

Post Office Plaza Redevelopment Area + Affordable Housing Town Hall Meeting

April 18, 2022: Updated



Borough of Chatham, *New Jersey*
Incorporated 1897

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Meeting Overview

- Introduction + Meeting Format
- Background – Affordable Housing and PO Plaza Redevelopment Plan
- Redevelopment Options
 - Decision Criteria
 - Parcel Ownership Overview
 - Post Office Property Use
 - Option Descriptions
 - Comparison of Options
- Next Steps
- Questions

Affordable Housing in Chatham Borough

- March 2015 – Court oversight vs. State Agency (COAH)
- July 2015 – Declaratory Judgment Action filed
- 2015 – Fair Share Housing Center (FSHC) is intervener
- September 2016 – JOR + Immunity -Third Round AH Plan
- 2018/2019 – Post Office Plaza Redevelopment Plan adopted
- 2020 – Mid-Point Review Motion Filed by Developer
- January 2021 – Court ordered Mid-Point Review
- September 2021 – Court Approved 1st Amendment to SA + deemed it “Fair”
- December 2021 – Court entered Consent Order requiring implementation of Gateway Overlay + reiterating PO Plaza AH Obligation
- January 2022 – Court entered Consent Order for extension of certain deadlines but reiterates the June 1, 2022 action date for PO Plaza

The Obligation

Rehab.

0

Prior
Round

(1987-1999)

23
RDP

54
Unmet Need

77

Third
Round

(1999-2025)

71
RDP

266
Unmet Need

337

Satisfying the Obligation

Creditworthy Mechanisms

Inclusionary Zoning

Municipally Sponsored

- Special Needs Housing
- 100% Affordable Housing
- Market to Affordable Program
- Accessory Apartment Program

Other

- Extension of Credits



Inclusionary Housing

What?

Zoning that requires market rate (MR) residential development to include affordable housing (AH).

Why?

To create mixed income opportunities that would not otherwise be created.

Benefits

- Developer subsidizes
- Integrated affordable housing
- Potential revenue source

Challenges

- Increased densities, units and land area
- Base set-aside (15-20%)

Municipally Sponsored: Market-to- Affordable

What?

Buy down from market
value (for-sale & rent)
units to affordable
value

Why?

To utilize existing
housing stock for
affordable housing

Benefits

- Use of existing housing stock
- Integrated throughout Borough
- Remedy for vacant homes

Challenges

- Available housing stock
- Cost is market driven
- Cap on credit

Municipally Sponsored: 100% Affordable Housing

What?

100% of units in project are
affordable to low- and
moderate- income families

Why?

Alternative to inclusionary
housing

Benefits

- Economies of scale: building and land area
- Municipal partnership
- Federal/State funding sources

Challenges

- Concentration of AH units
- Funding is not guaranteed
- Municipal subsidy needed
- Municipal commitment to fund any shortfall in funding

Municipally Sponsored: Supportive and Special Needs

What?

Residential units for
individuals with special
needs or need specific
support

Why?

Fulfills community need

Benefits

- Infill housing on small sites
- Use of existing housing stock
- Credits per bedroom

Challenges

- Increasing costs
- Borough subsidy
- Does not fulfill family requirement
- Limited to number of units

PO Plaza Redevelopment Plan

- Impetus for Redevelopment
 - Economic – 2 part
 - Development Pressure + Prevention of Historic District Impact
 - Housing Needs
- Goals
 - Address parking/circulation needs and impacts
 - Create healthy livable neighborhood
 - Appropriate Architecture
 - Sustainable Development
 - Open Space



Figure 2: The Post Office Plaza Redevelopment Area, showing all parcels included in the designation.

Figure 7: Map of the East and West Districts of the Post Office Plaza Redevelopment Area

- Redevelopment Standards
 - Two Districts: West/East
 - Permitted Uses: MF/Mixed Use/Commercial
 - Density: 40 du/acre
 - Min. Lot Size: 1.25 + 1.0 acres
 - Height: 4 stories + 3 stories
 - Affordable Housing Obligation

Redevelopment Plan Parcels



Redevelopment Area Options: Decision Criteria



Affordable Housing: Mandatory*



Architecture: Height/Mass



Public Amenity Space



Public Parking



Financial Obligation



Economic Benefits

*Council will not consider any option that does not provide the mandatory affordable housing units (credits)



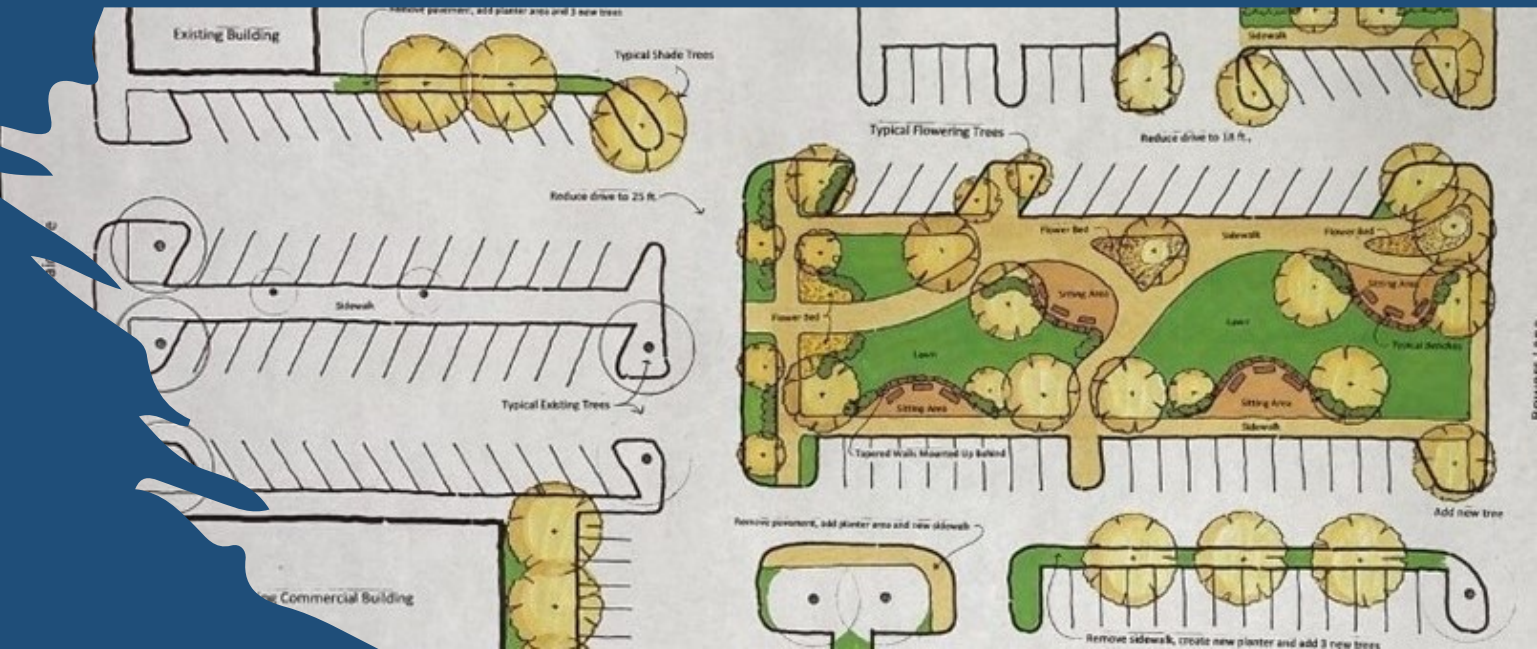
Affordable Housing: Mandatory

Settlement Agreement + PO Plaza Redevelopment Area

15 total units (credits)

- 15 family rental units (inclusionary)
 - **OR**
- 10 family rental units (inclusionary) + 7(+) assisted living bed credits
 - **OR**
- Alternative mechanism w/ FSHC agreement

- ✓ Does not meet AH requirement
- ✓ Requires purchase of PO property that cannot be procured –OR–
- ✓ Parcel requires eminent domain and not possible
- ✓ Use concept design elements to beautify existing parking lot



Post Office Parcel Use

“100% 65 Unit AH Project”

- ✓ Option considered
- ✓ Parcel requires eminent domain and not possible



Market to Affordable Program

✓ Criteria:

- ✓ Presence of available units
- ✓ Subsidy commitment
- ✓ Limit to 10% of obligation or 10 units (whichever is greater)
- ✓ Deed restriction for 30 years
- ✓ Affirmative marketing

- ✓ FSH opposed to it for the PO Plaza Redevelopment Area as it would delay the delivery of AH units



Redevelopment Plan Options

Options 1-3 (w/o AL)
Options 4 & 5 (w/AL)



Redevelopment Options: OPTION 1 (KRE 1.0)

- 118 total family units
- 18 AH family units
- 4 stories
- Retail/restaurant space
- Public village green space
- 123 public parking spaces in parking structure @ KRE expense
- Borough land donated
- PILOT Payment = \$563K/year
- Remaining parcels to be rezoned back to original B3, B4 and AFD-4 districts



Prior Zoning Districts + KRE 1.0



Redevelopment Options: OPTION 2 (KRE 2.0)

- 100 total family units
- 15 AH family units
- 3 stories
- Retail/restaurant space
- Public village green space
- No public parking
- Payment for Borough property at a minimum of \$1M
- PILOT payment = \$415K/year
- Remaining parcels to be rezoned back to original B3, B4 and AFD-4 districts



Prior Zoning Districts + KRE 2.0



Redevelopment Options: OPTION 3 (100% AH)

- (15) 100% AH Family Units
- 2-3 stories
- Gap funding will be required
- No payment for Borough land
- Reduction in public parking (64 spaces)
- Maintain approximately 59 parking spaces
- Opportunity to upgrade public parking lot
- Remaining parcels to be rezoned back to original B3, B4 and AFD-4 districts

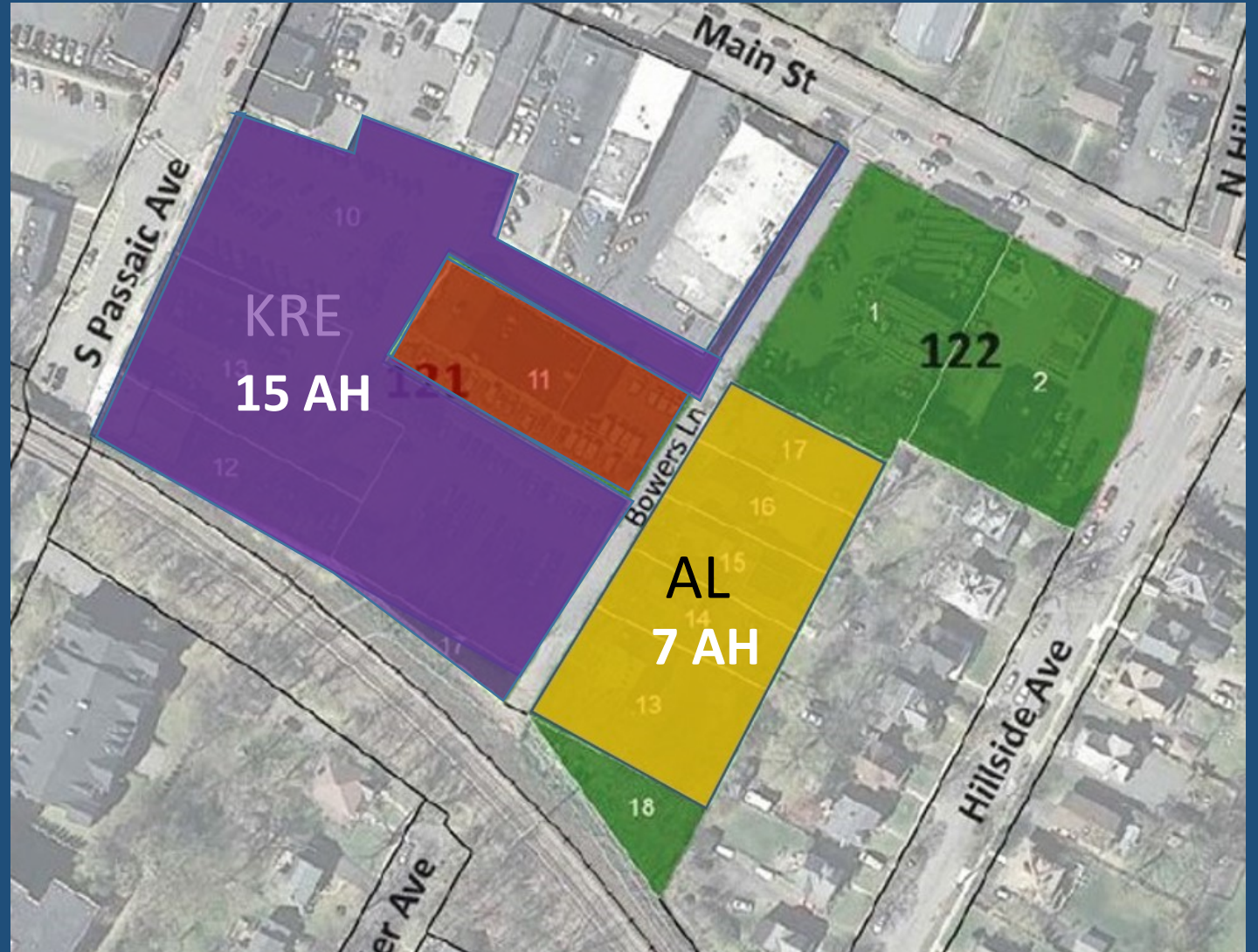


Prior Zoning Districts + 100% AH



Redevelopment Options: OPTION 4 (KRE + Assisted Living)

- 100 total family rental units
- 15 AH family units
- 3 Stories
- Retail/restaurant space
- Public village green space
- No public parking
- Payment for Borough property at a minimum of \$1M
- PILOT Payment = \$415K/year
- 115 Total AL beds in 100 rooms
- 7(+) AH credits (surplus)
- 3 stories
- Remaining parcels to be rezoned back to original B3, B4 and AFD-4 districts

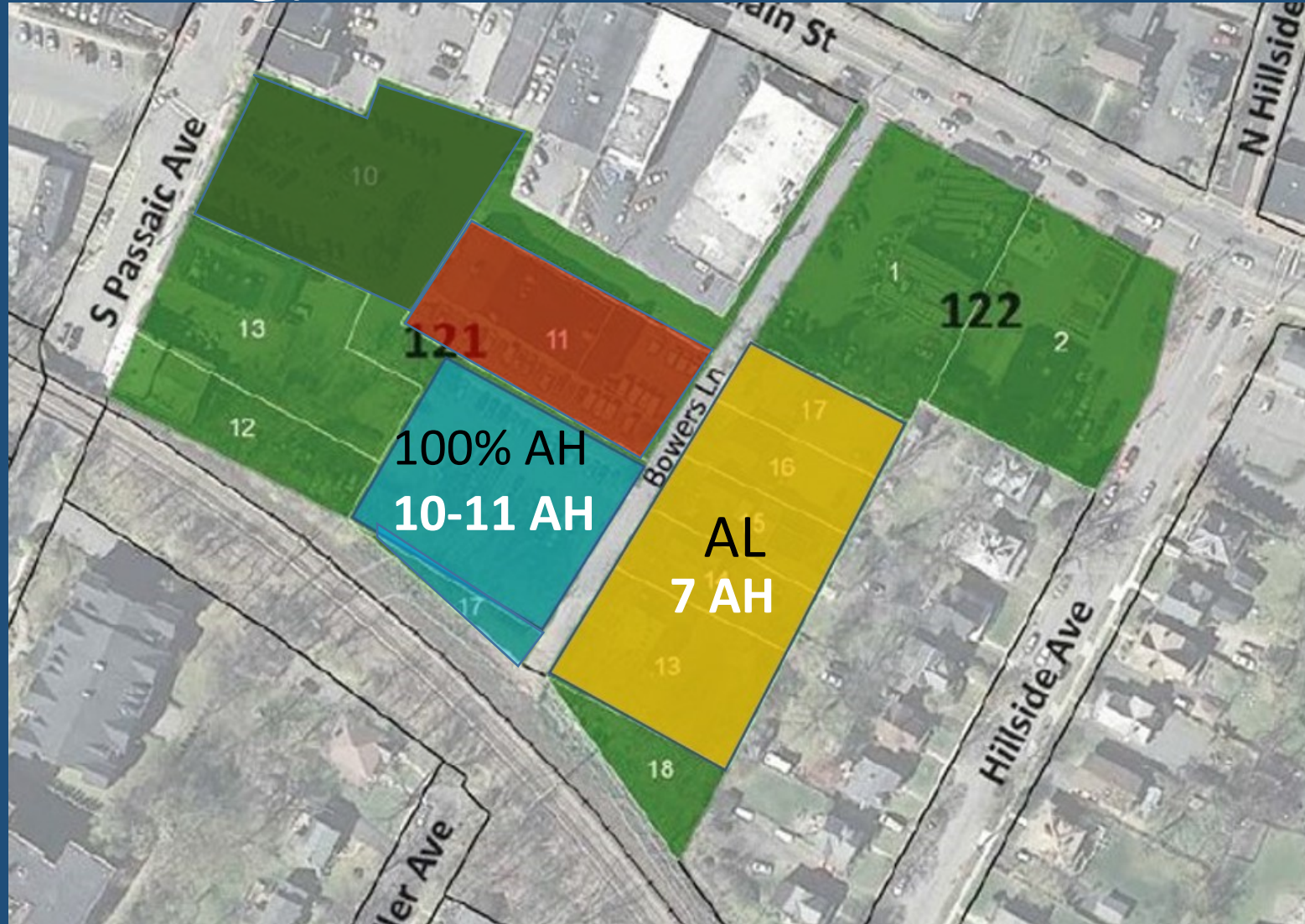


Prior Zoning Districts + KRE/Assisted Living



Redevelopment Options: OPTION 5 (100% AH + Assisted Living)

- (10-11) 100% AH family units
- 2-3 stories
- Gap funding will be required
- No payment for Borough land
- Reduction in public parking (64 spaces)
- Maintain approximately 59 parking spaces
- Opportunity to upgrade public parking lot
- 115 Total AL beds in 100 rooms
- 7(+) AH Credits
- 3 stories
- Remaining parcels to be rezoned back to original B3, B4 and AFD-4 districts



Prior Zoning Districts + AH/Assisted Living



Post Office Plaza Redevelopment Area : Options Matrix Table
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OPTION	TOTAL UNITS	TOTAL AH CREDITS	HEIGHT	PUBLIC AMENITY	PUBLIC PARKING IMPACT	FINANCIAL OBLIGATION	ECONOMIC BENEFIT
OPTION 1 (KRE 1.0)	118 family rental	18 family rental	4 stories	Public Village Green	123 spaces in parking structure @ KRE expense	Donation of Borough land for parking structure	\$563k/yr revenue
OPTION 2 (KRE 2.0)	100 family rental	15 family rental	3 stories	Public Village Green	0 spaces	\$0	Payment for Borough property at a minimum of \$1M + \$415K/yr revenue
OPTION 3 (100% AH)	15 family rental or 10-11 family rental + 4 special needs bedrooms	15 family rental or 10-11 family rental + 4 special needs bedrooms	3 stories	Upgraded Public Parking Lot	59 spaces maintained	Partial donation of Borough land + \$500k-\$1.5M	\$45k/yr revenue
OPTION 4 (KRE + AL)	100 family rental + 115 AL beds	15 family rental + 7 AL beds	3 stories	Public Village Green	0 spaces	\$0	Payment for Borough property at a minimum of \$1M + \$415k/yr revenue + AL taxes
OPTION 5 (100% AH + AL)	10-11 family rental + 115 AL beds	10-11 family rental + 7 AL beds	3 stories	Upgraded Public Parking Lot	59 spaces maintained	Partial donation of Borough land + \$500k-\$1M	\$30k/yr revenue + AL taxes

Next Steps

- * April 25th Town Hall continued
 - * May 2nd BC Decision
 - * Design Charrette w/ Developer
 - * HEFSP Hearing @ PB
 - * HEFSP Endorsement @ BC
 - * Court Compliance Hearing
 - * Zoning Ordinances @ PB + BC
 - * Development Application @ PB
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Questions

