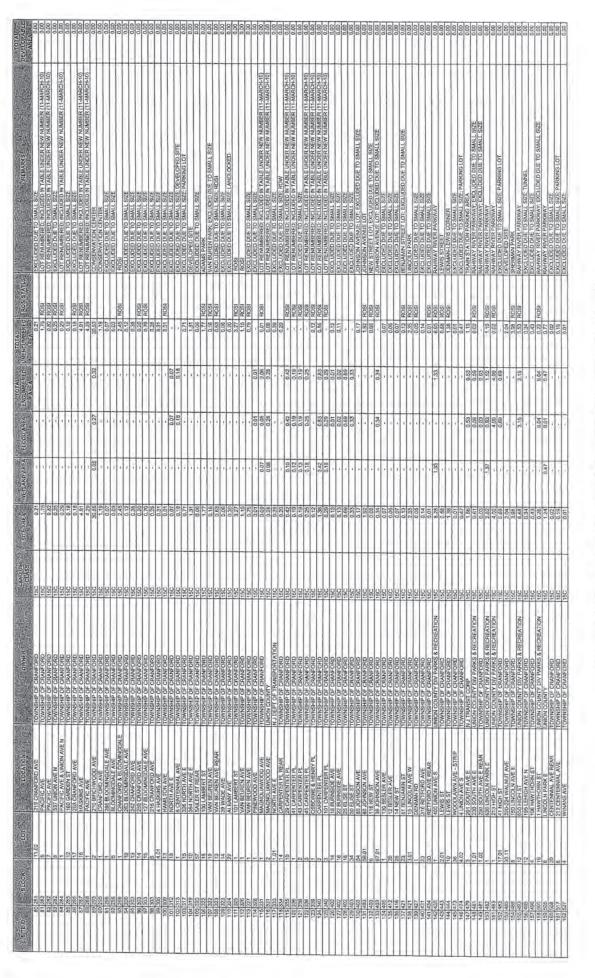
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Class 15C (Public) Lands Cranford Township, Union County, NJ

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	hird Round RDP Calcu anford, Union County, 1	
Project	Density	RDP
RDP established by JOR (2013) For Block 573, Lots 9, 10 & 12.02, Block 574, Lots 14 & 15, and Block 606, Lots 1, 2, 3, 4 & 5	8 units/acre	5 units
Ch	anged Circumstances	-
310 Centennial Avenue Project (Block 525, Lot 5) Approved via Zoning Board of Adjustment Resolution dated April 24, 2017. Mixed-use three- story project located in the Village Commercial District consisting of 20 residential apartments located on the second and third floors with retail use on the first floor. In the absence of a Mandatory Set-Aside Ordinance at the time of approval, the Township signed a Settlement Agreement with the property owner stipulating that the Owner will deed-restrict two (2) of the Project's one-bedroom units as affordable housing units.	41.67 units/acre	41.67 DU/AC x 0.48 acres → 4 affordable unit set-aside
Hartz Mountain (Block 541, Lot 2) The December 21, 2020 MOU with Hartz provides for rezoning of 15.25 of the 30.5 acre site to permit 212 market units and 38 affordable units.	16.39 units/acre	16.39 DU/AC x 30.5 acres = $500 \rightarrow 100$ affordable unit set-aside
109 Walnut (Block 478, Lots 10, 11, 12 & 13) Approved via Zoning Board of Adjustment Resolution dated June 19, 2017. Mixed-use three- story project located in the Downtown Business District consisting of 24 residential apartments located on the second and third floors with a restaurant and residential parking on the	50 units/acre	50 DU/AC x 0.48 acres = 24 → 5 affordable unit set-aside

first floor. The resolution stipulated that "there shall be one one-bedroom apartment that is affordable, two two-bedroom apartments that are affordable, and one three-bedroom apartment that is affordable".		
North Avenue Redevelopment Block 193 (Block 193, Lots 10, 11, 12, 13, 14 & Portion of 6.01) Properties are located in the Downtown Core District. Lots 6.01 and 14 are Township owned—Lots 10, 11, 12 & 13 are privately owned.	30 units/acre	30 DU/AC x 1.41 acres = 42 → 8 affordable unit set-aside
201 Walnut (Wells Fargo) – Family Rental	47 units/acre	47 DU/AC x .846 acres = 40 →8 affordable unit set- aside
Riverfront – Family Rental (Block 481; Lots 1.02, 2.01 & 3-9)	38.5 units/acre	3 unit RDP*
Woodmont – Family Rental (Block 511, Lot 1)	32 units/acre	3 unit RDP*
Needlepoint – Family Rental (Block 480, Lot 1)	3 total units on roughly .09 acres	1 affordable unit set-aside
Myrtle Special Needs (Block 574, Lots 14 & 15 & Block 573, Lot 9) (inclusionary) the group home is: (Block 573, Lots 12.02 & 10)	10 units/acre	10 DU/AC x $.919 = 10$ units \rightarrow 2 affordable unit set-aside
	Existing Sites	
SERV (Block 569, Lot 8)		1 bedrooms
	Total	RDP = 140 units
*The RDP for both Riverfront and to address the Round 3 RDP.	wooamont represent the	portion of the project utilized

<u>EXHIBIT B</u> Overlay Zones



EXHIBIT C Hartz MOU

MEMORANDUM OF UNDERSTANDING FOR SETTLEMENT

THIS MEMORANDUM OF UNDERSTANDING ("MOU") made this <u>21st</u> day of <u>December</u>, 2020, by and between:

TOWNSHIP OF CRANFORD, a municipal corporation of the State of New Jersey, County of Union, having an address at _____, Cranford, New Jersey ______ (hereinafter the "Township") and HARTZ MOUNTAIN INDUSTRIES, INC. ("Hartz" or "Hartz") and with the Township, collectively referred to herein as the "Parties") as of _____ December 2020 (the "Effective Date").

WHEREAS, in response to the New Jersey Supreme Court's decision 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), on or about July 2, 2015, the Township filed an action with the Superior Court of New Jersey ("Court"), entitled In the Matter of the Application of the Township of Cranford, County of Monmouth, Docket No MON-L-6026-08, seeking a Judgment of Compliance and Repose approving its Affordable Housing Plan (as defined herein), in addition to related reliefs (the "DJ Action"); and

WHEREAS, the Township simultaneously sought and ultimately secured an Order protecting Cranford from all exclusionary zoning lawsuits while it pursues approval of its Fair Share Plan; and

WHEREAS, Hartz, by and through certain subsidiaries, is the fee owner of real property, comprised of roughly 30.5 total acres, identified on the Tax Map of the Township of Cranford as Block 541, Lot 2, Qualifiers C01 through C07, and known as 750 Walnut Avenue (the "Property").; and

WHEREAS, Hartz participated in the Township's Declaratory Judgment Action via intervention;

WHEREAS, the Parties have reached an agreement that Hartz will develop the Property to include, among other things, an inclusionary project consisting of units which will be set-aside for very low, low and moderate income households ("Inclusionary Development"), which Inclusionary Development is part of the Township's Compliance Plan that is subject of a settlement agreement between the Township and Fair Share Housing Center ("FSHC Settlement Agreement"); and

WHEREAS, the Parties wish to enter into this MOU which sets forth the terms, conditions, responsibilities and obligations of the Parties relative to creating a realistic opportunity to develop the Inclusionary Development.

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, agree to the terms set forth as follows:

ARTICLE I – BASIC TERMS AND CONDITIONS

1.1 **Purpose.** The purpose of this MOU is to memorialize the material terms of the parties' agreement to create a realistic opportunity for the construction of the Inclusionary Development, in addition to certain non-residential use as described herein, and to generate 38 affordable housing credits (plus applicable bonus credits) for the Township to apply to its Gap (1999-2015) and Round 3 (2015-2025) affordable housing obligations. The Township shall adopt a redevelopment plan that will allow the Inclusionary Development proposed by this MOU, in accord with the timeframes and standards set forth.

1.2 This MOU memorializes the terms and conditions by which the Parties agree to include the Property as an inclusionary development site as part of the Township's Compliance Plan. The Parties agree to cooperate in the preparation of a fully integrated agreement containing all of the terms and conditions, including the material terms contained herein, of the Parties' agreement as well as to ensure that the Court approves the FSHC Settlement Agreement on the same terms as set forth herein.

ARTICLE II – HARTZ OBLIGATIONS

2.1 The Property. The Property is roughly 30.5 total acres, identified on the Tax Map of the Township of Cranford as Block 541, Lot 2, Qualifiers C01 through C07, and known as 750 Walnut Avenue. The Property will be subdivided in roughly two equal halves (roughly 15.25 acres each) in a manner substantially consistent with the concept plan attached hereto as **Exhibit A**. As described in Section 2.2 of this Agreement, half of the site under the Redevelopment Plan shall permit an inclusionary project consisting of 250 total market rate units, of which 15% or 38 units shall be affordable to the region's low and moderate income households (the "Inclusionary Development"). Under the Redevelopment Plan, the balance of the site shall permit approximately 240,000 s.f. of non-residential uses in no more than two buildings as illustrated by the attached concept plan.

2.2 Inclusionary Development. Hartz is firmly committed to and will develop its Inclusionary Development to include an inclusionary project yielding 38 family affordable rental housing units. The affordable housing set-aside shall be 15% of the rental market-rate units.

2.3 Affordable Housing Set-Aside. Hartz shall have an obligation to deed-restrict 38 of the residential units in the Inclusionary Development as very low, low and moderate income family affordable rental units. Any such affordable units shall comply with UHAC, applicable COAH affordable housing regulations, any applicable order of the Court, and other applicable laws. In addition, the affordable units shall remain affordable rental units for a period of at least thirty (30) years from the date of their initial occupancy ("Deed-Restriction Period"), which period may be extended by the Township, so that the Township may count the units against its obligations to provide affordable housing. This obligation includes, but is not limited to Hartz's obligation to comply with (1) bedroom distribution requirements, (5) candidate qualification and screening requirements, (6) integrating the affordable units amongst the market rate units, and (7) deed restriction requirements. The distribution of the affordable housing units shall be in compliance

with COAH's Round Two substantive regulations, <u>N.J.A.C.</u> 5:93 (and N.J.A.C. 5:97-6.6 governing Redevelopment), which the Parties believe will govern the issue, or as approved by the Special Master and the Court. The Fair Housing Act's definition of very low-income shall control for purposes of the Hartz's obligation to provide very low-income units. Hartz agrees to comply with UHAC bedroom distributions for very-low income units in the same distribution as required for low-income units.

2.4 **Obligation to Support FSHC Settlement Agreement and Township's HEFSP.** As it pertains to the Township's application for approval of its Settlement Agreement with FSHC and Housing Element and Fair Share Plan, as may be amended, provided the Township is not in default under this Agreement, the Developer, including any affiliated entities, shall not directly or indirectly oppose or undertake any further action to interfere with the Court's adjudication of the Township's affordable housing obligations and compliance standards. Provided the Township is not in default under this Agreement, the Hartz shall also not directly or indirectly oppose or undertake any further action to interfere with the Court's approval and/or implementation of the Township's Housing Element and Fair Share Plan, as it may be amended in any form, unless the Housing Element and Fair Share Plan deprives the Hartz of any rights created hereunder, or unless the Township or any other defendants or interested parties in the Township's DJ Action undertake any action to obstruct or impede the Hartz from securing such approvals as it needs to develop the Project contemplated herein or unless Hartz is prevented by any third party from effectuating the development contemplated in this Agreement. In addition, Hartz, or its successors, assigns, or operating under a different form of limited liability corporation or other business entity identified in this Agreement, shall not seek to develop another parcel in the Township with a market rate, inclusionary or one hundred percent (100%) affordable project, unless said project has been specifically authorized and approved by the Township, the Township Planning Board or the Township Zoning Board. Hartz and any successors in interest shall not make any arguments relative to the Property's creation of Realistic Development Potential ("RDP") and/or treatment as an RDP Site as opposed to an unmet need mechanism in Round 3 or any subsequent affordable housing Round in the future.

2.5 Obligation to Offset Certain Costs Associated With This Settlement and the Associated Fairness Hearing. The Hartz acknowledges that they shall be responsible to pay to FSHC \$25,000 for legal and professional fees associated with the Hartz objections and FSHC attorney fees relating to the Property.

2.6 Applications: Except as modified by the Redevelopment Plan or Agreement, Hartz shall submit all applications for development in a manner substantially consistent with the Concept Plan attached to this Agreement as Exhibit A.

2.7 Dismissal of Pending Actions: Within 21 days of the execution of this Agreement, Hartz shall dismiss and/or withdraw its opposition to, as applicable, with prejudice, and without allocation of costs and fees, the following actions:

Pending Before the County of Union Taxation Board Tax Court:

H-Cranford Credit L.P v. Cranford Township, Nos. 004669-2018, 004485-2019, 003080-

2020, pertaining to 750 Walnut Avenue, Block 541, Lot 2, C02 & C03;

H-Cranford Conduit L.P. v. Cranford Township, Nos. 004673-2018, 004474-2019, 003073-2020, pertaining to 750 Walnut Avenue, Block 541, Lot 2, C01;

With respect to *Trinitas Regional Medical Center v. Cranford Township*, Docket No. 006389-2017, pertaining to 750 Walnut Avenue, Block 541, Lot 2, C01, Hartz waives application of the Freeze Act with respect to any property tax reduction arising therefrom.

Pending before the Superior Court, Law Division:

Hartz Mountain Industries, Inc., LLC, et al. v. Township of Cranford, et al., No. UNN-L-3679-19;

Pending before the Superior Court, Appellate Division:

Hartz Mountain Industries, Inc. et al. v. Township of Cranford, et al., No. A-003218-19; and

Cranford Development Assocs., LLC, et al. v. Township of Cranford and Hartz Mountain Indus. Inc., et al., No. A-002812-18.

Hartz further waives all rights to enforce the February 28, 2020 Order Granting Plaintiffs' Motion for Counsel Fees in the action *Hartz Mountain Industries, Inc. et al. v. Township of Cranford, et al.*, No. UNN-L-1051-19 (N.J. Super. Ct.)

Relative to *Cranford Development Assocs., LLC, et al. v. Township of Cranford and Hartz Mountain Indus. Inc., et al.*, No. A-002812-18. The Parties agree that Hartz will withdraw its opposition to the appeal and the Parties will jointly request that the matter be remanded to the trial court in the context of approval of this Agreement and/or the Fair Share Housing Center Agreement. In either event, Hartz agrees not to challenge the ability of the Township to claim rental bonus credits on any prior affordable housing project, including the Birchwood project.

ARTICLE III TOWNSHIP OBLIGATIONS

3.1. Obligation To Adopt A Redevelopment Plan. The Township shall adopt the amended Redevelopment Plan required to permit the development of the Property in a manner consistent with the terms of this Agreement. The Township shall designate Hartz as the Redeveloper. Hartz shall provide the Township with the standards, and requirements of the proposed Redevelopment Plan within one (1) month from the date of this MOU. The Township and Hartz will cooperate in a mutually collaborative effort to adopt the Redevelopment Plan, including with revisions if appropriate, within three (3) months from date the Township receives the proposed Plan from Hartz.

3.2 Payment In Lieu Of Taxes For The Inclusionary Development. Upon adoption of the Redevelopment Plan, in connection with the Inclusionary Development only, Developer shall submit an application to the Township for a PILOT (also known as a Financial Agreement)

under the LTTE Law for a maximum term of 30 years. The Township has reviewed preliminary financial data from Hartz and acknowledges that such data indicates the need for a Long Term Tax Exemption, and that such exemption is likely appropriate for the Project. The Developer's PILOT application shall comply with the requirements of the LTTE Law. The Township shall consider and approve a PILOT for the Inclusionary Development for a maximum term of 30 years, which provides for an annual service charge (as defined in the LTTE Law) of 11.5% of gross revenue in years 1-10, 12.5% of gross revenue in years 11-20 and 13.5% of revenue in years 21-30. The PILOT is a material and essential term of the settlement.

3.3 Obligation to Process Hartz's Land Use Applications with Reasonable Diligence. The Parties expect and agree that the Township Planning Board shall process Hartz's development applications with reasonable diligence following Court approval of this Agreement following a duly noticed Fairness Hearing in accordance with N.J.A.C. 5:93-10.1(a) and within the time limits imposed by the MLUL.

3.4. Obligation to Refrain From Imposing Cost-Generative Requirements. The Property shall be exempt from cost generative features of the Township Code pursuant to <u>N.J.A.C.</u> 5:93-10.1.

3.4 Dismissal of Pending Actions: Within 21 days of the execution of this Agreement, the Township shall dismiss and/or withdraw its opposition to, as applicable, with prejudice, and without allocation of costs and fees, the following actions:

Pending before the Superior Court, Appellate Division:

Hartz Mountain Industries, Inc. et al. v. Township of Cranford, et al., No. A-003218-19.

ARTICLE IV – MUTUAL OBLIGATIONS

4.1 Tolling of Limitations Periods. The Parties shall forbear and postpone the filing, commencement, and prosecution of any legal or equitable action related to the Property, if any, commencing on the Effective Date of this Agreement and continuing until the execution of the final agreement contemplated in Section 1.2 (the "Tolling Period"). The Tolling Period shall not be included in computing any limitations period, including but not limited to the period described in N.J. Court Rule 4:69-6(b)(3), nor will the Tolling Period be considered in support of a laches defense or any other time-based doctrine or defense, rule, or statute otherwise limiting any Party's right to preserve and prosecute any claim. Nothing in this Agreement shall have the effect of reviving any claims that are otherwise barred by any statute of limitations or other limitations period prior to the Effective Date. Nothing in this Agreement shall preclude any Party from initiating Claims or other legal action against the other Party after the expiration or termination of the Tolling Period.

4.2 Obligation To Comply with State Regulations: The Parties shall comply with any and all Federal, State, County and local laws, rules, regulations, statutes, ordinances, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses, approvals, and similarly binding authority, applicable to the Development, or the performance by the Parties of

their respective obligations or the exercise by the Parties of their respective rights in connection with this Agreement.

4.3 Mutual Good Faith, Cooperation and Assistance. The Parties shall exercise good faith, cooperate, and assist each other in fulfilling the intent and purpose of this Agreement, including, but not limited to, the introduction and adoption of the Redevelopment Plan, the Required Approvals, the development of the Property consistent with the terms hereof, and the defense of any challenge with regard to any of the foregoing. Neither party shall take any action the effect of which would be subvert or impair right and obligation of the parties herein.

4.4 Notices: Any notice or transmittal of any document required, permitted or appropriate hereunder and/or any transmittal between the Parties relating to the Property or this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or recognized overnight or personal carrier such as, for example, United Parcel Service, with certified proof of receipt, and in addition, where feasible (for example, any transmittal of less than fifty (50) pages), by electronic mail. All Notices shall be deemed received upon the date of delivery set forth in such certified proof, and all times for performance based upon notice shall be from the date set forth therein. Delivery shall be effected 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 DEVELOPER:

Hartz Mountain Industries, Inc. 400 Plaza Drive Secaucus, New Jersey 07094

With a copy to:

James P. Rhatican, Esq. Hartz Mountain Industries, Inc. 400 Plaza Drive Secaucus, New Jersey 07094

With a copy to:

Henry Kent-Smith Fox Rothschild, LLP 997 Lenox Dr Lawrenceville, NJ 08543

TO THE TOWNSHIP:

Jamie Cryan, Township Administrator Township of Cranford 8 Springfield Avenue Cranford, NJ 07016

With a Copy to: Michael Edwards, Esq. Surenian, Edwards & Nolan LLC 707 Union Avenue, Suite 301 Brielle, NJ 08730 Phone: (732) 612-3100 E-mail: mje@surenian.com

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

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

Witness/Attest:

Patrice Tonohne Dated: 12/21/20

TOWNSHIP OF CRANFORD

By: Truck Patrick Giblin: Mayor

Witness/Attest:

HARTZ MOUNTAIN INDUSTRIES, INC.

By:_____

Dated:

Cranford, NJ 07016

Michael Edwards, Esq. With a Copy to: Surenian, Edwards & Nolan LLC 707 Union Avenue, Suite 301 Brielle, NJ 08730 Phone: (732) 612-3100 E-mail: mje@surenian.com

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

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

Witness/Attest:

Patric Con he

TOWNSHIP OF CRANFORD

By: Vature

Dated:

Witness/Attest:

ec. 16. 2020

Dated: /

HARTZ MOUNTAIN INDUSTRIES, INC,

By:

JAMES P. RHATICAN Vice President

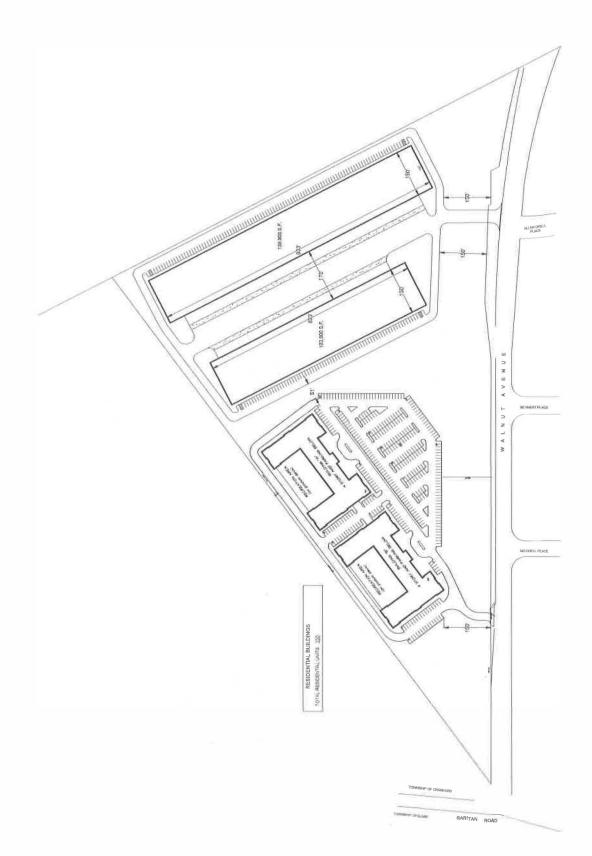


EXHIBIT D 2020 Income Limits

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - April 24, 2020 2020 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person		ncrease Sales***	Regional Asset Limit****
Region 1	Median	\$67,166	\$71,964	\$76,761	\$86,357	\$95,952	\$99,790	\$103,628	\$111,304	\$118,980	\$126,656			
Bergen, Hudson,	Moderate	\$53,733	\$57,571	\$61,409	\$69,085	\$76,761	\$79,832	\$82,902	\$89,043	\$95,184	\$101,325	1.9%	0.84%	\$185,539
Passaic and Sussex	Low	\$33,583	\$35,982	\$38,381	\$43,178	\$47,976	\$49,895	\$51,814	\$55,652	\$59,490	\$63,328			****
	Very Low	\$20,150	\$21,589	\$23,028	\$25,907	\$28,786	\$29,937	\$31,088	\$33,391	\$35,694	\$37,997			
Region 2	Median	\$73,857	\$79,132	\$84,408	\$94,959	\$105,510	\$109,730	\$113,951	\$122,391	\$130,832	\$139,273			
Essex, Morris,	Moderate	\$59,085	\$63,306	\$67,526	\$75,967	\$84,408	\$87,784	\$91,160	\$97,913	\$104,666	\$111,418	1.9%	4.71%	\$202,419
	Low	\$36,928	\$39,566	\$42,204	\$47,479	\$52,755	\$54,865	\$56,975	\$61,196	\$65,416	\$69,636			0202,125
	Very Low	\$22,157	\$23,740	\$25,322	\$28,488	\$31,653	\$32,919	\$34,185	\$36,717	\$39,250	\$41,782			
Region 3	Median	\$83,650	\$89,625	\$95,600	\$107,550	\$119,500	\$124,280	\$129,060	\$138,620	\$148,180	\$157,740			
Hunterdon,	Moderate	\$66,920	\$71,700	\$76,480	\$86,040	\$95,600	\$99,424	\$103,248	\$110,896	\$118,544	\$126,192	1.9%	1.01%	\$227,546
Middlesex and	Low	\$41,825	\$44,813	\$47,800	\$53,775	\$59,750	\$62,140	\$64,530	\$69,310	\$74,090	\$78,870	1.3%	1.01%	\$227,540
Somerset	Very Low	\$25,095	\$26,888	\$28,680	\$32,265	\$35,850	\$37,284	\$38,718	\$41,586	\$44,454	\$47,322			
Region 4	Median	\$76,469	\$81,931	\$87,393	\$98,317	\$109,242	\$113,611	\$117,981	\$126,720	\$135,460	\$144,199			
Mercer,	Moderate	\$61,175	\$65,545	\$69,915	\$78,654	\$87,393	\$90,889	\$94,385	\$101,376	\$108,368	\$115,359	1.9%	5.96%	\$205,486
Monmouth and	Low	\$38,235	\$40,966	\$43,697	\$49,159	\$54,621	\$56,806	\$58,990	\$63,360	\$67,730	\$72,099	1.5%	3.30%	\$205,400
Ocean	Very Low	\$22,941	\$24,579	\$26,218	\$29,495	\$32,772	\$34,083	\$35,394	\$38,016	\$40,638	\$43,260			
Region 5	Median	\$67,620	\$72,450	\$77,280	\$86,940	\$96,600	\$100,464	\$104,328	\$112,056	\$119,784	\$127,512			
Burlington,	Moderate	\$54,096	\$57,960	\$61,824	\$69,552	\$77,280	\$80,371	\$83,462	\$89,645	\$95,827	\$102,010	1.9%	7.21%	\$179,028
Camden and	Low	\$33,810	\$36,225	\$38,640	\$43,470	\$48,300	\$50,232	\$52,164	\$56,028	\$59,892	\$63,756	1.5%	7.2170	\$175,028
Gloucester	Very Low	\$20,286	\$21,735	\$23,184	\$26,082	\$28,980	\$30,139	\$31,298	\$33,617	\$35,935	\$38,254			
Region 6	Median	\$57,458	\$61,562	\$65,666	\$73,874	\$82,083	\$85,366	\$88,649	\$95,216	\$101,782	\$108,349			
Atlantic, Cape	Moderate	\$45,966	\$49,250	\$52,533	\$59,100	\$65,666	\$68,293	\$70,919	\$76,173	\$81,426	\$86,679	1.9%	6.97%	\$153,730
May, Cumberland,	Low	\$28,729	\$30,781	\$32,833	\$36,937	\$41,041	\$42,683	\$44,325	\$47,608	\$50,891	\$54,175	1.370	0.3776	\$155,750
and Salem	Very Low	\$17,237	\$18,469	\$19,700	\$22,162	\$24,625	\$25,610	\$26,595	\$28,565	\$30,535	\$32,505			

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 (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, 2015, 2017, 2018 or 2019 because of the lack of authority to do so, may increase rent by up to the applicable combined percentage including 2020 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.