

Old Bridge

01985

Proposed paragraph wording as part of
the settlement (04)

3 pgs

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June 11, 1985

Jerome Convery, Esq.
Township Attorney
151 Route 516
Old Bridge, N.J. 08857

Dear Jerry,

In accordance with Carla Lerman's request, I am herewith enclosing a copy of proposed wording that my client has requested as part of the settlement. This paragraph provides for good faith discussion concerning rental construction approximately mid-point through the 6-year repose period. As I hope the wording makes clear, the idea is to insure a serious informed discussion of the possibilities for rental construction after a few years of actual experience with the Old Bridge market and with these developments in particular. As the language indicates, this is an obligation for good faith discussion only. It is not a commitment to redefine the set-aside and would not, in any case, jeopardize either the Township's 6-year repose or the developers' maximum set-aside or the low income portion of it. I am, of course, open to wording suggestions that might better effectuate this goal. I am also enclosing the outlines of the key provisions of the agreement as well. These materials are provided for consideration by the Township Council at this Thursday's agenda meeting. Please let me know promptly if you have any questions. At Carla's request, I am sending a copy of this letter and the agreement to Dean Gaver and Stewart Hutt, as well as to her.

Sincerely yours,



Eric Neisser

cc: Carla Lerman, Master
Dean Gaver, Esq.
Stewart Hutt, Esq.

6/11/85

KEY PROVISIONS OF PROPOSED
AGREEMENT CONCERNING
OLD BRIDGE COMPLIANCE PLAN

1. The set-aside for O & Y and Woodhaven shall be 15 percent.
If all units are for sale, then 6 percent shall be low income and 9 percent shall be moderate income.
If 4 percent of the units built in any one year by one developer are for rental to low income households, then the remaining 11 percent of the set-aside for that year for that developer may be moderate income sale units.
2. The set-aside for all other land within the existing PD zone shall be 16 percent.
If all units are for sale, the set-aside shall be split evenly, 8 percent low income, 8 percent moderate income.
If 6 percent of the units built in any year by any one developer are for rental to low income households, then the remaining 10 percent of the set-aside for that year for that developer may be moderate income sale units.
3. In all cases, units designated "low income" must be affordable to households earning 90 percent of the low income ceiling, that is, 45 percent of the regional median income, and units designated "moderate income" must be affordable to households earning 90 percent of the moderate income ceiling, that is, 72 percent of the regional median income.
4. In all cases, appropriate legal restraints, including an Affordable Housing Ordinance, shall insure that the units covered by this agreement shall be affordable to and restricted for re-sale or re-rental solely to low and moderate income households, as defined above, for a period of 30 years from the date of first occupancy.
5. Approximately two years after the issuance of the first building permit but in any case no later than three years from the date hereof, the parties shall meet to review in good faith the possibilities for construction of rental units in light of the initial years' experience, prevailing interest rates, costs of infrastructure, demand for rental housing, the financial status of the developers, and other relevant matters and, if appropriate, shall renegotiate in good faith the alternative rental mix in order to insure that the maximum number of rental units that are feasible given the overall set-aside are produced, provided that in no case shall the set-aside required of any party be more than 15 percent overall or more than 6 percent low income units nor shall the set-aside required of any other developer in the PD zone be

more than 16 percent overall or more than 8 percent low income units nor shall the Township's 6-year repose be disturbed. To facilitate such review, the parties shall provide each other with relevant information concerning the experience to that point, including construction costs for the low and moderate income units, additional costs associated with the construction and sale of both market and low and moderate income houses, the number of market units sold, the price of each house sold, the rent for any rental units constructed, and the management experience with any rental units constructed.