

Terms of settlement for Tw,
re: fair share obligations, affordability
of the units, fallback mechanisms, etc

p 6

CA002654P

TERMS OF SETTLEMENT
URBAN LEAGUE/PLAINSBORO

May 17, 1984

1. Fair Share. It is agreed that Plainsboro's fair share obligation is 575 units, to be met as follows:

a. 125 units of newly constructed senior citizen housing, for low-income households.

b. 60 low income units and 60 moderate income units within the existing Forrestal Village development, which will be refinanced on a sale or rental basis to ensure that the units remain affordable to low and moderate income families.

c. 40 newly-constructed low income sale units within the Princeton Meadows development.

d. 228 units of moderate income housing and 60 units of low income housing within the existing Princeton Meadows development, which will be refinanced on a sale or rental basis to ensure that the units remain affordable to low and moderate income families.

e. 2 units credited because of rehabilitation since 1980 of substandard housing within the Township of Plainsboro.

f. Should any of the "fallback" mechanisms specified below be invoked, the distribution of low and moderate income units within an alternate housing development shall be such that, as nearly as practicable, an overall proportion of fifty percent low income and fifty percent moderate income within Plainsboro's fair share is maintained.

2. Affordability.

a. The appropriate housing region consists of the eleven counties specified in the court-appointed expert's final report of April 2, 1984. Low income is defined as no more than 50% of the median income of this eleven county region, and moderate income is defined as between 50% and 80% of the median income of this eleven county region. Median income for the eleven county region is to be determined using data published annually by HUD.

b. Affordability is determined by the monthly cost of shelter as a proportion of household income, adjusted for household size. For sales units, monthly costs including mortgage principal and interest, taxes, insurance and condominium fees must not exceed 28% of income.

For rental units, the sum of contract rent and utilities must not exceed 30% of income. In addition, in order to insure that both low and moderate income units are affordable by a range of households within each category, the income ceiling in each category must be set at no higher than 90% of the maximum income in that category.

c. Should any portion of the fair share need be met through a federal or state subsidy program, the eligibility and affordability standards of that program may be substituted for those specified above, provided that the subsidy program is generally designed to assist households of low or moderate income, rather than higher-income groups.

3. Senior Citizen Housing. The parties agree that the Township may attempt to provide 125 units of low income, senior citizen housing, using federal subsidies, subject to a "fallback" provision if this attempt is unsuccessful.

a. Site selection shall be completed by July 1, 1984; all necessary rezoning and an application for §202 funds shall be completed no later than December 1, 1984.

b. The following eight sites have been identified by the Township as potential sites for senior citizen housing:

<u>Block/Lot</u>	<u>Size</u>	<u>Owner</u>	<u>Map #</u>
11/10.09	24.17 acres	Linpro Company	1
5/21.01	22.89 acres	Pollera	2
5/23	19.01 acres	Bowers Dev. Co.	3
5/22	17.78 acres	Bowers Dev. Co.	4
6.16/24.01	17.26 acres	Cooper	5
15/16.01	35.90 acres	Walker Gordon	6
10.01/13.07	6.09 acres	McCarthy	7
10/12	43.60 acres	McCarthy	8

These sites are identified as Sites 1 through 8 on the map of the Township of Plainsboro which is Attachment A. Each site will be evaluated by plaintiff's expert and those acceptable to both parties will be specified in the settlement. Thereafter, the Township may select any of the sites on the agreed list as the location for the senior citizen housing.

c. The Township agrees to commit its 1984-1985 HCD allocation, expected to be \$25,300, toward the expenses of preliminary development of this housing. In addition, the Township will insure that an appropriate non-profit entity is in place to apply for and receive state or federal subsidy funds, and the Township will pursue all recourse to see that the project gets funded.

d. If appropriate funding for at least 125 senior citizen units has not been secured by July 1, 1987, the fallback mechanism of paragraph (6) below shall be invoked.

4. Forrestal Village. The parties agree that in this component of the settlement, the goal shall be to provide for the long-term availability of 60 units of low income and 60 units of moderate income housing in the existing Forrestal Village development.

a. As an initial strategy, the Township will seek to reach agreement with Princeton University as set forth in the outline of agreement which is Attachment B. It is understood, however, that the Township's obligation to assure provision of these 120 units of housing is independent of any specific method of financing that may now be contemplated.

b. It is agreed that paragraph (6) of Attachment B will be modified so that the only households having priority are existing tenants who meet the income guidelines of paragraph 2 of this agreement.

c. If the Township is unable to reach contractual agreement with Princeton University or to initiate condemnation proceedings by December 31, 1984, the fallback mechanisms of paragraph (6) below shall be invoked.

d. If conversion has not been completed by July 1, ¹⁹⁸⁵1986, the fallback mechanisms of paragraph (6) below shall be invoked.

5. Princeton Meadows. This component of the Township's fair share shall be met in part by the creation of 40 units of newly constructed sale housing for low income households, and 288 units of existing housing which will be restructured to insure long term affordability on either a sale or a rental basis.

a. The formal agreement will specify the site of the 40 new construction units. All necessary rezoning for this site will be completed no later than September 30, 1984, and construction shall begin no later than December 31, 1986. Failure to meet either of these deadlines will invoke the fallback mechanisms of paragraph (6) below.

b. The Township will seek to reach agreement with the Linpro Company with respect to 288 units of existing housing owned or managed by Linpro, so that 228 units will be affordable to moderate income households and 60 units will be available to low income households. If the Township is unable to reach agreement with the Linpro Company or initiate condemnation proceedings by March 1, 1985, the fallback mechanisms of paragraph (6) will be invoked.

c. The parties agree that these units may be provided by conversion to condominium ownership. If this is done, all statutorily required approvals for conversion shall be obtained no later than July 1, 1985, and failure to meet this deadline shall invoke the fallback mechanisms of paragraph (6) below. If possible, more than one section of the Princeton Meadows development will be converted to condominium

ownership so that the low and moderate income households can be dispersed within the Princeton Meadows community to the maximum extent feasible.

d. It is understood that FmHA subsidies will be sought for some or all of the low income sales units within Princeton Meadows, but the obligation to provide these units is not dependent upon such financing being available, and these subsidies are not specifically targeted for either the newly constructed or converted low income units.

e. In lieu of condominium conversion, the Township may reach agreement with the Linpro Company to preserve an equivalent number of units as rental housing, dispersed as widely as possible throughout the entire Princeton Meadows complex. If this mechanism is used, the Township shall agree to use whatever powers are available to it, including direct subsidization if necessary, to insure that these units remain affordable, provided that all 288 units may be maintained as moderate income units without changing the other components of the low/moderate income mixture specified in this agreement. If rental units have not been brought under suitable controls by July 1, 1985, or if at any time thereafter the affordability of the units is not maintained, the fallback mechanisms of paragraph (6) will be invoked.

6. Fallback mechanisms. In the event that the undertakings covered by paragraphs 3, 4 and 5 above are not completed, this paragraph provides an alternate mechanism for meeting that portion of the Township's fair share obligation.

a. Before this paragraph is invoked, the parties by mutual agreement may permit reasonable extensions of deadlines or reasonable modification of the terms of the agreement.

b. When this paragraph is invoked, the matter will be referred immediately to the court, which shall have the power to order alternate means of achieving the necessary portion of the Township's fair share obligation, in the same manner as if the case had originally been adjudged by the Court, and with the assistance of a court-appointed master.

c. Under appropriate circumstances, the master shall first attempt to recommend a solution which preserves the initial objectives of the Township as set forth in this agreement, but the master shall not be required to do so. In particular, the master is not bound to recommend senior citizen housing, or condominium conversion, or use of existing rental housing if those approaches are unfeasible.

d. It is specifically understood that the master shall be free to recommend appropriate rezoning of additional land in Plainsboro with a 20% set-aside for low and moderate income housing. The parties agree that the sites approved for new senior citizen housing in accordance with paragraph (3) above would be appropriate

for rezoning to meet any portion of the Township's obligation, not only that portion initially intended to have a senior citizen restriction, but this agreement shall not preclude the master recommending other site for rezoning if more appropriate under then-existing circumstances.

7. General provisions.

a. By September 30, 1984, the Township will establish an appropriate mechanism to determine eligibility for the low and moderate income units covered by this agreement, and to insure their continued affordability. This mechanism may not be controled by any private developer, but the Township may contract to have this function provided by an external public or non-profit entity rather than establishing a separate local agency. The plaintiffs will supply the Township with information about how affordable housing mechanisms have been established by other communities.

b. Any low or moderate income housing units covered by this agreement shall be subject to an affirmative marketing requirement. The availability of such units for rent or sale shall be made known to a variety of public and private housing agencies concerned with expanding housing oportunties and shall be advertised in appropriate ways in the urban core areas of the eleven county region.

c. All units covered by this agreement shall be subject to appropriate controls that assure their affordability for a period of thirty years from first occupancy, or such period of time fixed by any subsidy program referred to in paragraph 2(c) above.

d. The Township agrees to report to the Court and to the Urban League or its designee all actions when taken pursuant to this agreement, and such additional information as shall permit the Court and the Urban League to monitor compliance with this agreement. To assist the Urban League in carrying out this monitoring function, it is understood that the plaintiffs may apply to the Court for an order requiring that the Township make a one-time contribution of \$15.00 per low and moderate income unit to the Urban League, earmarked solely for monitoring purposes within Middlesex County, and it is further understood that the Township will not set up this settlement agreement in opposition to such an application.

e. By September 30, 1984, the Township will adopt an ordinance requiring that in any residential development subsequently approved by the Township that permits a gross density of 4 or more units per acre, whether pursuant to a zoning amendment, conditional use, variance, or otherwise, 10% of all housing units in such development must be affordable to households of low income and 10% must be affordable to households of moderate income, as defined herein.

8. Schedule of activities and deadlines.

July 1, 1984	Site selection, senior citizen housing ¶3(a)
September 30, 1984	Rezoning for 40 new Princeton Meadows units completed ¶5(a) AND Affordable housing mechanism established ¶7(a) AND Prospective set-aside ordinance adopted ¶7(e)
December 1, 1984	Rezoning and §202 application completed ¶3(a)
December 31, 1984	Forrestal Village contract with Princeton, or condemnation begun ¶4(c)
March 1, 1985	Contract with Linpro Company re conversion of 288 Princeton Meadows units, or condemnation begun ¶5(b)
July 1, 1985	Condominium conversion approvals for Princeton Meadows obtained ¶5(c) OR Princeton Meadows rental program in operation ¶5(e)
July 1, 1986	Forrestal Village conversion completed ¶4(d)
December 31, 1986	Begin construction on 40 low-income units in Princeton Meadows ¶5(a)
July 1, 1987	Funding for senior citizen housing obtained ¶3(d)