

Post Office Plaza Redevelopment Area + Affordable Housing Town Hall Meeting

April 25, 2022: Updated



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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



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.

PO Plaza Redevelopment Plan



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

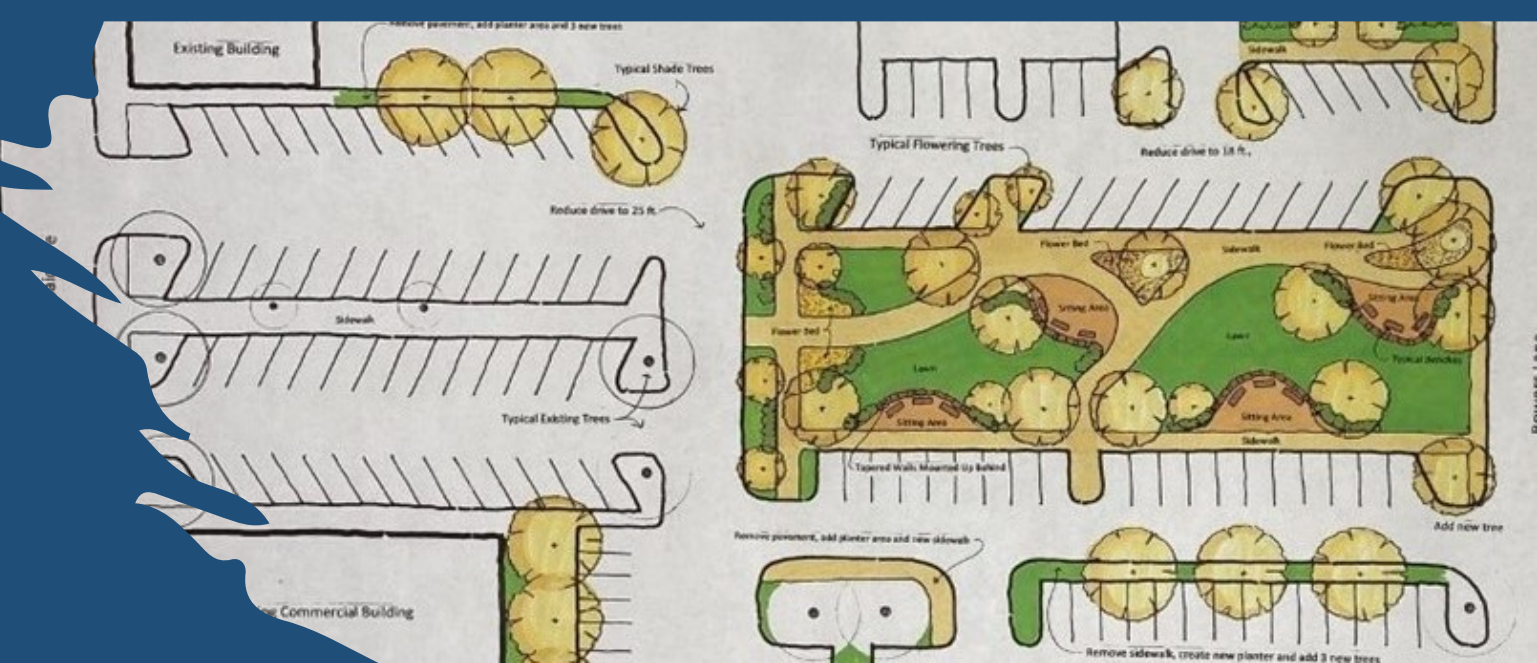
15 total units (credits)

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

Post Office Parcel Use

“Ken’s Glen”

- ✓ 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



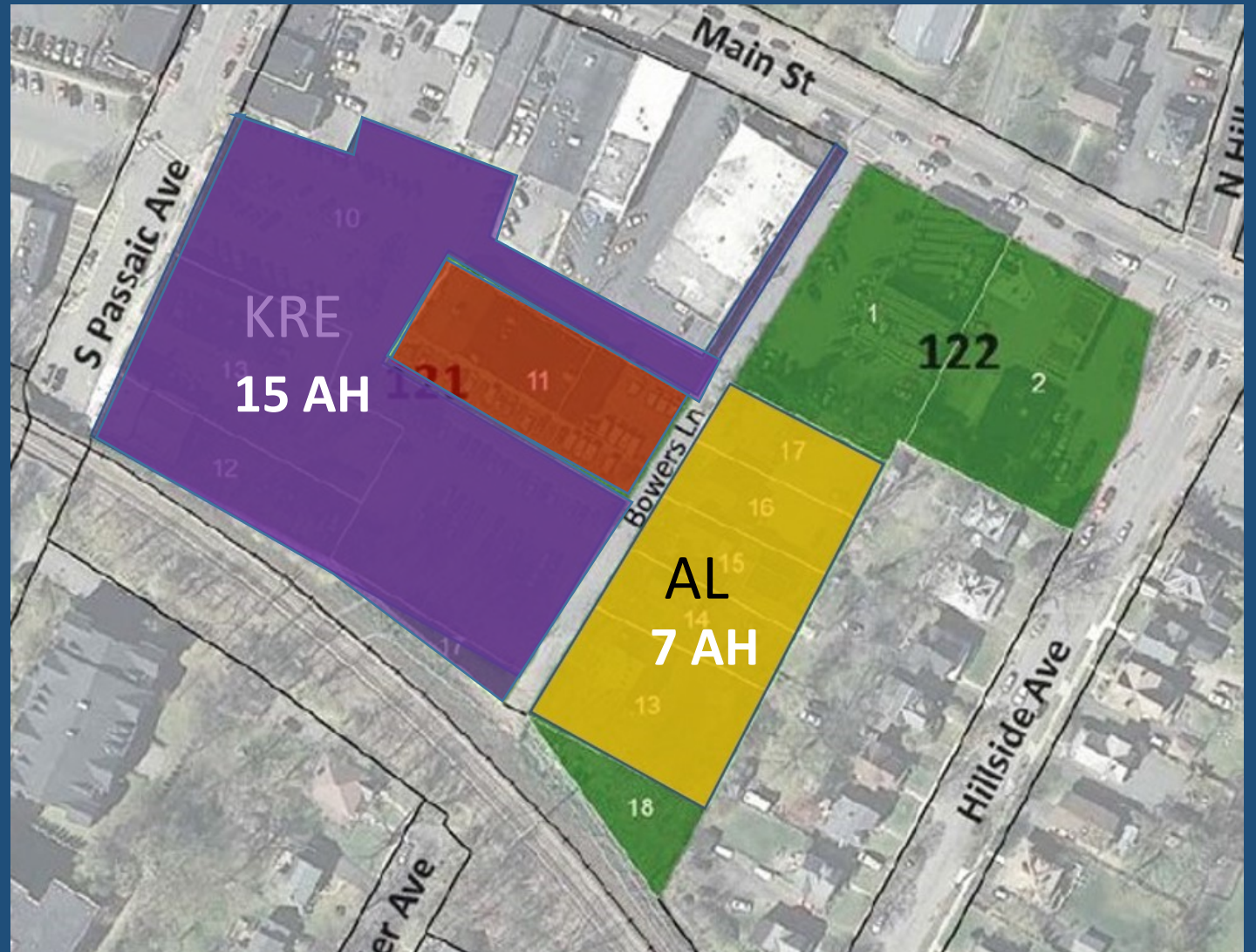
Prior Zoning Districts + 100% AH



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

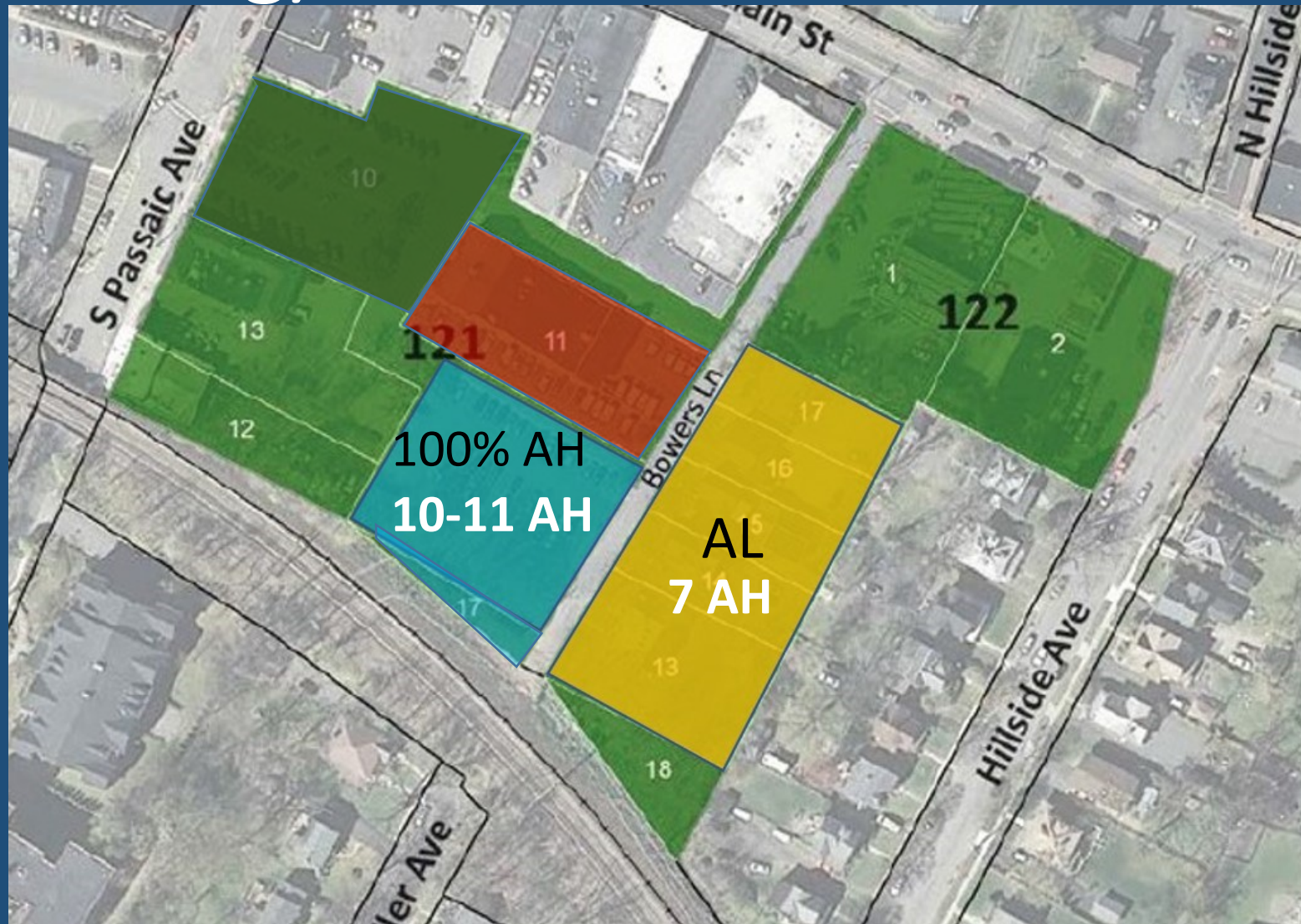


Prior Zoning Districts + KRE/Assisted Living



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
April 25, 2022: Updated

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 + \$450K/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 + \$450k/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

ESTIMATED PUBLIC SCHOOL AGE CHILDREN GENERATED

Chatham Borough, NJ

Post Office Plaza Redevelopment Area

Unit Types and Projections of Public School Age Children (PSAC)

Nassau Capital Advisors, LLC

4.22.22

COMPARISON OF PUBLIC SCHOOL AGE CHILDREN IMPACT

<i>Project</i>	<i>Total Units</i>	<i>Market Rate</i>	<i>Affordable</i>	<i>Total PSAC</i>	<i>Current Enrollment</i>	<i>Percentage Increase</i>
<i>KRE 1.0</i>	<i>118</i>	<i>100</i>	<i>18</i>	<i>22</i>	<i>3,902</i>	<i>0.6%</i>
<i>KRE 2.0</i>	<i>100</i>	<i>85</i>	<i>15</i>	<i>18</i>	<i>3,902</i>	<i>0.5%</i>
<i>100% Affordable</i>	<i>15</i>	<i>0</i>	<i>15</i>	<i>4</i>	<i>3,902</i>	<i>0.1%</i>

Product Type	Product Detail	Total Units	Multipliers				Estimated new school age children			
			All PSAC	K - Grade 5	Grade 6 - 8	Grade 9 - 12	All PSAC	K - Grade 5	Grade 6 - 8	Grade 9 - 12
KRE 118-Units										
Rental Apts	1 BR Mkt Rate	39	0.026	0.026	0.000	0.000	1.0	1.0	0.0	0.0
Rental Apts	2 BR - Mkt Rate	61	0.207	0.141	0.038	0.028	12.6	8.6	2.3	1.7
Mkt Rate Units		100								
Rental Apts	1 BR Low-Mod	3	0.114	0.062	0.019	0.033	0.3	0.2	0.1	0.1
Rental Apts	2 BR Low-Mod	11	0.396	0.198	0.085	0.113	4.4	2.2	0.9	1.2
Rental Apts	3 BR - Low-Mod	4	0.992	0.515	0.149	0.328	4.0	2.1	0.6	1.3
Total Affordable		18								
Total		118					22	14	4	4
2020-21 Enrollment							3,902			
% Enrollment Increase							0.6%			

PSAC Demographics Multiplier Source:

2018 - Demographic Multipliers Technical Appendix

Community Data Analytics - Econsult Solutions

Based 5-Year ACS Demographics Multipliers, 2014-2018 ACS release

Product Type	Product Detail	Total Units	Multipliers				Estimated new school age children			
			All PSAC	K - Grade 5	Grade 6 - 8	Grade 9 - 12	All PSAC	K - Grade 5	Grade 6 - 8	Grade 9 - 12
KRE 100 Units										
Rental Apts	1 BR Mkt Rate	34	0.026	0.026	0.000	0.000	0.9	0.9	0.0	0.0
Rental Apts	2 BR - Mkt Rate	51	0.207	0.141	0.038	0.028	10.6	7.2	1.9	1.4
Mkt Rate Units		85								
Rental Apts	1 BR Low-Mod	3	0.114	0.062	0.019	0.033	0.3	0.2	0.1	0.1
Rental Apts	2 BR Low-Mod	9	0.396	0.198	0.085	0.113	3.6	1.8	0.8	1.0
Rental Apts	3 BR - Low-Mod	3	0.992	0.515	0.149	0.328	3.0	1.5	0.4	1.0
Total Affordable		15								
Total		100					18	12	3	4
2020-21 Enrollment							3,902			
% Enrollment Increase							0.5%			

PSAC Demographics Multiplier Source:

2018 - Demographic Multipliers Technical Appendix

Community Data Analytics - Econsult Solutions

Based 5-Year ACS Demographics Multipliers - 2014-2018 ACS release

15 Units 100% Affordable

Product Type	Product Detail	Total Units	Multipliers				Estimated new school age children			
			All PSAC	K - Grade 5	Grade 6 - 8	Grade 9 - 12	All PSAC	K - Grade 5	Grade 6 - 8	Grade 9 - 12
Rental Apts	1 BR Low-Mod	3	0.114	0.062	0.019	0.033	0.3	0.2	0.1	0.1
Rental Apts	2 BR Low-Mod	9	0.396	0.198	0.085	0.113	3.6	1.8	0.8	1.0
Rental Apts	3 BR - Low-Mod	3	0.992	0.515	0.149	0.328	3.0	1.5	0.4	1.0
Total Affordable		15					7	4	1	2
2020-21 Enrollment							3,902			
% Enrollment Increase							0.2%			

PSAC Demographics Multiplier Source:

2018 - Demographic Multipliers Technical Appendix

Community Data Analytics - Econsult Solutions

Based 5-Year ACS Demographics Multipliers - 2014-2018 ACS release

Enrollments (PK-12) are projected to slowly decline throughout the projection period. In 2022-23, enrollment is projected to be 3,947, which would be a decline of 227.5 students from the 2017-18 enrollment of 4,174.5.

- PK-3, enrollment is projected to slowly decline through 2019-20 before stabilizing.
- Grades 4-5 at Lafayette, enrollment is projected to decline throughout the projection period.
- Grades 6-8 at Chatham Middle School, enrollment is projected to be fairly stable for the first three years of the projection period before declining.
- Grades 9-12 at Chatham High School, enrollment is projected to slowly increase before reversing trend.

2020-21 School Enrollment		
School District of the Chathams		
<i>Source: NJ Dept of Education</i>		
School District Of The Chathams	Chatham High School	1,314
School District Of The Chathams	Chatham Middle School	984
School District Of The Chathams	Lafayette Avenue School	592
School District Of The Chathams	Milton Avenue School	284
School District Of The Chathams	Washington Avenue School	314
School District Of The Chathams	Southern Boulevard School	414
Total Enrollment 2020-21		3,902

Comparison of Financial Benefits to Borough of Chatham

<i>Project</i>	<i>Total Units</i>	<i>Affordable Units</i>	<i>Boro Gain Land Sale</i>	<i>Est Annual PILOT Pymt</i>	<i>Est. Bldg Height</i>	<i>Est. Boro Development Subsidy</i>	<i>Public Parking to Remain</i>	<i>Village Green/Retail Included In Plan</i>
KRE 1.0	118	18	0	\$563,000	4 Stories	0	123 Spaces	Yes
KRE 2.0	100	15	\$1 MM +	\$450,000	3 Stories	0	None	Yes
100% Affordable	15	15	0	\$6,594	2-3 Stories	\$500 K - \$1MM	59 spaces	No

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

