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Cranford Township Planning Board
8 Springfield Avenue
Cranford, NJ, 07016

Date: February 21, 2023

Re: Iron Ore

Major Preliminary & Final Major Site Plan

Locations: 201 Walnut Avenue, Cranford, NJ | Block 484, Lot 19.01 / 108-126 South Avenue East, 32 High Street & 2 Chestnut Street | Block 478, Lots 2-6 and Block 483, Lot 18

Application No: PB-22-003

Zone: Downtown Transition Zone District & Rehabilitation Area

Dear Chairman Kellett and Board Members:

As requested, CGP&H, acting as the Township's Affordable Housing Administrative Agent, has reviewed the above application in consideration of the Township and State of New Jersey affordable housing requirements. I have also reviewed the recently adopted Redevelopment Plan prepared by the Topology. I provide the following comments to the board for its consideration.

Applicability of Settlement Agreement with FSHC & Judgement of Compliance and Repose

The above referenced project was included in the Township's 2/24/21 Amended Settlement Agreement (SA) with Fair Share Housing Center (FSHC), where it was identified as an eight (8) unit special needs rental project at 201 Walnut and an 11-unit family rental at 100-126 South Avenue. On 7/5/22 the Township received its Judgment of Compliance and Repose (JOR) from the Court which identified the development at 201 Walnut to yield eight (8) special needs and the site at 108-126 South Avenue East as yielding 11 affordable family rental units. The SA also requires that "The municipality will require (sic) all unbuilt developments that are identified in this development (sic) and all developments that will be credited to unmet need to provide a 13% set-aside of affordable housing."

South Avenue + Chestnut Street Redevelopment Plan

Under Section 3.3 Goals + Objectives of the Redevelopment Plan, paragraph B states the following:

2. *Assist the Township in meeting its affordable housing obligations by creating a realistic opportunity for developing affordable housing.*
3. *Establish a mixture of affordable and market-rate units to ensure accessibility to households at a range of income levels.*

Additionally, section 4.13 Affordability requires the following as it relates to affordable housing:

- *At least 20% of the total number of dwelling units pursued under this Redevelopment Plan shall be set aside and made available to the region's very low-, low- and moderate-income households (the "Affordable Units"). All affordable units shall comply with the Township's Affordable Housing Ordinance.*
- *At least fifty-five percent (55%) of all Affordable Units shall be family rental units and shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. (UHAC"), including but not limited to the required bedroom and income distribution, with the sole exception that fifty percent (50%) of the Affordable Units within each bedroom distribution shall be required to be for low- or very-low-income households earning less than fifty percent (50%) or thirty percent (30%) of the median income, respectively.*
- *The income and bedroom distributions...shall apply within each income strata (low-, very low- and moderate-income). Further, the Affordable Units shall be subject to affordability controls of at least 30 years and affordable deed restrictions as provided for by UHAC.*
- *The Affordable Units shall be integrated with the market units and shall not be concentrated in separate building(s) or in separate area(s) from the market units. In buildings with multiple dwelling units, this shall mean that the Affordable Units shall be generally distributed within each building with market units.*
- *The residents of the Affordable Units shall have full and equal access to all of the amenities, common areas, and recreation areas and facilities as the market units*

South Avenue + Chestnut Street Redevelopment Agreement

Under Section 4.05 Affordable Housing Obligation of the Redevelopment Agreement, it was agreed to that:

*(a) The Project shall include affordable housing units sufficient to create affordable housing credits that comply with the Fair Housing Act ("FHA") N.J.A.C. 5:93 and in conformance with the Uniform Housing Affordability Controls ("UHAC"), N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, **equal to at least twenty-percent (20%) of the total dwelling units constructed (fractional units round up)**. At least 50% of all units shall be low or very low income. Very low income shall be defined pursuant to the FHA. All units shall be deed restricted for a period of at least 30 years. The Parties agree that...at least 55% will be treated as family affordable rental units. The developer shall comply with ... UHAC bedroom distribution requirements within each income strata, except for those units provided pursuant to Section 4.05(b) hereof, regardless of*

units that may be constructed offsite. Notwithstanding the foregoing, Redeveloper shall not be precluded from constructing some of the units offsite as family affordable rental units and/or special needs bedrooms, provided, however, that at least a 15% set aside is provided on site. All affordable units, shall comply with the phasing requirements on N.J.A.C. 5:93-5.6(d)

(b) The Redeveloper shall also, within the Walnut Avenue Phase of the Project, construct a four-bedroom group home that shall be operated by a non-profit organization or operator otherwise experienced to operate a group home (the "Group Home"), as well as two two-bedroom independent living units for occupants with special needs ("Independent Living Units"). The Township and Redeveloper agree and acknowledge that each dwelling room in the Group Home and Independent Living Units shall count as a dwelling unit for the Redeveloper's Affordable Housing Obligation for the Project, as set forth in Section 4.05(a) of this Redevelopment Agreement.

Township Ordinance Considerations

Applicable to the special needs units proposed on site is the following section of the Cranford Affordable Housing Ordinance, Article VIII Sec 255-70 – Alternative Living Arrangements:

1. The administration of an alternative living arrangement shall be in compliance with N.J.A.C. 5:93-5.8 and UHAC, with the following exceptions:
 - a. Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms may be affirmatively marketed by the provider in accordance with an alternative plan approved by the Superior Court;
 - b. Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).
2. With the exception of units established with capital funding through a twenty (20) year operating contract with the Department of Human Services, Division of Developmental Disabilities, alternative living arrangements shall have at least thirty (30) year controls on affordability in accordance with UHAC, unless an alternative commitment is approved by the Superior Court.
3. The service provider for the alternative living arrangement shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the alternative living arrangement

Analysis

Based on my review of the Settlement Agreement, Judgment of Repose, Municipal Affordable Housing Ordinance, and applicable Redevelopment Plan, the two phases of the project (the Chestnut Phase and the South Avenue Phase) satisfy the minimum set-aside of 20% affordable units; 13% of those units should be for very-low income households. At 55 residential unit at the South Avenue Site and 39 units at Walnut Ave for a total development of 94 units, that would create an obligation of 19 affordable units, 3 of which should be for very-low income households. At 55% of these units being family units requires that 11 of the units be for families (i.e. not age-restricted or special needs). 11 family units

have been provided for across the two projects – 9 at South Avenue and 2 at Walnut Ave. In order to comply with the terms of its Settlement Agreement and ensure that the affordable units generated by the set-aside requirement are credit-worthy, the Township of Cranford should apply the income and bedroom distribution provisions under UHAC for the family units.

At least 50% of affordable units must be for low-income households. Because there is an uneven number of 19 affordable units, this generates an obligation of 10 low-income units and nine (9) moderate income units. Furthermore, at least three (3) units must be reserved for very-low income households as previously mentioned. Also, no more than 20% of the units may be for studio or one bedroom units and a minimum of 20% must be for 3-bedroom units. This creates a maximum of 3 studio/1-bedroom units and four (4) 3-bedroom units. The remaining six (6) units may be either 2- or 3-bedroom units.

The current proposal has two (2) three-bedroom units at South Avenue and one (1) three-bedroom unit affordable unit at Walnut Ave. Additionally there is a four-bedroom group home proposed at Walnut Ave, which creates a total of four (4) three-bedroom or greater affordable units. There are only two (2) one-bedroom affordable units proposed for the project. The table below shows the required bedroom distribution and how the proposal meets the requirements.

Bedroom Size	Units Required	Proposed	Complies? (Y/N)
1-bedroom	3	2	Y
2-bedroom	8	8	Y
3-bedroom	4*	3	Y*
4-bedroom	0	1	Y

**UHAC does not specify 4-bedroom units, however it is considered that providing a 4 bedroom complies with the requirement.*

The following table shows a potential income distribution of only the family affordable units in the project, as supportive housing and special needs units are exempt from complying with the income and bedroom distribution requirements of UHAC. In this distribution, it is considered that the supportive/special needs units meet the requirement to provide 13% of units as VLI.

Bedroom Size	Very Low Income	Low Income	Moderate Income	Total
1-bedroom	0	1	1	2
2-bedroom	0	3	3	6
3-bedroom	0	2	1	3
Total	0	6	5	11

Additional Considerations

N.J.A.C. 5:97-6.10 Supportive and special needs housing requires affirmative marketing of units to individuals with special needs where the operator is not licensed and/or regulated by the Department of Community Affairs or Dept. of Health and Senior Services. Additionally, unless the project is “established with capital funding...through the Department of Human Services”, the development must have affordability controls – essentially a 30-year deed restriction. There are additional documentation that

previously was required to be submitted to COAH for certification; however, since COAH no longer performs that function, it is considered that the documentation requirements can be reduced to the following as per N.J.A.C. 5:97-6.10(e):

- A demonstration that the provider has site control or has the ability to control the site(s); [this could be in the form of a master lease or similar]
- An executed agreement, including a schedule for the construction of the development, with the provider, sponsor or developer; [a lease could similarly provide this requirement]
- Documentation demonstrating the source(s) of funding;

Recommendations

Based on my above review of the documentation, I present the following:

- **The project as proposed provides the required minimum of 19 affordable units.** The family units should follow the required UHAC income and bedroom distribution, an example of which is provided in this document.
- **The developer should be required to apply a deed restriction identifying the specific units to be reserved for affordable housing,** identifying the number of bedrooms and income level that unit is to be restricted, including the special needs units.
- **The developer should be required to provide relevant documentation per N.J.A.C 5:97-6.10,** including a description as to whether the proposed operator would be licensed by DCA and those outlined in this report per N.J.A.C. 5:97-6.10(e).

Respectfully Submitted

Dan Levin, AICP, PP
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