

# **Amended Third Round Housing Element and Fair Share Plan**

Township of Cranbury  
Middlesex County, New Jersey

**Adopted April 7, 2016**

Clarke Caton Hintz



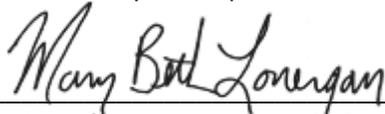


# Amended Third Round Housing Element and Fair Share Plan

Township of Cranbury  
Middlesex County, New Jersey

Adopted April 7, 2016

*Prepared By:*



---

Mary Beth Lonergan, PP, AICP

New Jersey Professional Planner License 4288

With the assistance of



---

Ashton Jones, AICP

**CLARKE CATON HINTZ, PC**

100 Barrack Street

Trenton, New Jersey 08608

(609) 883-8383

A signed and sealed original is on file with the Township Clerk





## **Township of Cranbury Committee**

**Daniel P. Mulligan, III, Mayor**

**Glenn R. Johnson, Deputy Mayor**

**David Cook  
Susan Goetz  
James Taylor**

**Kathleen Cunningham, R.M.C., Township Clerk  
Trishka Waterbury Cecil, Esq., Township Attorney  
Kevin Van Hise, Esq. Township Affordable Housing Counsel  
David Hoder, PE, Township Engineer  
Richard Preiss, PP, AICP, Township Planner**

## **Township of Cranbury Planning Board**

**Allen Kehrt, Chair**

**Thomas Harvey, Vice Chair  
Glenn Johnson  
James Gallagher  
Susan Goetz  
Arthur Hasselbach  
Jason Stewart  
Brian Schilling  
Karen Callahan**

**Josette C. Kratz, Land Use Administrator/Planning Board Secretary  
Trishka Waterbury Cecil, Esq., Planning Board Attorney  
David Hoder, PE, CME, Planning Board Engineer  
Richard Preiss, PP, AICP, Planning Board Planner**





**CRANBURY TOWNSHIP PLANNING BOARD  
COUNTY OF MIDDLESEX  
STATE OF NEW JERSEY**

**RESOLUTION ADOPTING 2016 AMENDED THIRD  
ROUND HOUSING ELEMENT AND FAIR SHARE PLAN**

WHEREAS, pursuant to *N.J.S.A. 40:55D-28*, the Planning Board of the Township of Cranbury, in the County of Middlesex, State of New Jersey, adopted a Housing Element and Fair Share Plan in November of 2005; and

WHEREAS, the Township Committee of the Township of Cranbury endorsed said Plan and submitted it to the New Jersey Council on Affordable Housing (“COAH”) together with a petition for third round substantive certification; and

WHEREAS, as of 2008, COAH had not yet acted on the 2005 plan; and

WHEREAS, on December 11, 2008, the Planning Board adopted an Amended Third Round Housing Element and Fair Share Plan to replace the 2005 plan, which plan the Township Committee endorsed and submitted to COAH for certification; and

WHEREAS, on April 21, 2010, COAH granted third round substantive certification to the Township of Cranbury; and

WHEREAS, following COAH’s grant of substantive certification to the Township, the New Jersey Supreme Court invalidated COAH’s third round rules and ordered COAH to adopt new rules based upon its prior round rules and methodologies (*see In re Adoption of N.J.A.C. 5:96 and 5:97*, 215 *N.J.* 578 (2013)); and

WHEREAS, COAH failed to adopt new rules, and on March 10, 2010, the Court issued a decision entitled *In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97*, 221 *N.J.* 1 (2015), in which it (1) found that COAH had violated its March 14, 2014 Order by failing to adopt new

Round 3 regulations by October 22, 2014; (2) held that, without new Round 3 regulations, COAH could not process petitions for substantive certification for the municipalities currently under COAH's jurisdiction; (3) held that for municipalities that had received substantive certification under COAH's third round rules, additional court review of such towns' housing plans will be necessary; (4) directed trial courts to be an alternative forum to COAH; (5) authorized municipalities under COAH's jurisdiction to file a Declaratory Judgment Action along with a motion for Temporary Immunity by July 8, 2015, or risk exposure to exclusionary zoning lawsuits; and (6) ruled that municipalities would have up to five months to prepare and file a Housing Element and Fair Share Plan with the trial court for review; and

WHEREAS, throughout and notwithstanding the period of uncertainty over COAH's third round rules, the Township of Cranbury has continued its efforts to provide for low and moderate income housing opportunities in the Township; and

WHEREAS, on June 22, 2015, the Township Committee adopted Resolution # R-06-15-084, in which it reaffirmed Cranbury's commitment to satisfy its affordable housing obligations, however those obligations might ultimately be defined, voluntarily and in the absence of any Mount Laurel lawsuits, and authorized and directed its affordable housing counsel to file an action in the Superior Court necessary to obtain a Judgment of Compliance and repose or immunity from exclusionary zoning lawsuits for its third round affordable housing plan, along with any necessary motion(s) or pleadings seeking temporary immunity, in accordance with the Court's March 10, 2015 decision in *In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97*, 221 N.J. 1 (2015); and

WHEREAS, said action was filed on July 8, 2010, and the Township is now under the jurisdiction of the Superior Court of New Jersey, Law Division, Middlesex County (Judge

Douglas K. Wolfson, J.S.C.); and

WHEREAS, in the context of the court action, the Township's and Planning Board's affordable housing planning consultants Mary Beth Lonergan PP, AICP and Ashton Jones, AICP, both of Clarke Caton Hintz, PC, have prepared a new amended third round housing element and fair share plan entitled "Amended Third Round Housing Element and Fair Share Plan, Township of Cranbury, Middlesex County, New Jersey," final draft dated March 25, 2016; and

WHEREAS, on April 7, 2016, the Planning Board held a duly noticed public hearing regarding the draft March 25, 2016 Amended Third Round Housing Element and Fair Share Plan, during which it took testimony from its consultants and provided the opportunity for comments and questions from members of the public; and

WHEREAS, the Planning Board has determined that this amended plan is consistent with the goals and objectives of the Cranbury Township Master Plan adopted in 2010, as amended, and that adoption and implementation of the amended plan are in the public interest and will protect the public's health and safety and promote the general welfare;

NOW, THEREFORE, BE IT RESOLVED by the Planning Board of the Township of Cranbury, Middlesex County, New Jersey on this 7<sup>th</sup> day of April, 2016, as follows:

1. The foregoing recitals are incorporated herein and made a part hereof as though fully restated.
2. The plan entitled "Amended Third Round Housing Element and Fair Share Plan" prepared for the Planning Board by Mary Beth Lonergan, PP/AICP and Ashton Jones, AICP of Clarke Caton Hintz, PC is hereby approved and adopted as an amendment to the Cranbury Township Master Plan, and shall be dated April 7, 2016.

3. The Board Administrative Secretary shall forthwith cause notice of the adoption of this resolution and the plan to be published in the Times of Trenton and the Cranbury Press.
4. The Board Administrative Secretary shall also forthwith transmit a copy of this resolution and the adopted plan to the Cranbury Township Clerk and Cranbury Township Committee.
5. No later than thirty days from the date hereof, the Board Administrative Secretary shall cause a copy of this resolution and the adopted plan to be provided to the Middlesex County Planning Board via personal service or certified mail, return receipt requested, in accordance with the requirements of *N.J.S.A. 40:55D-13*.

\*\*\*\*\*

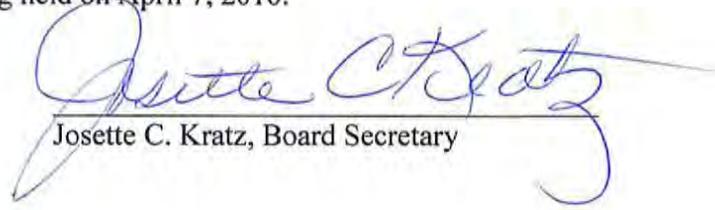
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**ROLL CALL, April 7, 2016**

Yes: 7      No: 0      Absent (Recused): 2      Abstain: 0      Not Voting: 0

K. Callahan:	Yes	G. Johnson:	Yes
J. Gallagher:	Recused	A. Kehrt:	Yes
S. Goetz:	Yes	B. Schilling:	Yes
T. Harvey:	Yes	J. Stewart:	Yes
A. Hasselbach:	Recused		

I hereby certify that the foregoing is a true copy of a resolution duly adopted by the Cranbury Township Planning Board at a meeting held on April 7, 2016.

  
Josette C. Kratz, Board Secretary



**TOWNSHIP OF CRANBURY  
COUNTY OF MIDDLESEX, NEW JERSEY**

**RESOLUTION # R 04-16-075**

**RESOLUTION ENDORSING HOUSING ELEMENT AND FAIR SHARE PLAN**

WHEREAS, on December 11, 2008, the Planning Board of the Township of Cranbury, County of Middlesex, State of New Jersey ("Planning Board") adopted a Housing Element and Fair Share Plan ("HEFSP") pursuant to N.J.S.A. 40:55D-28 and N.J.A.C. 5:96 & 5:97 (hereinafter referred to as "COAH's third round rules"); and

WHEREAS, the Township Committee of the Township of Cranbury ("Township Committee") endorsed the 2008 HEFSP on December 22, 2008, and submitted it to the Council on Affordable Housing ("COAH") for third round substantive certification; and

WHEREAS, COAH granted the Township of Cranbury ("Township") third round substantive certification on April 21, 2010; and

WHEREAS, subsequent to COAH's grant of substantive certification to the Township, the New Jersey Supreme Court decided In re Adoption of N.J.A.C. 5:96 & 5:97, 215 N.J. 578 (2013), which affirmed the Appellate Division's invalidation of COAH's third round rules, found that the growth share methodology set forth in COAH's third round rules was inconsistent with the Fair Housing Act, N.J.S.A. 52:27D-301, et seq., and required COAH to adopt new third round rules; and

WHEREAS, COAH failed to adopt new third round rules at its meeting on October 20, 2014; and

WHEREAS, following COAH's failure to adopt new rules, the Supreme Court issued a decision and order on March 10, 2015 in In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1, which authorized the trial courts to resume their role as the forum of first resort for the evaluation of municipal compliance with fair share obligations, permitted municipalities, including those that received third round substantive certification from COAH, to file a declaratory judgment action ("DJ action") with the trial courts seeking a declaration that their HEFSP present a realistic opportunity for the production of affordable housing, and required the preparation of new HEFSP in accordance with COAH's prior round rules; and

WHEREAS, the Township filed a DJ action on July 8, 2015 captioned In re Application of the Township of Cranbury in Middlesex County, Docket No.: MID-L-3960-15, and was able to reach a settlement with respect to its fair share obligation with all interested parties; and

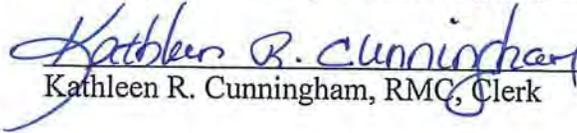
WHEREAS, the Planning Board has prepared a new HEFSP in accordance with the provisions of the litigation settlement, and adopted the new HEFSP on April 7, 2016 after notice and hearing pursuant to applicable law; and

WHEREAS, COAH's prior round rules, specifically N.J.A.C. 5:91-2.2(a), requires that the Township Committee endorse the HEFSP adopted by the Planning Board.

NOW, THEREFORE, BE IT RESOLVED that the Township Committee of the Township of Cranbury, County of Middlesex, State of New Jersey, hereby endorses the 2016 Housing Element and Fair Share Plan as adopted by the Township of Cranbury Planning Board on April 7, 2016.

CERTIFICATION

I, Kathleen R. Cunningham, do hereby certify that the foregoing resolution is a true copy of a resolution passed by the Township of Cranbury at a meeting duly held on April 11, 2016.

  
Kathleen R. Cunningham, RMC, Clerk



**Cranbury Township Resolution # R 04-16-073**

**TOWNSHIP OF CRANBURY**  
**COUNTY OF MIDDLESEX, STATE OF NEW JERSEY**

**A RESOLUTION CONCERNING THE TOWNSHIP OF CRANBURY'S  
COMMITMENT TO FUND ITS AFFORDABLE HOUSING PROGRAM**

**WHEREAS**, the Township Committee of the Township of Cranbury in Middlesex County, New Jersey, has endorsed a Housing Element and Fair Share Plan setting forth the Township's commitment to meeting its affordable housing obligation through 2025; and

**WHEREAS**, the Township Committee is petitioning the Superior Court of the State of New Jersey for a Judgment of Repose of its Third Round Housing Element and Fair Share Plan finding that it is constitutionally compliant; and

**WHEREAS**, this Housing Element and Fair Share Plan contains one or more municipally-sponsored affordable housing developments pursuant to N.J.A.C. 5:93-5.5 and other compliance techniques, include rehabilitation, for which the Township must demonstrate an adequate and stable funding source; and

**WHEREAS**, the Township anticipates that funding will come from the following sources to satisfy its obligation, including, but not limited to, the Township's affordable housing trust fund consisting of development fees, in-lieu payments and other revenue; and governmental sources including the Federal Low Income Housing Tax Credits program, New Jersey Balanced Housing funds, HUD funding, Federal Home Loan Bank Board financing, HMFA bond financing, Middlesex County Home funds, etc.; and

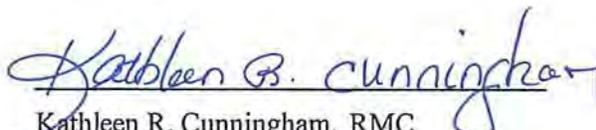
**WHEREAS**, in the event that the above funding sources prove inadequate to meet the Township's funding obligation, the Township shall provide sufficient funding to address any shortfalls.

**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Cranbury, in the County of Middlesex, that the governing body does hereby agree to fund any shortfalls in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason; and

**BE IT FURTHER RESOLVED** that said shortfall shall be funded by bonding if there are no other resources.

**CERTIFICATION**

I, Kathleen R. Cunningham, Clerk of the Township of Cranbury, do hereby certify that the foregoing is a true and correct copy of a resolution passed by the Township Committee of the Township of Cranbury at its meeting held on April 11, 2016.

  
Kathleen R. Cunningham, RMC  
Cranbury Township Clerk



**TOWNSHIP OF CRANBURY  
COUNTY OF MIDDLESEX, NEW JERSEY**

**RESOLUTION # R 04-16-076**

**RESOLUTION GRANTING WAIVER REQUEST FROM PHASING SCHEDULE  
ESTABLISHED BY COAH'S SECOND ROUND RULES, *N.J.A.C. 5:93-5.6(d)***

WHEREAS, High Point Development, LLC ("High Point") received land use approvals from the Planning Board of the Township of Cranbury, County of Middlesex, State of New Jersey ("Planning Board") on December 15, 2015 for a two-phase residential and mixed use development ("Project") for the property known as the High Point Redevelopment Area (Block 19, Lots 2 through 4 and Block 20.16, Lots 7 through 10 and 20 on the Cranbury Township tax maps); and

WHEREAS, the Project will have a ten percent minimum set-aside for affordable housing and will provide seven (7) affordable family rental units; and

WHEREAS, Council on Affordable Housing ("COAH") second round rules, specifically N.J.A.C. 5:93-5.6(d), require that once twenty-five percent of the market-rate units in an inclusionary development have been completed, ten percent of the affordable units must be constructed, and all affordable units must be completed by the time ninety percent of the market-rate units are constructed; and

WHEREAS, the affordable units are not interspersed within the townhouse development, but rather will be constructed over the retail space to be developed during Phase II of the Project; and

WHEREAS, in order to comply with the phasing requirements, High Point would have to build one hundred percent of the affordable units by the time twenty-five percent of the market-rate units in the townhouse development have been completed; and

WHEREAS, stated differently, High Point would have to construct the entirety of the seven (7) affordable rental units, five (5) market-rate rental units and retail space, which are all contained in one building, by the time twenty-five percent of the market-rate townhouses have been constructed; and

WHEREAS, it is economically unfeasible for High Point to complete one hundred percent of the affordable units by the time it completes twenty-five percent of the market-rate townhouses in the Project, and strict adherence the phasing schedule would be detrimental to the Project's viability; and

WHEREAS, at the time of its application before the Planning Board, High Point requested a waiver of the phasing requirements seeking to construct one hundred percent of the affordable units by the time seventy-five percent of the Project's market-rate units are constructed; and

WHEREAS, the above construction schedule would permit High Point to construct and receive certificate of occupancies for forty-five (45) market-rate townhouses prior to building the affordable housing units, which roughly equates to seventy-five percent; and

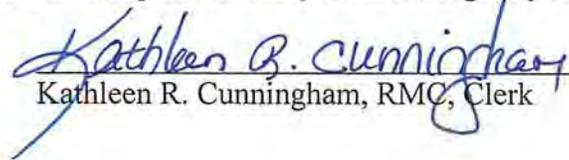
WHEREAS, however, High Point must complete the construction of and obtain certificates of occupancy for all seven (7) affordable family rental units before High Point shall be permitted to obtain a certificate of occupancy for the Project's forty-sixth (46th) townhouse.

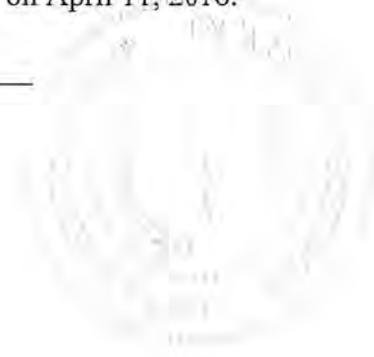
NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Cranbury, County of Middlesex, State of New Jersey, as follows:

1. The preamble to this Resolution is hereby incorporated as if more fully set forth herein.
2. High Point's request for a waiver from the phasing schedule established by the COAH second round rules is hereby granted, subject to court approval.
3. High Point shall complete the construction of and obtain certificates of occupancy for all seven (7) affordable family rental units before it shall be permitted to obtain a certificate of occupancy for the Project's forty-sixth (46<sup>th</sup>) market-rate unit.
4. Special Counsel on Affordable Housing and other appropriate officers, employees and professionals, are hereby authorized and directed to prepare and execute any and all documents and undertake any and all acts necessary to effectuate the above-referenced waiver, including, but not limited to, seeking approval from the court for the same.

CERTIFICATION

I, Kathleen R. Cunningham, do hereby certify that the foregoing resolution is a true copy of a resolution passed by the Township of Cranbury at a meeting duly held on April 11, 2016.

  
Kathleen R. Cunningham, RMC, Clerk



## Table of Contents

<b>Executive Summary</b> .....	<b>1</b>
<b>Affordable Housing Judicial and Legislative Background</b> .....	<b>2</b>
First and Second Round Methods .....	2
Third Round Method .....	3
Fair Housing Act Amendments and the NJ Economic Stimulus Act.....	4
Appellate Court’s 2010 Decision.....	5
Judicial Activity from 2011 to 2014.....	5
March 2015 NJ Supreme Court Decision.....	6
<b>Affordability Requirements</b> .....	<b>7</b>
<i>Table 1. Sample 2014 Income Limits for Region 3</i> .....	8
<i>Table 2. Illustrative 2014 Affordable Rents for Region 3</i> .....	8
<i>Table 3. Illustrative 2014 Affordable Sales Prices for Region 3</i> .....	8
<b>Housing Element and Fair Share Plan Requirements</b> .....	<b>8</b>
<b>Township of Cranbury’s Affordable Housing History</b> .....	<b>9</b>
<b>Housing Conditions</b> .....	<b>10</b>
<i>Table 4. Housing Units by Units in Structure and Tenure of Occupant, 2013</i> .....	10
<i>Table 5. Housing Units by Age, 2013</i> .....	11
<i>Table 6. Number of Rooms per Housing Unit, 2013</i> .....	12
<i>Table 7. Number of Bedrooms per Housing Unit, 2013</i> .....	12
<i>Table 8. Value of Occupied Housing Units, 2013 and 2000</i> .....	13
<i>Table 9. Gross Rent by Housing Unit in Cranbury Township and Middlesex County, 2013</i> .....	14
<i>Table 10: Housing Affordability, 2013</i> .....	15
<i>Table 11: Indicators of Housing Deficiency, 2010</i> .....	15
<b>Population Characteristics</b> .....	<b>15</b>
<i>Table 12: Population Change, 1990 to 2010</i> .....	16
<i>Table 13: Age of Population, 2000 and 2013</i> .....	16
<b>Household Characteristics</b> .....	<b>17</b>
<i>Table 14. Household Composition, 2013</i> .....	17
<b>Income Characteristics</b> .....	<b>17</b>

Table 15. Household Income, 2013 ..... 18

Table 16. Individual and Family Poverty Rates, 2013 ..... 18

**Employment Characteristics .....18**

Table 17. Employed Residents by Industry Sector, 2013 ..... 19

Table 18. Employed Residents by Occupation, 2013 .....20

Table 19: Change in Employment Since 2010 .....20

Table 20. Covered Employment, 2014 ..... 21

Table 21. Journey to Work, 2009-2013 ..... 21

Table 22. Available Vehicles by Household, 2009-2013..... 22

Table 23. Top Ten Commuting Destinations for Cranbury Residents, 2011..... 22

**Population Projections ..... 22**

Table 24. Population and Employment Projections, 2010 to 2040 ..... 23

Table 25. Housing Projections to 2025..... 24

**Consideration of Land for Affordable Housing ..... 24**

**Fair Share Plan ..... 26**

Cranbury’s Affordable Housing Obligation ..... 26

    Rehabilitation ..... 26

    Prior Round..... 27

    Third Round Obligation ..... 27

**CRANBURY’S AFFORDABLE HOUSING PLAN .....27**

**Means of Addressing the Rehabilitation Component.....27**

**Satisfaction of the Prior Round Obligation ..... 28**

Table 26. Summary of Credits from Prior Round, 1987-1999.....29

Regional Contribution Agreements ..... 29

    Affordable Housing Sites Map .....30

100 % Affordable ..... 31

    Bergen Drive, Danser Drive & Bennett Place - Family Affordable Rentals..... 31

    Bergen Dr., Danser Dr. & South Main St - Family Affordable Sale..... 32

    CHA Park Place West - Senior Affordable Rentals ..... 33

    CHA Old Cranbury Road – Family Affordable Rentals ..... 34

Supportive and Special Needs Housing.....34

    SERV Group Home – Dey Road ..... 34

*SERV Shared Supportive Living* ..... 35

Substantial Compliance Reduction..... 35

Prior Round Rental Bonuses ..... 36

**Satisfaction of the Third Round Obligation..... 36**

    Affordable Housing Sites Map ..... 37

*Table 27. Affordable Housing Credits/Reductions/Bonuses Addressing Third Round Obligation (20% cap)* .....38

Prior Round Surplus .....38

100% Affordable - Completed, Approved, Proposed .....38

*CHA Old Cranbury Road – Family Affordable Rentals* .....38

        Gristmiller House Aerial Map.....39

*Gristmiller House*..... 40

*Applewood Court/Route 130D - 100% Affordable*..... 40

        Applewood Court /Route 130D Aerial Map..... 41

        Applewood Court /Route 130D Site Plan ..... 42

*Ingerman/Paul’s Auto - 100% Affordable* ..... 43

        Ingerman/Paul’s Auto Aerial Map.....44

        Ingerman/Paul’s Auto Site Plan ..... 45

Inclusionary Development/Redevelopment– Approved, Proposed ..... 47

*High Point/Cheney/Kushner/Hagerty - Inclusionary Redevelopment* ..... 47

        High Point/Cheney/Kushner/Hagerty Aerial Map..... 48

        High Point/Cheney/Kushner/Hagerty Approved Site Plan ..... 49

*Toll Brothers/Protinick Site – Inclusionary/ Payment-In-Lieu* ..... 50

        Toll Brothers/Protinick Aerial Map..... 51

Rental Bonuses .....52

**Affordable Housing Ordinance and Affirmative Marketing .....52**

**Affordable Housing Trust Fund ..... 53**

**Appendix A - Service Agreement with County ..... I**

**Appendix B - Resolution of Intent to Bond..... II**

**Appendix C – 1988 Memorandum of understanding ..... III**

**Appendix D – 1998 Memorandum of understanding..... IV**

**Appendix E - Bergen Dr., Danser Dr. & South Main St - Deed Restrictions..... V**

Appendix F – 2006 MEMORANDUM OF UNDERSTANDING ..... VI  
Appendix G - SERV Group Home - Dey Road- License/Etc.....VII  
Appendix H - SERV Group Home – Half Acre Road- License/Etc. .... VIII  
Appendix I – Cristmiller - Lease and Agreement ..... IX  
Appendix J - Applewood Court/Route 130D – Proforma/Resolution of Approval ..... X  
Appendix K - Ingerman/Paul’s Auto – Proforma/Construction Schedule .....XI  
Appendix L - High Point/Cheney/Kushner/Hagerty – Resolution of Approval .....XII  
Appendix M - Spending Plan ..... XIII

**EXECUTIVE SUMMARY**

This amended Third Round Housing Element and Fair Share Plan has been prepared for Cranbury Township, Middlesex County in accordance with the rules of the New Jersey Council on Affordable Housing (“COAH”) at *N.J.A.C.* 5:93 et seq. This plan is an amendment to the prior Third Round plan adopted by the Planning Board and endorsed by the Township Committee on December 11, 2008 and granted Third Round substantive certification by COAH on April 21, 2010. This Plan will serve as the foundation for the Township’s submission to the Honorable Douglas K. Wolfson, J.S.C., for a Judgment of Compliance and Repose.

There are three components to a municipality’s affordable housing obligation: the Third Round rehabilitation share, the Prior Round obligation and the Third Round Prospective Need. As discussed in detail below the Township’s Third Round affordable housing obligations are as follows:

- Third Round Rehabilitation Share: 10 units
- Prior Round Obligation: 217 units
- Third Round Prospective Need: 260 units, utilizing 20% Cap

Regarding rehabilitation, the Township will continue its rehabilitation program participation with the County, institute a local program if necessary and will provide any funding from the affordable housing trust fund necessary to supplement the cost to satisfy its obligation.

The Township has fully satisfied the Prior Round obligation through COAH-approved and Township-funded regional contribution agreements (“RCAs”) with the City of Perth Amboy and the Borough of Carteret and existing, completed affordable housing units including a mix of sale and rental units at the 100% affordable housing developments on Bergen Drive and Danser Drive, affordable senior rental units at Park Place West, affordable family rentals at Parkside at Bennett Place (a 100% affordable development), two group homes by SERV on Dey Road and Half Acre Road, a Second Round substantial compliance reduction and Prior Round rental bonuses.

The Third Round Prospective Need will be satisfied with existing, completed affordable housing units including family rentals at the Old Cranbury Road site and the Gristmiller House site and approved and proposed affordable units at the Applewood Court site (formerly known as Route 130D), the High Point/Cheney/Kushner/Hagerty site and the Ingerman/Paul’s Garage site. Additionally, the Township will be receiving a \$3,000,000 payment-in-lieu related to the Toll Brothers/Protinick site.

## AFFORDABLE HOUSING JUDICIAL AND LEGISLATIVE BACKGROUND

Providing affordable housing within each municipality was found to be a constitutional obligation by the New Jersey Supreme Court in its landmark 1975 decision now referred to as Mount Laurel I. The Court found that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing<sup>1</sup>. In its 1983 Mount Laurel II decision, the Supreme Court extended the obligation to all municipalities with any “growth area” as designated in the State Development Guide Plan (NJDCA 1978). Subject to a number of limitations, Mt. Laurel II also gave developers under appropriate circumstances the opportunity to secure a “builder’s remedy”.<sup>2</sup> A builder’s remedy is where a developer is granted the right to develop what is typically a multi-family project on land that was not zoned to permit this use or at densities desired by the developer at the time of the suit and where a “substantial” percentage of the units are reserved for low and moderate income households.

In 1985, the Legislature enacted the Fair Housing Act (“FHA”)<sup>3</sup> in response to Mount Laurel II. The FHA created the Council on Affordable Housing (“COAH”) as an administrative alternative to municipal compliance in a court proceeding. The Legislature conferred “primary jurisdiction” on the agency and charged COAH with promulgating regulations: (i), to establish housing regions; (ii), to estimate low and moderate income housing needs; (iii), to set criteria and guidelines for municipalities to determine and address their fair share numbers, and (iv) to create a process for the review and approval of appropriate housing elements and fair share plans. As will be seen, COAH has been declared a moribund agency which has forced the NJ Supreme Court to reactivate a judicial process in the review and approval of affordable housing plans. This document is being created to submit to the judicial process for determining affordable housing allocations and responses and ultimately, to receive a Third Round Judgment of Repose for a 10-year period.

### First and Second Round Methods

COAH created the criteria and guidelines for municipalities to determine and address their respective affordable housing obligation<sup>4</sup>, or number of affordable dwellings. Following guidelines established by the U.S. Dept. of Housing and Urban Development (“HUD”), COAH defined affordable housing as dwellings that could be occupied by households making 80% or less of the regional household income – typically from 38-41% of the total population. COAH originally established a formula for determining municipal affordable housing obligations for the six-year period between 1987 and 1993 (*N.J.A.C. 5:92-1 et seq.*), which became known as the “First Round.” The First Round rules established an existing need where sub-standard

<sup>1</sup> - Southern Burlington NAACP v. Twp. of Mt. Laurel, 67 NJ 151 (1975)

<sup>2</sup> - Southern Burlington NAACP v. Twp. of Mt. Laurel, 92 NJ 158 (1983)

<sup>3</sup> - *N.J.S.A. 52:27D-301*

<sup>4</sup> - Also called a municipality’s “fair share” of affordable housing.

housing was being occupied by low and moderate income households (variously known as “present need” or “rehabilitation share”) and future demand to be satisfied with new construction (“prospective need” or “fair share”).

The First Round formula was superseded by COAH regulations in 1994 (*N.J.A.C. 5:93-1.1 et seq.*). The 1994 regulations recalculated a portion of the 1987-1993 affordable housing obligations for each municipality and computed the additional municipal affordable housing need from 1993 to 1999 using 1990 U.S. Census data. The regulations COAH adopted in 1994 are known as “the Second Round” or 12-year cumulative obligation. In the Third Round, the new construction component from any earlier rounds is called either the prior obligation or “Prior Round”.

### **Third Round Method**

On December 20, 2004, COAH’s first version of the Third Round rules became effective some five years after the end of Second Round in 1999 (*N.J.A.C. 5:94-1 and 5:95-1*). The FHA had originally required housing rounds to be for a six year period but in 2001 was amended to extend the time period to ten year intervals, which meant that the Third Round should have been from 1999-2009. However, because of the delay, the Third Round was extended by five years to 2014 and condensed into an affordable housing delivery period of ten years from January 1, 2004 through January 1, 2014. In other words, 15 years of affordable housing activity was to take place in 10 years.

The Third Round rules marked a significant departure from the methods utilized in COAH’s Prior Rounds. Previously, COAH assigned an affordable housing obligation that included the new construction number for each municipality. These Third Round rules implemented a “growth share” approach that linked the production of affordable housing to future residential and non-residential development within a municipality. Each municipality was required to project the amount of residential and non-residential growth that would occur during the period 2004 through 2014. Then municipalities were required to provide the opportunity of one affordable unit for every 8 market rate housing units developed and one affordable unit for every 25 jobs created. Jobs were not counted directly but rather by using non-residential building square footage as a substitute for employment. The Township prepared a housing plan based on these rules as will be discussed below.

This set of rules changed, however, when the New Jersey Appellate Court invalidated key elements of the first version of the Third Round rules on January 25, 2007. The Court ordered COAH to propose and adopt amendments to its rules within six months to address the deficiencies identified by the Court. COAH missed this deadline but eventually issued revised rules effective June 2, 2008 (as well as a further rule revision effective on October 20, 2008). It met the Court’s directive to provide residential development and job projections for the Third Round. The Third Round was expanded again from 2014 out to 2018. COAH retained the growth share

approach but revised its ratios to require one affordable housing unit for every four market rate housing units developed and one affordable housing unit for every 16 jobs created.

Just as various parties challenged COAH's initial Third Round "growth share" regulations, parties challenged COAH's 2008 revised Third Round "growth share" rules. The Appellate Court issued a decision on October 8, 2010 deciding those challenges (see below).

### **Fair Housing Act Amendments and the NJ Economic Stimulus Act**

On July 17, 2008, Governor Corzine signed P.L.2008, c.46, which amended the FHA in a number of ways<sup>5</sup>. Key provisions of the legislation included the following:

- Establishing a statewide 2.5% nonresidential development fee instead of requiring nonresidential developers to provide affordable housing.
- Eliminating RCAs as a means available to municipalities to transfer up to 50% of their required affordable housing to a "receiving" municipality.
- Adding a requirement that 13% of all affordable housing units be restricted to very low income households (earning 30% or less of median income).
- Adding a requirement that municipalities had to commit to spend development fees within four years of the date of collection after its enactment or initially by July 17, 2012.

On July 27, 2009 Governor Corzine signed the "NJ Economic Stimulus Act of 2009",<sup>6</sup> which instituted a moratorium on the collection of non-residential affordable housing development fees through July 2010. This moratorium was later extended until July 1, 2013 (P.L. 2011, c. 122). Since the moratorium has now expired, municipalities are obligated to collect the fee of 2.5% of the equalized assessed value of a non-residential development. Municipalities were always permitted to impose and collect residential development impact fees approved by COAH following a 1990 NJ Supreme Court decision<sup>7</sup>.

---

<sup>5</sup> - Also known as the "Roberts Bill" after former NJ Assembly Speaker Joseph Roberts who sponsored the bill.

<sup>6</sup> - P.L. 2009, c.90.

<sup>7</sup> - Holmdel Builders Assn. v. Tp. of Holmdel, 121 N.J. 550, 583 A.2d 277 (1990).

## Appellate Court's 2010 Decision

On October 8, 2010 the Appellate Division issued a decision on the legal challenges to the second iteration of COAH regulations.<sup>8</sup> The Appellate Division affirmed the COAH regulations that assigned rehabilitation and Prior Round numbers to each municipality, but invalidated the regulations by which the agency allocated affordable housing obligations in the Third Round. Specifically, the Appellate Division ruled that COAH could not allocate obligations through a “growth share” formula and directed COAH to use similar methods to those previously used in the First and Second Rounds. Other highlights of the Appellate Court’s decision include:

- To be credited, municipally-sponsored or 100% affordable housing sites must show site control, site suitability, and a proposed source of funding to be granted credit.
- COAH’s rules did not provide sufficient incentive for the private construction of inclusionary developments (market-rate and affordable units). Clearly defined percentages supported by economic data must be provided. The Court noted that a 20% affordable housing set-aside was typical.
- The Court invalidated Prior Round rental bonuses for developments that were not built within a reasonable time-frame.
- Bonuses for smart growth and redevelopment activities were upheld; however the Court invalidated Third Round compliance bonuses.
- The Court upheld its prior ruling on COAH’s formula that did not reallocate present need (existing substandard housing) from urban aid eligible municipalities to other municipalities in the region. The Court also questioned whether or not urban aid municipalities should be assigned an allocation for future growth.

## Judicial Activity from 2011 to 2014

COAH sought a stay from the NJ Supreme Court of the March 8, 2011 deadline the Appellate Division had imposed in its October 2010 decision for the agency to issue new Third Round housing numbers. The Supreme Court granted COAH’s application for a stay on January 18, 2011 and on March 31, 2011, the Court granted petitions and cross-petitions to all of the various challenges to the Appellate Division’s 2010 decision. However, the Supreme Court did not hear oral argument on the various petitions and cross petitions until November 14, 2012.

---

<sup>8</sup> - *In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing.*

The NJ Supreme Court decided on the appeal by the executive branch of the Appellate Court's decision of March 8, 2012 that disallowed the dissolution of COAH under Governor Christie's Reorganization Plan No. 001-2011. The Supreme Court upheld the lower court's ruling, finding that the governor did not have the power to unilaterally reorganize COAH out of existence. The judges found that such an action requires the passage of new legislation.

On September 26, 2013 the NJ Supreme Court upheld the Appellate Court decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by New Jersey Council On Affordable Housing, 215 N.J. 578 (2013), and ordered COAH to prepare the necessary rules. Subsequent delays in COAH's rule preparation and ensuing litigation led to the NJ Supreme Court, on March 14, 2014, setting forth a schedule for adoption. COAH approved draft Third Round rules on April 30, 2014. Although ordered by the NJ Supreme Court to adopt revised new rules on or before October 22, 2014, COAH deadlocked 3-3 at its October 20 meeting and failed to adopt the draft rules. An initial motion to table the rule adoption for 60 days to consider amendments also deadlocked at 3-3 and thus also failed.

### **March 2015 NJ Supreme Court Decision**

The failure of COAH to adopt new regulations in November 2014 as ordered by the NJ Supreme Court led one of the litigants – Fair Share Housing Center (“FSHC”) to file a Motion In Aid of Litigants' Rights to compel the government to produce constitutional affordable housing regulations. The NJ Supreme Court heard oral arguments on the motion on January 6, 2015. Much of the justices' questioning revolved around what means and methods could be employed to ensure that affordable housing was produced since the Attorney General's office could offer no assurances as to when the COAH board would meet to consider new rules. Two months later, on March 10, 2015, the Supreme Court issued its ruling, entitled, In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing, now known as Mt. Laurel IV.

The decision provides a new direction for the means by which New Jersey municipalities are to comply with the constitutional requirement to provide their fair share of affordable housing. The Court transferred responsibility to review and approve housing elements and fair share plans (e.g., housing plans) from COAH to designated Mt. Laurel trial judges. The implication of this is that municipalities may no longer wait for COAH to adopt Third Round rules before preparing new Third Round housing plans and municipalities must now apply to Court, instead of COAH, if they wish to be protected from exclusionary zoning lawsuits. These trial judges, likely with the assistance of an appointed Special Master to the Court, will review municipal plans much in the same manner as COAH previously did. Those towns whose plans are approved by the Court will receive a Judgment of Repose, the court-equivalent of COAH's substantive certification.

The decision established a 90-day transitional period and then a 30-day filing period when municipalities could petition Superior Court in a Declaratory Judgment action seeking confirmation that their means of addressing affordable housing meets constitutional muster. Municipalities were also permitted to file motions for temporary immunity from builder's remedy lawsuits. Cranbury filed its Declaratory Judgment action on July 8, 2015.

The NJ Supreme Court indicated in its ruling that housing plans are to be drawn up using similar rules as to those in place during the Second Round as well as Third Round housing compliance mechanisms that the justices found constitutional, such as smart growth and redevelopment bonuses. This document has been drafted using the Supreme Court's direction in its decision.

### **AFFORDABILITY REQUIREMENTS**

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent that is within the financial means of households of low or moderate income as income is measured within each housing region. Cranbury is in COAH's Region 3, which includes Middlesex, Somerset and Hunterdon Counties. Moderate income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. In 2008, the State Legislature created an additional sub-category of low income – very-low income, which has been defined as households earning 30% or less of the regional median income.

Through the Uniform Housing Affordability Controls ("UHAC") found at *N.J.A.C. 5:80-26.3(d) and (e), et seq.*, COAH requires that the maximum rent for a qualified unit be affordable to households that earn no more than 60% of the median income for the region. The average rent must be affordable to households earning no more than 52% of the median income. The maximum sale prices for affordable units must be affordable to households that earn no more than 70% of the median income. The average sale price must be affordable to a household that earns no more than 55% of the median income.

The regional median income is defined by COAH using HUD income limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH reallocates to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Table 1 for 2014 income limits for Region 3 and Tables 2 and 3 for illustrative sale prices and gross rents from 2014 (the latest figures available). The sample rents and sale prices are illustrative and are gross figures which do not account for the specified utility allowance. We anticipate that the Superior Court will have to approve updated 2015 and 2016 income limits and permitted sales and rental increases.

**Table 1. Sample 2014 Income Limits for Region 3**

Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
Moderate	\$58,800	\$67,200	\$75,600	\$84,000	\$90,720
Low	\$36,750	\$42,000	\$47,250	\$52,500	\$56,700
Very Low	\$22,050	\$25,200	\$28,350	\$31,500	\$34,020

Source: NJDCA 2014 Affordable Housing Regional Income Limits

**Table 2. Illustrative 2014 Affordable Rents for Region 3**

Household Income Levels (% of Median Income)	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate (60% of Median)	\$1,181	\$1,418	\$1,638
Low (46% of Median)	\$906	\$1,087	\$1,256
Very Low (30% of Median)	\$591	\$709	\$819

Source: NJDCA 2014 Illustrative Rents

**Table 3. Illustrative 2014 Affordable Sales Prices for Region 3**

Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate (70% of Median)	\$141,462	\$169,755	\$196,161
Low (50% of Median)	\$93,442	\$112,130	\$129,572
Very Low (30% of Median)	\$45,421	\$54,505	\$62,984

Source: NJDCA 2014 Illustrative Sales Prices for New Construction

## HOUSING ELEMENT AND FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (*N.J.S.A. 40:55D-1, et seq.*), a municipal Master Plan must include a housing plan element as the foundation for the municipal zoning ordinance (see *N.J.S.A. 40:55D-28b(3)*). Pursuant to the FHA (*N.J.S.A. 52:27D-301 et seq.*), a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. Specifically, *N.J.S.A. 52:27D-310* requires that the housing plan element contain at least the following:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next

ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends;

- An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low and moderate income housing; and
- A consideration of the lands most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

#### **TOWNSHIP OF CRANBURY'S AFFORDABLE HOUSING HISTORY**

As background, Cranbury Township prepared a First Round (1987-1993) housing element and fair share plan addressing a 153-unit affordable housing obligation (143 new construction/10 rehabilitation) and received First Round substantive certification from COAH on April 24, 1989. Subsequently, the Township prepared a Second Round plan to address its cumulative (1987-1999) affordable housing obligation of 230 units (217 new construction/13 rehabilitation) and received certification from COAH on December 4, 1996. As the Township's Second Round certification was valid for six years and COAH had yet to adopt its Third Round regulations, the Township received an extension of its Second Round substantive certification on February 9, 2005 (initially approved by COAH on November 6, 2002). The Township also petitioned for Third Round substantive certification on December 7, 2005 under COAH's original Third Round rules at *N.J.A.C. 5:94 et seq.*; however, the application had not been certified by COAH prior to the issuance of the Appellate Division's January 25, 2007 decision overturning portions of COAH's regulations.

On December 11, 2008, Cranbury Township adopted a Third Round housing element and fair share plan addressing its Third Round fair share obligation consisting of three components pursuant to COAH's revised Third Round regulations at *N.J.A.C. 5:97*. On December 31, 2008, Cranbury Township petitioned COAH for substantive certification and after determining the Township's petition for Third Round

substantive certification to be complete, on April 21, 2010 COAH granted Cranbury Third Round substantive certification.

Pursuant to the NJ Supreme Court’s March 10, 2015 decision, Cranbury Township was deemed to be a ‘certified’ municipality and on July 8, 2015, the Township filed its Declaratory Judgment action. *“While reviewing for constitutional compliance the ordinances of a town that achieved substantive certification, courts should be generously inclined to grant applications for immunity from subsequently filed exclusionary zoning actions during the necessary review process, unless such process is unreasonably protracted.”*

Pursuant to an October 2, 2015 Order by the Honorable Douglas K. Wolfson, J.S.C., Cranbury submitted a plan summary to the Courts prior to the November, 9, 2015 deadline. Upon conclusion of a February 22, 2016 case management conference it was determined that the Township should file an adopted plan with the Courts by April 18, 2016.

**HOUSING CONDITIONS**

Cranbury’s housing stock consists predominantly of single-family detached units (82.6%), but also contains many single-family attached units (5.7%), and 3- to 4-unit structures (4.6%). The stock of single-family detached units makes up a much larger portion of the Township’s housing stock than that of Middlesex County (51.3%) and the state as a whole (49.5%). The Township’s renter population comprised only approximately 10% of all units, a number much lower than both State and County levels.

**Table 4. Housing Units by Units in Structure and Tenure of Occupant, 2013**

<b>Number of Units</b>	<b>Owner Occupied</b>	<b>Percent of Total</b>	<b>Renter Occupied</b>	<b>Percent of Total</b>	<b>Vacant</b>	<b>Total</b>
1, Detached	1,041	91.5%	25	2.2%	72	1,138
1, Attached	48	61.5%	11	14.1%	19	78
2	10	31.3%	22	68.8%	0	32
3 or 4	10	15.6%	54	84.4%	0	64
5 to 9	0	0%	19	33.9%	37	56
10 to 19	0	0%	0	0%	0	0
20 or more	0	0%	9	100%	0	9
Mobile Home	0	0%	0	0%	0	0
Other	0	0%	0	0%	0	0
<b>Total</b>	<b>1,109</b>	<b>81%</b>	<b>140</b>	<b>10%</b>	<b>128</b>	<b>1,377</b>

Source: Table B25032: Tenure by Units in Structure, ACS 2009-2013

Approximately 59% of Cranbury’s current housing stock was constructed between 1980 and 2009, with the remaining 40% split evenly between 1939 and earlier and post-1950s construction. While the 1990’s contributed the most (21%) to today’s housing stock, construction is evenly split between 1939 and earlier and the 1980’s, 1990’s and 2000’s.

**Table 5. Housing Units by Age, 2013**

Year Built	Number	Percent	Owner	Renter	Vacant
2010 or later	0	0%	0	0	0
2000 to 2009	245	18%	166	43	36
1990 to 1999	285	21%	276	9	0
1980 to 1989	269	20%	250	19	0
1970 to 1979	59	4%	18	4	37
1960 to 1969	122	9%	90	8	24
1950 to 1959	154	11%	84	47	23
1940 to 1949	7	1%	7	0	0
1939 or earlier	236	17%	218	10	8
<b>Total</b>	<b>1,377</b>	<b>100.0%</b>	<b>1,109</b>	<b>140</b>	<b>128</b>
Median Year Built	1985				

Sources: Table B25036: Tenure by Year Structure Built, ACS 2009-2013;  
 Table B25037: Median Year Structure Built by Tenure, ACS 2009-2013

Nearly half (49.2%) of all housing units have nine or more rooms, while units with six or more rooms make up approximately 79% of all units in Cranbury. When compared to both Middlesex County and the State these numbers illustrate that houses in Cranbury far exceed both the State and County averages (5.7 rooms and 5.6 rooms respectively).

**Table 6. Number of Rooms per Housing Unit, 2013**

Rooms	Number of Units	Percent of Total
1	9	0.7%
2	26	1.9%
3	90	6.5%
4	81	5.9%
5	81	5.9%
6	130	9.4%
7	134	9.7%
8	148	10.7%
9+	678	49.2%
Total	1,377	100.0%
Median	8.4 Rooms	

Source: Table DP04 Selected Housing Characteristics, ACS 2009-2013

The plurality (37.8%) of housing in Cranbury contains four bedrooms, and 79.6% of all units had three or more bedrooms. The breakdown of housing units by number of bedrooms is generally inconsistent with that of Middlesex County or the State as Cranbury housing units are trending larger than both. If the plurality of Cranbury's housing stock (4 bedrooms) is compared to that of Middlesex County and the State, the numbers illustrate how Cranbury has a much larger share of total units with 4 bedrooms (19.5% and 18.8%) respectively.

**Table 7. Number of Bedrooms per Housing Unit, 2013**

Bedrooms	Number of Units	Percent of Total
Efficiency	17	1.2%
1	118	8.6%
2	145	10.5%
3	328	23.8%
4	521	37.8%
5+	248	18.0%
Total	1,377	100.0%

Source: Table DP04 Selected Housing Characteristics, ACS 2009-2013

Between 2000 and 2013, housing values have risen substantially. Accounting for inflation, the median home in 2000 was worth approximately \$488,370 (in 2013 dollars), meaning that the average home in Cranbury has increased in value by 36.2%. While in 2013 nearly every unit (97%) was valued at \$300,000+, overall, the

median home value between 2000 and 2013 grew from \$352,200 to \$665,100, a percent change of 88.8%.

It should be noted that between 2000 and 2013, 250 additional units of housing were created in Cranbury and without accounting for demolition or rehabilitation it would appear as though virtually all of the new units were valued at \$300,000+ with some reflecting the Township’s affordable housing production as well.

Based on COAH’s 2014 illustrative sales numbers, approximately 6 (0.7%) of 2013 housing may be affordable to very-low income households (depending on the number of rooms in the unit). Meanwhile, 30 (3.5%) of units (exclusive of units that may be affordable to very-low income households) may be affordable to low income households, and at least 38 units (4.4%) may be affordable to moderate income households (excluding those units affordable to low and very-low income households). In total, 74 owner-occupied units, or 8.6% of all units in the Township, may be affordable to low and moderate income households.

**Table 8. Value of Occupied Housing Units, 2013 and 2000**

Housing Unit Value	2013 Units	Percent	2000 Units	Percent
Less than \$50,000	0	0%	6	1%
\$50,000 to \$59,999	12	1%	0	0%
\$60,000 to \$69,999	0	0%	0	0%
\$70,000 to \$79,999	10	1%	9	1%
\$80,000 to \$89,999	0	0%	0	0%
\$90,000 to \$99,999	0	0%	0	0%
\$100,000 to \$124,999	10	1%	14	2%
\$125,000 to \$149,999	0	0%	7	1%
\$150,000 to \$174,999	0	0%	9	1%
\$175,000 to \$199,999	0	0%	29	3%
\$200,000 to \$249,999	0	0%	157	18%
\$250,000 to \$299,999	0	0%	107	12%
\$300,000 or more	1077	97%	521	61%
Total	1,109		859	
Median (dollars)	\$665,100		\$361,000	

Sources: QT-H14 Value, Mortgage Status, and Selected Conditions, 2000;  
 B25075: Value, ACS 2009-2013

The median rent in Cranbury in 2013 was \$1,085 dollars, compared to \$1,265 across Middlesex County. Approximately 54% of rental units in Cranbury rent for between \$900 and \$1,499, with 16% of gross rents between \$1,500 and \$1,999. Based on COAH’s 2014 illustrative rents, 27 units, or 19.3%, may be affordable to very low

income renters, depending on the number of bedrooms being rented. Similarly, 52 units (37.1% of rental units) may be affordable to low income renters and 51 units (36.4% of rental units) may be affordable to moderate income households, exclusive of those units affordable to lower income groups. In total, 103 rental units, or 73.6% of all rental units, either are or may be affordable to low and moderate income households.

**Table 9. Gross Rent by Housing Unit in Cranbury Township and Middlesex County, 2013**

Gross Rent	Units in Cranbury	Percent	Units in Middlesex County	Percent	Difference
Less than \$100	0	0%	203	0%	-0.2%
\$100 to \$149	0	0%	134	0%	-0.1%
\$150 to \$199	0	0%	413	0%	-0.4%
\$200 to \$249	9	6%	1,285	1%	5.1%
\$250 to \$299	10	7%	717	1%	6.4%
\$300 to \$349	0	0%	687	1%	-0.7%
\$350 to \$399	0	0%	702	1%	-0.7%
\$400 to \$449	0	0%	641	1%	-0.7%
\$450 to \$499	0	0%	528	1%	-0.6%
\$500 to \$549	0	0%	510	1%	-0.5%
\$550 to \$599	0	0%	451	0%	-0.5%
\$600 to \$649	0	0%	492	1%	-0.5%
\$650 to \$699	0	0%	683	1%	-0.7%
\$700 to \$749	0	0%	901	1%	-0.9%
\$750 to \$799	0	0%	954	1%	-1.0%
\$800 to \$899	8	6%	3,552	4%	2.0%
\$900 to \$999	25	18%	6,611	7%	10.9%
\$1,000 to \$1,249	31	22%	25,835	27%	-5.0%
\$1,250 to \$1,499	20	14%	18,688	20%	-5.4%
\$1,500 to \$1,999	22	16%	20,844	22%	-6.2%
\$2,000 or more	0	0%	7,978	8%	-8.4%
No cash rent	15	11%	2,300	2%	8.3%
<b>Total</b>	<b>140</b>	<b>100.0%</b>	<b>95,109</b>	<b>100.0%</b>	
<b>Median Rent</b>	<b>\$1,085</b>		<b>\$1,265</b>		

Sources: Table B25063 Gross Rent, ACS 2009-2013; Table B25064 Median Gross Rent (Dollars), ACS 2009-2013

Housing is generally considered to be affordable if the costs of rents, mortgages, and other essential costs consume 28% or less of an owner-household's income or 30% or less of a renter-household's income. Homeowner rates are lower to account for the

additional home maintenance costs associated with ownership. In Cranbury, while only 25.5% of all households in occupied units are expending more than 30% of their income on housing, nearly 48.5% of renter households are paying more than 30%, compared to just 22.6% of homeowner households.

**Table 10: Housing Affordability, 2013**

Monthly Housing Costs as Percent of Income	Owner-Occupied	% of Total	Renter	% of Total	All Occupied	% of Total
Less than 20 Percent	492	44.4%	11	7.9%	503	40.3%
20 to 29 Percent	367	33.1%	46	32.9%	412	33.0%
30 Percent or More	251	22.6%	68	48.5%	318	25.5%
Total	1,109	100.1%	140	89.3%*	1,249	98.8%*

Source: Table S2503 Financial Characteristics, ACS 2009-2013

\*Remaining percentage has zero or negative income, or paid no cash rent.

In 2010, there were 0 housing units in Cranbury that were overcrowded (more than 1 person per room) and were in structures that were built before 1950, there were 0 units that had incomplete kitchen facilities and 412 which were 50+ years old. While historically the conditions mentioned in this paragraph have been indicators of housing deficiency, which are used to determine the number of units requiring rehabilitation, in the case of Cranbury it can be clearly seen that housing deficiency should not be considered a dominant factor.

**Table 11: Indicators of Housing Deficiency, 2010**

Indicator	50+ Years Old	Incomplete Plumbing	Incomplete Kitchen	Crowded or Overcrowded, and built pre 1950
Number of Units	412	0	0	0

Source: Table B25050 Tenure By Plumbing Facilities by Occupants per Room by Year Structure Built, ACS 2006-2010; Table 25051: Kitchen Facilities for All Housing Units, ACS 2006-2010; Table B25034 Year Structure Built, ACS 2006-2010. This data was not available for the American Community Survey's 3-Year data set.

**POPULATION CHARACTERISTICS**

Cranbury has grown by 54.3% between 1990 and 2010, compared to just 20.6% in Middlesex County. Cranbury grew at more than double the County's pace between 1990 and 2000 (29.1% vs. 11.7%) and again grew at nearly double the County's pace between 2000 and 2010 (19.5% vs. 8.0%).

**Table 12: Population Change, 1990 to 2010**

Location	1990	2000	% Change	2010	% Change
Cranbury	2,500	3,227	29.1%	3,857	19.5%
Middlesex	671,780	750,162	11.7%	809,858	8.0%

Source: U.S. Census 1990, 2000, 2010

Age cohorts in Cranbury have had significant change since 2000. While Cranbury has seen a 79% reduction in the number of adults ages 25 to 40, it appears there has been a huge increase in the numbers of adults at or approaching retirement, ages 45 to 64 (130%). The age bracket with the most growth is the 60 to 64 year old population cohort, which increased by 187 persons or 292%. Meanwhile, the 30-34 year old age bracket declined the most; 521 persons or 83%. While Cranbury has extreme movement within its age cohort, the median resident age stayed relatively stable dropping from only 46.2 years to 46.1 years.

**Table 13: Age of Population, 2000 and 2013**

Age in Years	Number in 2000	Percent	Number in 2013	Percent	Percent Change 2000-2010
Under 5	214	7%	105	3%	-37%
5-9	296	9%	342	9%	-2%
10-14	321	10%	370	10%	13%
15-19	191	6%	244	7%	84%
20-24	71	2%	101	3%	72%
25-29	267	8%	69	2%	-75%
30-34	624	19%	103	3%	-88%
35-39	586	18%	144	4%	-75%
40-44	178	6%	292	8%	65%
45-49	116	4%	327	9%	266%
50-54	165	5%	367	10%	142%
55-59	134	4%	380	10%	126%
60-64	64	2%	251	7%	283%
65-69	214	7%	185	5%	-37%
70-74	296	9%	135	4%	-2%
75-79	321	10%	102	3%	13%
80-84	191	6%	94	3%	84%
85+	71	2%	78	2%	72%
Total	3,227	100.0%	3,689	100.0%	19.5%
Median Age	46.2 Years		46.1 Years		

Source: Table B01001: Sex by Age, ACS 2009-2013; Table B01002: Median Age by Sex, ACS 2009-2013; Census 2010 DP-1; Census 2000 Summary File 1

**HOUSEHOLD CHARACTERISTICS**

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. By comparison, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household. In 2013 there were 1,249 households in Cranbury, with an average of 2.88 persons per household and 998 families (79.9%) with an average of 3.27 people per family. 87.2% of all families were married couple families. Just 6.6% of family households were female-headed without spouse present, and 3.7% of family households were male headed without spouse present. The majority of the heads of both male and female headed households live without their own children under 18 years old, indicating that the head of household lives either with a child not their own (adopted, related) or with another family member older than age 18. Additionally, 80.9% of the 251 non-family households consist of people living alone.

**Table 14. Household Composition, 2013**

Household Type	Number of Households	Percent
<b><i>Family households</i></b>	<b>998</b>	<b>79.9%</b>
Married-couple family	870	69.7%
With Children	433	34.7%
With No Children	437	35.0%
Male householder, no spouse present	46	3.7%
With Own Children Under 19	0	0%
Without Own Children Under 19	46	3.7%
Female householder, no spouse present	82	6.6%
With Own Children Under 19	29	2.3%
Without Own Children Under 19	53	4.2%
<b><i>Nonfamily households</i></b>	<b>251</b>	<b>20.1%</b>
Householder living alone	203	16.3%
<b>TOTAL HOUSEHOLDS</b>	<b>1,249</b>	<b>100.0%</b>

Source: Table DP02. Selected Social Characteristics, ACS 2009-2013

**INCOME CHARACTERISTICS**

The median household income in Cranbury was \$149,450 in 2013, which was approximately \$69,854 above the County median. As one might expect the income distributions between the Township and the County are extreme. 76.4% of Cranbury households earn more than \$75,000, while the same is true for just 52.8% of County residents. Cranbury's affluence is further illustrated when comparing poverty rates to those of the County. While the County has families and individual poverty rates of

5.9% and 8.5% respectively, Cranbury has poverty rates of just 1.0% and 1.4% respectively.

**Table 15. Household Income, 2013**

Household Income	Households	Percent
Less than \$10,000	19	2%
\$10,000-\$14,999	18	1%
\$15,000-\$24,999	44	4%
\$25,000-\$34,999	58	5%
\$35,000-\$49,999	66	5%
\$50,000-\$74,999	91	7%
\$75,000-\$99,999	107	9%
\$100,000-\$149,999	227	18%
\$150,000-\$199,999	222	18%
\$200,000+	397	32%
Total	1,249	100.0%
Median Income	\$ 149,450	

Source: Table DP03 Selected Economic Characteristics, ACS 2009-2013

**Table 16. Individual and Family Poverty Rates, 2013**

Location	Families	Individuals
Cranbury Township	1.0%	1.4%
Middlesex County	5.9%	8.5%

Source: Table DP03 Selected Economic Characteristics, ACS 2009-2013

**EMPLOYMENT CHARACTERISTICS**

The largest employment sector for employed Township residents, “Educational Services, and Health Care and Social Assistance”, employed 21.3% of all residents in the labor force in 2013. The next largest sectors were “Professional, Scientific, and Management, and Administrative and Waste Management Services”, “Manufacturing” and “Finance and Insurance, and Real Estate and Rental and Leasing”, respectively employing 17.8%, 10.3%, and 9.2% of the employed labor force. Table 17, Employed Residents by Industry Sector, 2013, provides the numerical breakdown.

**Table 17. Employed Residents by Industry Sector, 2013**

Industry	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0.0%
Construction	90	5.2%
Manufacturing	179	10.3%
Wholesale trade	60	3.5%
Retail trade	149	8.6%
Transportation and warehousing, and utilities	40	2.3%
Information	67	3.9%
Finance and insurance, and real estate and rental and leasing	160	9.2%
Professional, scientific, and management, and administrative and waste management services	308	17.8%
Educational services, and health care and social assistance	369	21.3%
Arts, entertainment, and recreation, and accommodation and food services	142	8.2%
Other services, except public administration	95	5.5%
Public administration	74	4.3%
Civilian employed population 16 years and over	1,733	100%

Source: Table DPO3 Selected Economic Characteristics, ACS 2009-2013

While Cranbury’s workforce is spread across a number of industries, slightly more than half of Cranbury’s employed residents occupations were classified as “Management, Business, Science, and Arts or Service” in 2013. Natural Resources, Construction, and Maintenance was the smallest occupation classification in Cranbury, accounting for only 3% of the labor force.

**Table 18. Employed Residents by Occupation, 2013**

Occupation	Number	Percent
Management, business, Science, Arts	1,017	58.7%
Service	207	11.9%
Sales and Office	394	22.7%
Natural Resources, Construction, Maintenance	57	3.3%
Production, Transportation, Material Moving	58	3.3%
Total	1,733	100.0%

Source: Table DPO3 Selected Economic Characteristics, ACS 2009-2013

Since the last amendment to Cranbury’s Housing Plan (2008), the Township’s labor force has seen a steady increase in labor force participation. In 2010, there were 1,585 individuals in the labor force, while 1,966 were recorded in 2014. While growth in the labor force is a certain positive, the unemployment rate has grown from 4.2% in 2010 to 5.1% in 2014.

**Table 19: Change in Employment Since 2010**

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	1,585	1,518	67	4.2%
2011	1,755	1,672	83	4.7%
2012	1,972	1,813	159	8.1%
2013	1,958	1,831	127	6.5%
2014	1,966	1,865	101	5.1%

Source: NJ Department of Labor and Workforce Development

The New Jersey Department of Labor tracks covered employment throughout the State. Covered employment data includes only those jobs for which unemployment compensation is paid. By definition it does not cover public employees (federal, state, county and municipal), nor the self-employed, unpaid family workers, most part-time or temporary employees, and certain agricultural and in-home domestic workers. See Table 20, Covered Employment, 2014. It also indicates covered jobs by location of the employer, as opposed to Table 19, which examines employed residents of Cranbury.

**Table 20. Covered Employment, 2014**

Year	Cranbury Township	Middlesex County
2014	10,091	338,614

*Source:* New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, NJ Covered Employment Trends.

As Table 21, Journey to Work below shows, about 72% of Cranbury’s employed residents drive to work alone, a number only slightly lower than that of Middlesex County and slightly higher than the state as a whole. While lower than the County as a whole, this number is likely explained by the large number who either work from home or take transit, 8.1% and 12% respectively.

**Table 21. Journey to Work, 2009-2013**

Mode	Cranbury	Middlesex County	New Jersey
Drive Alone	72.8%	73.2%	71.9%
Carpool	3.8%	8.6%	8.4%
Transit	12.0%	9.8%	10.8%
Walk	1.6%	2.8%	3.1%
Other	1.7%	2.1%	1.9%
Work at Home	8.1%	3.4%	3.9%

*Source:* 2009-2013 American Community Survey: Selected Economic Characteristics (DP03)

Nearly 80% of households in Cranbury have more than 2 vehicles, while only 0.7% have no vehicle. While the previous Table indicates that 20% work from home or commute by transit, the 0.7% who do not own a vehicle could be explained by resident requirements to drive to a transit station, employment center or major services. See Table 22, Available Vehicles by Household.

**Table 22. Available Vehicles by Household, 2009-2013**

Vehicles	Count	Percent
None	9	0.7%
One	246	19.7%
Two	591	47.3%
Three +	403	32.3%

Source: 2009-2013 American Community Survey: Selected Housing Characteristics (DP04)

The most common commuting destination of employed residents is within the Township. As shown in Table 23, Top Ten Commuting Destinations for Cranbury Residents below, the majority of commuting destinations are along the Route 1/ Interstate 95 corridor. About 53% commute to locations that are more dispersed.

**Table 23. Top Ten Commuting Destinations for Cranbury Residents, 2011**

Destination	Jobs	Percent
Cranbury Twp.	124	8.40%
Manhattan	121	8.20%
Princeton	120	8.10%
West Windsor Twp.	65	4.40%
New Brunswick	53	3.60%
South Brunswick Twp.	53	3.60%
Plainsboro Twp.	48	3.20%
Edison Twp.	37	2.50%
Hamilton Twp.	36	2.40%
Montgomery Twp.	35	2.40%

Source: US Census and Center for Economic Studies. Longitudinal Employer-Household Dynamics, 2011

## POPULATION PROJECTIONS

The North Jersey Transportation Planning Authority (“NJTPA”), the Metropolitan Planning Organization (“MPO”) that contains Cranbury Township as well as the remainder of Middlesex County, published population and employment projections for the year 2040. The NJTPA projects that the Township’s population and employment will increase by 23.8% and 48.4%, respectively, from 2010 to 2040. In addition, households will increase by 37.9% during this period. As Table 24, Population, Household, and Employment Projections indicates, with the exception of employment growth, the NJTPA projection percentages for the Township are much the same as those for the County.

**Table 24. Population and Employment Projections, 2010 to 2040**

Indicator	Cranbury			Middlesex County		
	2010*	2040	% Change	2010*	2040	% Change
Population	3,860	4,780	23.8%	809,900	1,023,100	26.3%
Households	1,320	1,820	37.9%	281,200	378,200	34.5%
Employment	7,790	11,560	48.4%	409,200	532,600	30.2%

Source: NJTPA Regional Transportation Plan. Forecasts adopted 9/10/2013

\*2010 data from NJTPA calculations and may differ from other data sources

The Fair Housing Act requires that Housing Plans include a 10 year projection of new housing units based on the number of building permits, development applications approved, and probable developments, as well as other indicators deemed appropriate (N.J.S.A. 52:27D-310.b). Annual building permit issuance in Cranbury during the years 2000 through 2014 averaged approximately 20 units. Assuming this rate remains relatively constant; Cranbury may see a growth of approximately 200 new dwellings by the year 2025. Factors such as the business cycle and physical obstacles to development may result in a lower or higher actual number. Table 25, Housing Projections, provides an estimate of anticipated residential growth based on the extrapolation of prior housing activity into the future. It is important to note that based on conversations with Township professionals future construction of units will likely be higher. Over the next ten years, the Township Planner expects about 20 units located outside of proposed or approved affordable housing developments and inclusionary developments. If you add to these 20 expected units the 129 affordable units that are proposed or approved, the 174 market-rate units included in an inclusionary development by Toll Brothers (detailed under the Fair Share Plan) and the 59 market-rate units included in the High Point/Cheney/Kushner/Hagerty site the Township can expect 382 units to be constructed over the next ten years.

**Table 25. Housing Projections to 2025**

Year	Building Permits Issued
2000	17
2001	31
2002	28
2003	105
2004	80
2005	5
2006	25
2007	2
2008	0
2009	2
2010	0
2011	1
2012	1
2013	1
2014	2
Average	20
Ten Year Projection	200 dwellings

Source: NJDCA Construction Reporter, Housing Units Authorized by Building Permits

**CONSIDERATION OF LAND FOR AFFORDABLE HOUSING**

Cranbury Township has limited developable land that is appropriate for inclusionary housing or a 100% affordable housing development. Large tracts of land in the west and south of Cranbury are preserved farmland or open space. There are environmental constraints on the remaining tracts zoned residential, and there is limited development ability on parcels that are outside the sewer service area.

As part of this housing element, the Township has considered land within the Village (infill sites) and to the east of Route 130 for inclusion in the plan that is appropriate for the construction of low and moderate income housing, including properties with existing structures that could be converted or rehabilitated for use as affordable housing.

The Township believes that the projects indicated in this document represent the best options for affordable development within the Township. The Township’s affordable housing sites such as the approved Applewood Court site/Route 130D and the High Point/Cheney/Kushner/Hagerty redevelopment site, as well as the proposed Ingerman/Paul’s Auto 100% affordable site are located within the historical Village

of Cranbury thus permitting very-low/low and moderate income households to be a part of the community and to access local schools, parks and services.

## FAIR SHARE PLAN

### Cranbury's Affordable Housing Obligation

In its March 10, 2015 decision, the NJ Supreme Court directed that the methods of determining municipal allocation were to follow the calculations of the First and Second Round rules; specifically, the present and prospective statewide and affordable housing need. Present need is defined in the Second Round rules as the sum of the “indigenous need” and the “reallocated present need”. However, this was modified by the Court in that the reallocated present need was no longer to be assigned to municipalities in the region. Indigenous need is sub-standard housing occupied by low and moderate income households. This is now more commonly called the “rehabilitation share”. The reallocated present need that is no longer required to be distributed is the technique where excess indigenous need in a municipality was reassigned to other municipalities where their need was lower than the regional average. COAH’s elimination of the reallocated present need was first upheld by the Appellate Court on October 8, 2010<sup>9</sup>.

### Rehabilitation

While the Courts have yet to set Cranbury Township’s rehabilitation share regarding the Third Round, the Township proposes to move forward with a rehabilitation obligation of 10 units<sup>10</sup>. In the history of affordable housing rules and regulations in New Jersey, the rehabilitation share was calculated using U.S. Decennial Census indicators of sub-standard housing (see Table 11, p. 14) cross-linked to demographic profiles. An example of a sub-standard dwelling unit is one lacking a complete kitchen, such as the absence of a stove for cooking. Since this information came from the long form Census, since replaced by sampling in the American Community Survey (ACS), the traditional snapshot of the data has been April 1 of the Census year (1980, 1990, 2000 and 2010).

This 10 unit obligation was determined by estimating that there are 18 existing units containing more than 1.01 persons per room in structures built before 1960, that there are 0 units with incomplete plumbing facilities, and that there are 0 units with incomplete kitchen facilities. From the total of 18 units fitting these criteria, FSHC eliminated double counted units (units counted for more than one of those criteria) to arrive at a total of 16 deficient units. This number was cross-tabulated to other demographic data that determined that 66.1% were occupied by low or moderate income households and, the Township was thus assigned a 10 unit rehabilitation component<sup>11</sup>.

---

<sup>9</sup> - 6 A. 3d 445, 416 NJ Super. 462, Appellate Div.(2010)

<sup>10</sup> As calculated by FSHC in *New Jersey Low and Moderate Income Housing Obligations for 1999-2025 Calculated Using the NJ COAH Prior Round (1987-1999) Methodology* (dated April 16, 2015, revised July 2015)

<sup>11</sup> As calculated by FSHC. FSHC utilized the same data sources that COAH used for the 2014 analyses.

## **Prior Round**

The Prior Round can be defined as the cumulative 1987 through 1999 affordable housing obligation. This time period corresponds to the First and Second Rounds of affordable housing. COAH previously calculated Cranbury's Prior Round obligation to be 217 units (Appendices to the Substantive Rules - *N.J.A.C. 5:93*).

## **Third Round Obligation**

While the Courts have yet to assign Cranbury a Third Round obligation, Cranbury's Third Round obligation, pursuant to *N.J.A.C. 5:93-2.16*, is capped at 20% of the estimated occupied housing stock and therefore cannot be exceeded by a municipality's need for new construction. Based on the 2008-2012 American Community Survey ("ACS") 5-Year Estimates, Cranbury has 1,300 occupied housing units and a 20% cap on this number would result in 260 affordable units.

## **CRANBURY'S AFFORDABLE HOUSING PLAN**

### **MEANS OF ADDRESSING THE REHABILITATION COMPONENT**

COAH's Second Round rules require that the rehabilitation obligation be satisfied by bringing deficient units up to building code standard. A minimum average of \$10,000 will be expended for actual hard costs as may be determined by the Court when it rules on permitted Third Round standards. Cranbury will utilize Middlesex County's housing rehabilitation program to satisfy its 10 unit rehabilitation obligation. The Middlesex County Department of Housing, Community Development and Social Services administer two programs. These programs utilize federal Community Development Block Grant ("CDBG") and HOME Investment Partnership funds. The Township will continue its participation with the County as reflected in its ongoing Interlocal Services Agreement (Appendix A), institute a local program if necessary and will provide any funding from the affordable housing trust fund necessary to supplement the cost to satisfy its rehabilitation obligation.

Cranbury's rehabilitation program will adhere to the regulations in *N.J.A.C. 5:93-5.2*. Specifically, all rehabilitated units will comply with the definition of a substandard housing unit in *N.J.A.C. 5:93-1.3*, which states, "a housing unit with health and safety code violations that require the repair or replacement of a major system". Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by low or moderate income households and

---

Data sources included the 2010 Census, the 2008-2012 American Community Survey 5-year estimates and the 2007-2011 American Community Survey Public Use Microdata Sample (PUMS).

upon completion of the rehabilitation, ten (10) year affordability controls shall be placed on the property in the form of a lien or deed restriction<sup>12</sup>.

In the prior rounds, as noted above, the rehabilitation share of municipal affordable housing obligation was reset at each Decennial Census count. Consequently, Cranbury has established April 1, 2010 as the point in time for counting units towards its Third Round obligation.

Should a shortfall in funding occur, the governing body of Cranbury Township previously passed a Resolution of Intent to Bond, dated December 22, 2008 (Resolution No. 12-08-217), that commits to fund or issue debt for any shortfall in its affordable housing program (Appendix B). The Township will update its commitment as part of this 2016 plan submission to the Superior Court.

#### **SATISFACTION OF THE PRIOR ROUND OBLIGATION**

As noted above, Cranbury's Prior Round obligation is 217. COAH permits new construction credits and bonuses addressing a first or second round affordable housing obligation to be used to address the Prior Round obligation. All of the Township's Prior Round compliance mechanisms were previously certified by COAH as part of the Township's First Round, Second Round and Third Round substantive certifications.

COAH requires that the Township establish the maximum number of age-restricted affordable units<sup>13</sup> and the minimum number of affordable rental units<sup>14</sup> using the formulas below.

#### Minimum Prior Round Rental Obligation = 55 units

$.25((217 + 10) - 0 \text{ prior cycle credits} - 10 \text{ rehab component}) = 54.25$ , required to round up to 55.

- A rental unit available to the general public receives one rental bonus;
- An age-restricted unit receives a 0.33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and
- No rental bonus is granted in excess of the prior round rental obligation.

---

<sup>12</sup> While *N.J.A.C. 5:93* permits 6-year controls, the County will be required to provide 10-year controls or such control period as determined by the Court.

<sup>13</sup> *N.J.A.C. 5:93-6.1(b)1* - revised per COAH second round policy

<sup>14</sup> *N.J.A.C. 5:93-5.15(a)*

Maximum Prior Round Age Restricted Units = 26 units

$$.25((217 + 10) - 0 \text{ prior cycle credits} - 10 \text{ rehab component} - 110 \text{ RCAs}) = 26.75, \text{ round down to } 26.$$

As summarized in Table 26, Summary of Credits from Prior Round, 1987-1999, the Township has addressed its 217-unit Prior Round obligation with transferred RCAs, existing family affordable rental and sale units, existing affordable age-restricted rental units, exiting alternative living arrangements, Second Round rental bonuses and a previously granted substantial compliance reduction.

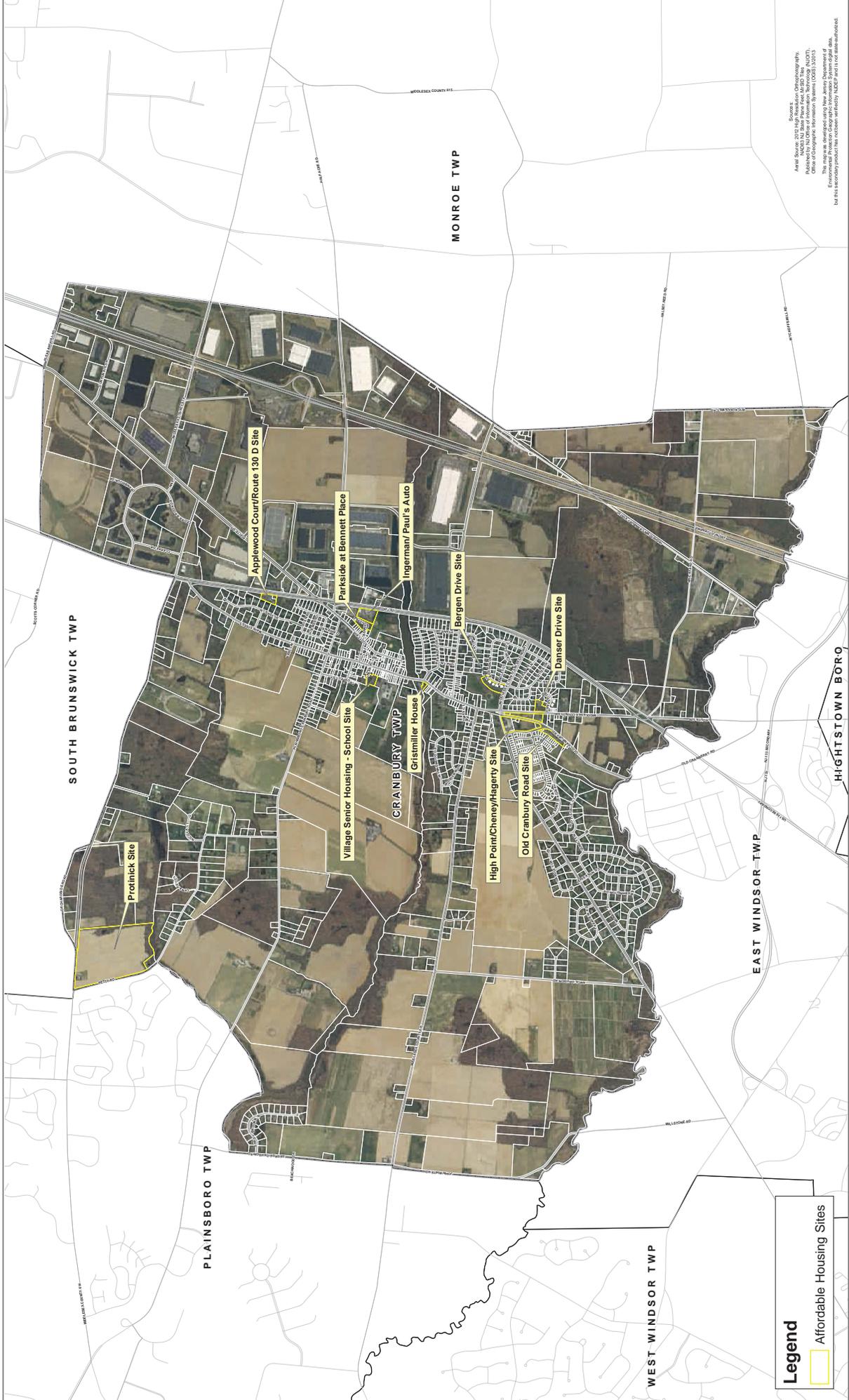
**Table 26. Summary of Credits from Prior Round, 1987-1999**

<b>Cranbury's 217- Unit Prior Round Compliance Mechanisms</b>	<b>Credits</b>	<b>Bonus</b>	<b>Total</b>
<i>Regional Contribution Agreements – funds transferred *</i>	110	-	110
<i>Completed Affordable Units – Cranbury Housing Associates</i>			
Family aff. rentals - Bergen, Danser, Parkside/Bennett	26	26	52
Family aff. sale units - Bergen, Danser, S. Main	30	-	30
Senior aff. rentals - Park Place West	20	-	20
Family aff. rentals - Old Cranbury Rd (18 of 20)	18	18	36
<i>Completed Alternative Living Arrangements</i>			
SERV Group Home - Dey Road - 6 bedrooms	6	6	12
SERV Shared Supportive Living - 5 bedrooms	5	5	10
<i>Prior Round Substantial Compliance Reduction</i>	13	-	13
<b>Total</b>	<b>228</b>	<b>55</b>	<b>283</b>
<i>Surplus</i>	-	-	66

\*Although Cranbury Township far exceeded the minimum Prior Round rental requirement, we note for the record that the Second Round RCA with Carteret included 15 rentals as well.

**Regional Contribution Agreements**

Cranbury Township previously transferred funds for a total of 110 RCA units, including a First Round RCA to the City of Perth Amboy for 76 units and a Second Round RCA for 34 units with the Borough of Carteret. Of the units transferred to Carteret, 15 units were rental RCAs. All funds for the 110 total RCAs have been transferred.



Clarke Caton Hintz  
 Architecture  
 Planning  
 Landscape Architecture

# Affordable Housing Sites

Cranbury Township, Middlesex County, NJ March 2016

**100 % Affordable**

Cranbury Housing Associates, Inc. (“CHA”), a private, nonprofit corporation, has been providing affordable housing in Cranbury since 1963 and administers affordable units in accordance with COAH’s regulations and UHAC. CHA affirmatively markets all of the affordable units, income qualifies applicants and provides long-term administration of the units while maintaining 30-year affordability controls.

**Bergen Drive, Danser Drive & Bennett Place - Family Affordable Rentals**

CHA developed 5 family rentals on Bergen Drive and 5 family rentals on Danser Drive. In 2001, CHA developed 16 family rentals at Parkside on Bennett Place. Certificates of occupancy (“CO’s”) started being issued for the first ten (10) units in 1997 and for the additional 16 in 2002. All 26 units are fully occupied and have the appropriate affordability controls through a memorandum of understanding between CHA and the Township (Appendix D). Pursuant to *N.J.A.C. 5:93-5.15 (d)*, all 26 family rentals received full Prior Round rental bonuses as part of the Township’s earlier Second Round and Third Round substantive certifications. The low/moderate-income unit mix includes 11 low-income units and 15 moderate-income units consisting of twelve 1- bedroom units, eight 2-bedroom units and six 3-bedroom units. These family rental units helped the Township address the minimum Prior Round rental obligation. In addition, these completed developments are eligible for 26 rental bonuses.



**Parkside on Bennett Place**

**Bergen Dr., Danser Dr. & South Main St - Family Affordable Sale**

CHA developed 19 family affordable sale units on Bergen Drive and 11 family affordable sale units on Danser Drive and South Main Street. All units are completed and have the appropriate affordability controls through a memorandum of understanding between CHA and the Township (Appendix C and E). CO's were issued in 1997. The low/ moderate-income mix includes ten (10) low-income units and 20 moderate-income units consisting of fourteen 1- bedroom units, ten 2-bedrom units and six 3-bedroom units.



**CHA Bergen Drive**

### CHA Park Place West - Senior Affordable Rentals

CHA constructed 20 age-restricted affordable rental units on the 2.56 acre parcel (Block 23/Lot 63.02) formerly owned by the Township and Cranbury Township School Board on Park Place West. CO's started being issued in 1991 and the project has since been completed. All 20 units are low income, have the appropriate affordability controls through a memorandum of understanding between CHA and the Township (Appendix C). The project contains twelve 1-bedroom units and eight studios.



CHA Park Place West

### **CHA Old Cranbury Road – Family Affordable Rentals**

CHA constructed a 20-unit family rental development on a 2.67-acre site located along Old Cranbury Road (Block 20, Lot 10.01). The units are in six townhouse style structures and are surrounded by single-family age-restricted residences to the west and to the north, single-family residences also to the north and to the east, across Old Cranbury Road and to the south. All 20 units received CO's on July 24, 2008 and pursuant to *N.J.A.C. 5:93-5.15 (d)*, all 20 family rentals are eligible for full rental bonuses. Eighteen of the units and corresponding rental bonuses will be applied to the Prior Round while the remaining two (2) completed units will be applied towards the Township's Third Round obligation. The building has a low/moderate-income unit mix which includes four very-low income units, six low-income units and ten moderate-income units and provides a bedroom mix of three 1-bedroom units, 13 2-bedroom units, and four 3-bedroom units. All 20 units have the appropriate affordability controls through a memorandum of understanding between CHA and the Township (Appendix F).



**CHA Old Cranbury Road**

### **Supportive and Special Needs Housing**

#### **SERV Group Home – Dey Road**

Cranbury Township is eligible for six credits for a licensed group home facility that is operated by SERV (see attached license - Appendix G). This special needs facility is a six-bedroom licensed group home. The group home is located on Dey Road (Block 25, Lot 5.01). Residents of the group home are referred to SERV through the Division of

Mental Health Services (DMHS) waiting list. SERV, a nonprofit organization, received capital funding from the DMHS to create the group home on Dey Road and continues to receive operational funding. The low/moderate-income unit mix includes six low-income/non-age restricted/special needs units. The State inspected the group home on May 1, 1997 and final Township inspections were performed in July 1998. Affordability controls were put in place in 1997 (Appendix G) and COAH has historically honored the DHS 20-year renewable funding agreement as satisfying COAH's Second Round regulations on 30-year control period for group home rental bonuses. This completed group home addresses a portion of the Township's Prior Round rental obligation and is eligible for six rental bonuses. COAH previously granted rental bonuses for this group home.

### **SERV Shared Supportive Living**

Cranbury Township is eligible for five credits for a licensed five-bedroom supportive shared living unit located on Half Acre Road (Block 5, Lot 26) (see attached license - Appendix H). The housing unit was donated to SERV Foundation by the previous owners on August 30, 2004, upgraded to meet the NJ building code and established as a group home in 2006. The low/moderate-income unit mix includes five very-low income/non-age restricted/special needs units. Pursuant to the group home survey affordability controls became effective in 2006 (Appendix H) and as the number of bedrooms is 5 and under, no change of use was required and thus no new CO was issued during the conversion process. This group home helped the Township to address the minimum Prior Round rental obligation. The group home crediting survey notes that there are 30-year controls and thus the group home is eligible for five rental bonuses.

### **Substantial Compliance Reduction**

COAH's grant of Second Round substantive certification to Cranbury included a 13-unit substantial compliance reduction for having completed over 90% of its First Round certified plan. The substantial compliance reduction resulted in a 13-unit credit towards the Township's Second Round new construction component. In its October 20, 2008 Comment and Response document, COAH upheld the use of the substantial compliance reduction, stating, "The Council will honor substantial compliance bonuses that were previously granted as part of a municipality's substantive certification." As Cranbury's substantial compliance reduction was included in its Second Round substantive certification, the Township will continue to count the 13-unit reduction towards its Prior Round obligation. In addition, COAH's grant of Third Round substantive certification to the Township honored the Prior Round substantial compliance reduction.

**Prior Round Rental Bonuses**

As noted above, Cranbury Township more than addressed the minimum 55-unit Prior Round rental component through 75 total affordable rental units including 44 affordable family rentals, 20 affordable senior rentals and 11 group home bedrooms. In addition, the Township is eligible for a full rental bonus for 55 of the completed rentals including the 44 affordable family rentals and 11 group home bedrooms.

**SATISFACTION OF THE THIRD ROUND OBLIGATION**

Cranbury's Third Round obligation, pursuant to *N.J.A.C. 5:93-2.16*, is capped at 20% of the estimated occupied housing stock and cannot be exceeded by a municipality's need for new construction. The 20% cap is based on the premise that if affordable housing was provided as a 20% set-aside of inclusionary housing and the calculated affordable housing obligation exceeds 20% of the housing stock, then a community should not have to rebuild itself and change the essential character of the community to meet projected housing obligation as the total new units (affordable and market rate) would exceed the number of existing units within the municipality. Based on the 2008-2012 American Community Survey ("ACS") 5-Year Estimates<sup>15</sup> Cranbury has 1,300 occupied housing units. A 20% cap on this number would result in a cap of 260 affordable units.

Pursuant to *N.J.A.C. 5:93-2.16*, the 20% cap calculation becomes the Township's adjusted Third Round prospective need. While more up to date ACS surveys would produce a requirement for slightly less units, the 2008-2012 ACS estimate of occupied housing units represents an obtainable number that will factor in some flexibility should numbers be adjusted in the future.

Minimum Third Round Rental Obligation = 65 units

$$.25 \text{ (Third Round obligation)} = .25 (260) = 65$$

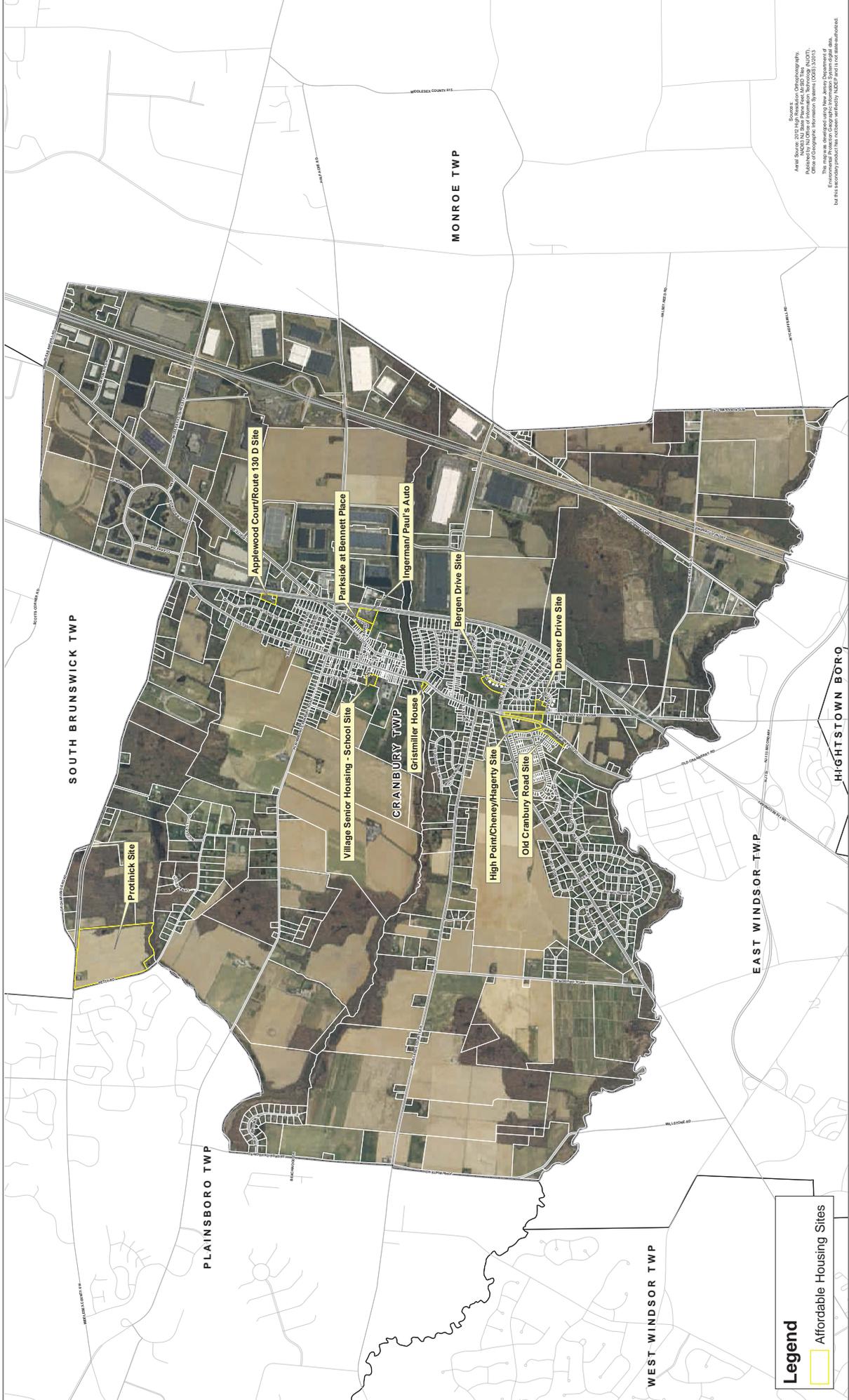
Maximum Third Round Age Restricted Units = 60 units

$$.25 \text{ (Third Round obligation)} = .25 (260) = 65$$

As summarized in Table 27, Affordable Housing Credits/Reductions/Bonuses Addressing Third Round Obligation, the Township proposes to address its 260-unit Third Round obligation with the Prior Round surplus, affordable family rentals, affordable senior rentals and affordable special needs rentals and eligible Third Round rental bonuses.

---

<sup>15</sup> As utilized by FSHC



**Legend**  
 Affordable Housing Sites



Source: Aerial Source: 2015 High Resolution Orthorectified Aerial Imagery (HRO) from the National Aerial Photography Program (NAPP) of the United States Geological Survey (USGS).  
 This map was developed using the Jersey Department of Transportation's (NJDOT) Geographic Information System (GIS) 2013.  
 All other secondary product has not been verified by NJDOT and is not state authorized.

# Affordable Housing Sites

Cranbury Township, Middlesex County, NJ March 2016

**Clarke Caton Hintz**  
 Architecture  
 Planning  
 Landscape Architecture

**Table 27. Affordable Housing Credits/Reductions/Bonuses Addressing Third Round Obligation (20% cap)**

<b>Cranbury's 260-unit Third Round - Compliance Mechanisms</b>	<b>Credits</b>	<b>Bonuses</b>	<b>Total</b>
<i>Prior Round Surplus</i>	66	-	66
<i>100% Affordable - Completed, Approved, Proposed</i>			
CHA family rentals - Old Cranbury Rd (2 of 20) - completed	2	2	4
CHA family rental - Gristmiller - completed	1	1	2
CHA family rentals – Applewood Court/Route 130D - approved	32	32	64
Ingerman/Paul's Auto family rentals – proposed	24	24	48
Ingerman/Paul's Auto senior(49)/special needs(17) rentals - proposed	66	-	66
<i>Inclusionary Development/Redevelopment– Approved, Proposed</i>			
Family affordable rentals - High Point/Cheney/Kushner/Hagerty redevl.- approved bonus cap	7	6	13
Toll Brothers/Protinick - Payment in lieu - proposed	-	-	-
<b>Total</b>	<b>198</b>	<b>65</b>	<b>263</b>

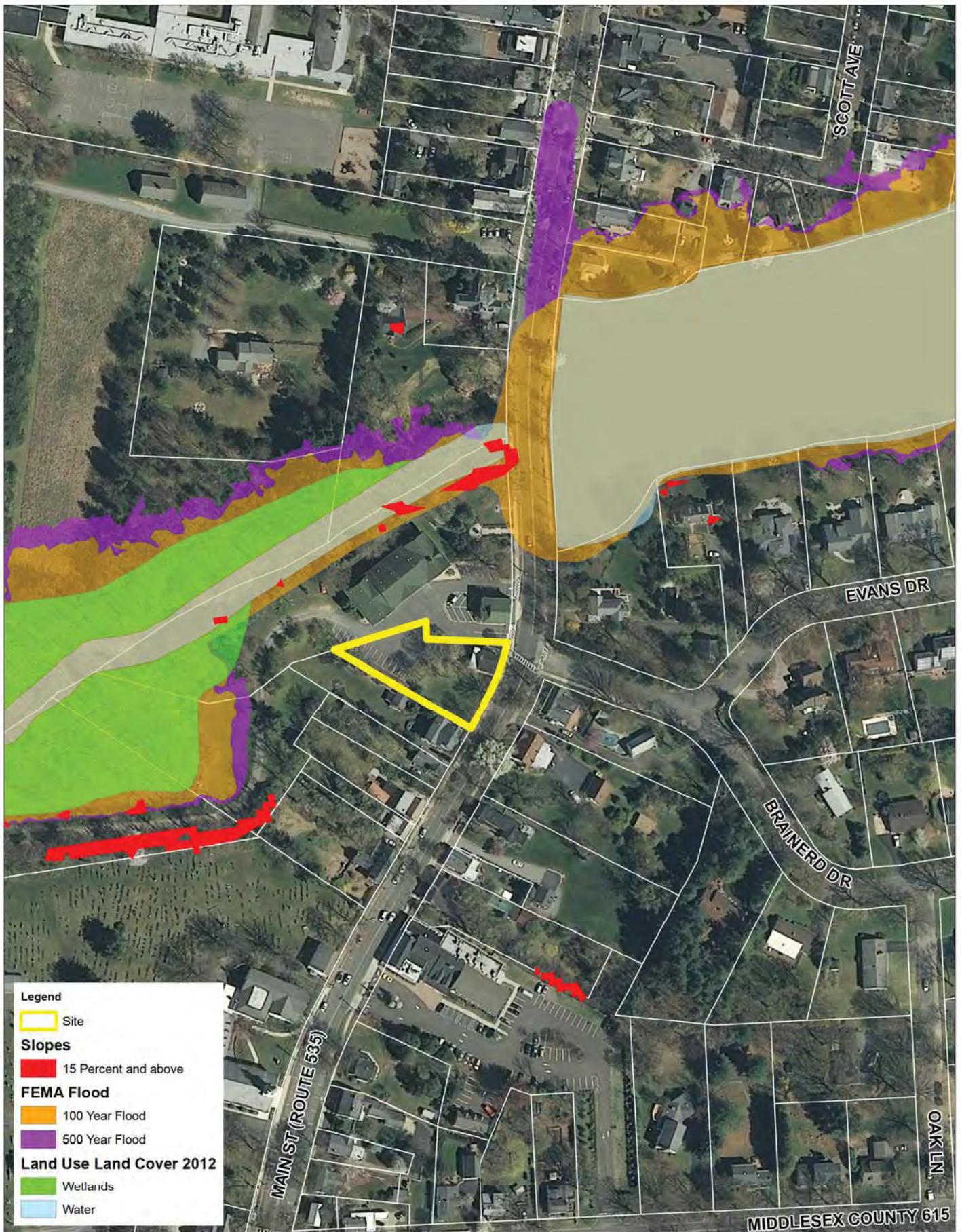
**Prior Round Surplus**

Cranbury addressed its 217-unit Prior Round obligation with 283 COAH eligible credits and bonuses. Thus, the Township has a 66-unit surplus to apply to its 260-unit Third Round obligation.

**100% Affordable - Completed, Approved, Proposed**

**CHA Old Cranbury Road – Family Affordable Rentals**

CHA constructed a 20-unit family rental development on a 2.67-acre site located along Old Cranbury Road (Block 20, Lot 10.01). All 20 units received CO's on July 24, 2008 and pursuant to N.J.A.C. 5:93-5.15 (d), all 20 family rentals are eligible for full rental bonuses. Two (2) of the 20 remaining units and corresponding rental bonuses will be applied to the Third Round.



**Legend**

- Site
- Slopes**
- 15 Percent and above
- FEMA Flood**
- 100 Year Flood
- 500 Year Flood
- Land Use Land Cover 2012**
- Wetlands
- Water

Block 23 / Lot 73  
**Gristmill House**

Cranbury Township, Middlesex County, NJ March 2016



**Clarke Caton Hintz**  
 Architecture  
 Planning  
 Landscape Architecture

### **Gristmiller House**

The Historic Gristmiller House (Block 23, Lots 73) is located at 6 South Main Street. Currently the building is utilized by the Cranbury Historical and Preservation Society as their collection storage and archiving facility and has one affordable housing unit located in the rear portion of the building. The moderate income/family affordable one bedroom rental unit occupies part of the first and second floor and is eligible for a Third Round rental bonus. Due to the fact that the unit was preexisting, no CO was required. On February 28, 2011, the Township adopted Ordinance No. 01-11-03 which requires 30-year affordability controls on the affordable unit (see Appendix I). Pursuant to a lease agreement between the Township and the Historical Society, CHA administers and affirmatively markets the affordable unit, income qualifies applicants and provides long-term administration of the unit. The building is owned by the Township. This development helped the Township to address the minimum Third Round rental obligation and is eligible for a Third Round rental bonus.

### **Applewood Court/Route 130D - 100% Affordable**

On September 17, 2015, CHA received preliminary and final site plan approval for the construction of 32 family affordable rental units on this 3.81 acre site (Block 26, Lot 3) located on State Highway Route 130 (see constraints map). The site is vacant, zoned RMLIII (Residential - Mt. Laurel III) and is surrounded by single-family residential land uses to the south along Ryan Road and to the west along Silvers Lane. A business use and residence are to the north and to the east, across Route 130 from the site are commercial structures including a hotel. Although vehicular access will be restricted to Route 130 (except for emergency access to Ryan Road), it is important to note that pedestrian access will be via Ryan Road to enable residents, including school children, to walk to school, Township parks and to access Cranbury Village through existing adjacent residential streets.

The Township acquired the site from Ravi, LLC on June 7, 2007 for \$1,000,500 and will transfer the title of the property to CHA in the near future. Piazza & Associates will administer and affirmatively market the units, income-qualify applicants and place 30-year affordability controls on the units. The very low/low/moderate-income unit mix will include four (4) very-low income units, 12 low-income units and 16 moderate-income units. The bedroom distribution of the project will include four (4) 1-bedroom units, 20 2-bedroom units and eight (8) 3-bedroom units. These units help the Township address its minimum rental obligation and as there is a firm commitment for their construction are eligible for a Third Round rental bonus. As the Township has fully met the minimal Third Round rental obligation, the development is eligible for 32 rental bonuses

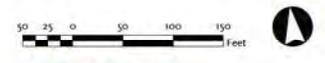
- ✓ Funding – CHA has developed a pro forma statement for developing the approved 32 affordable units (Appendix J).



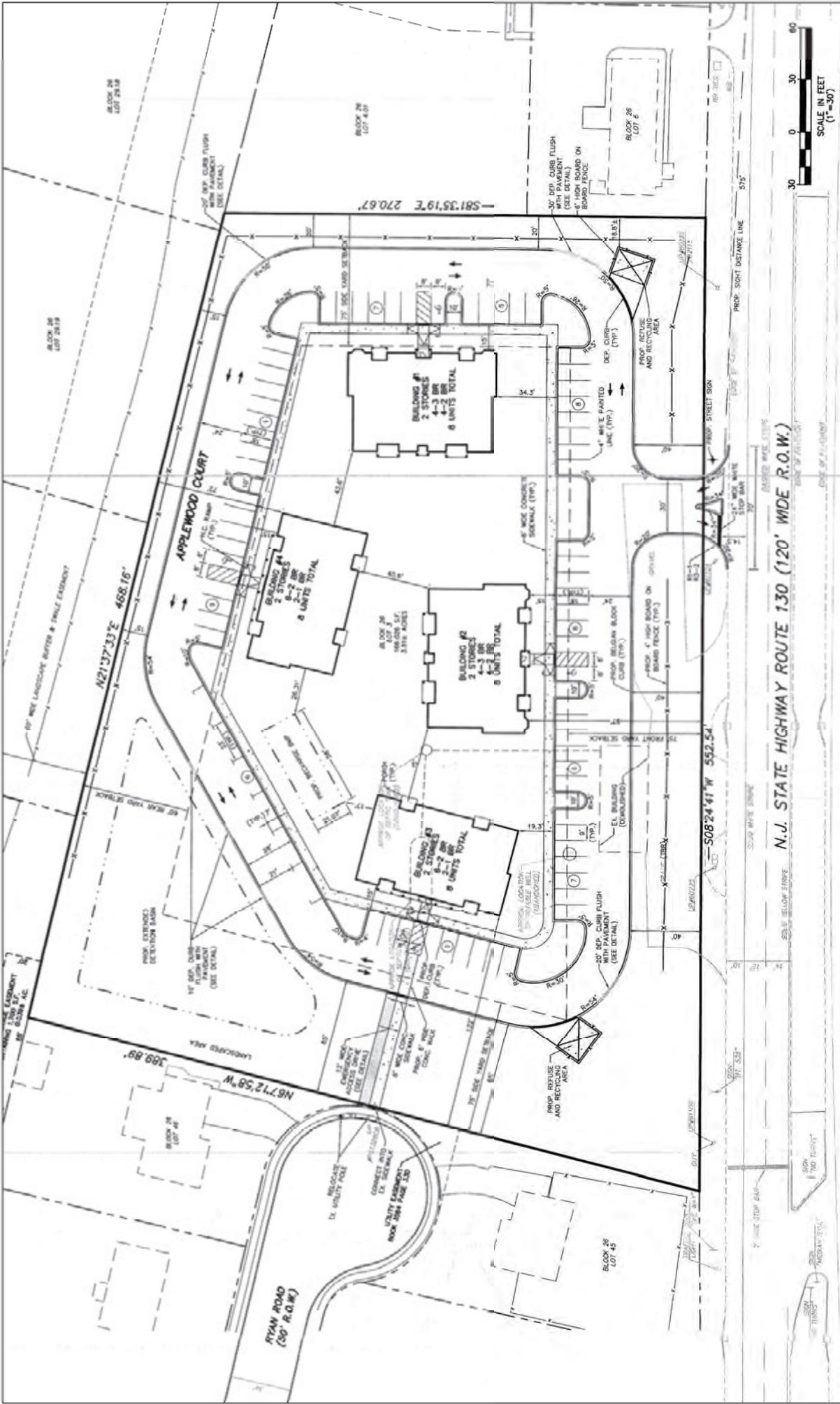
Block 26 / Lot 3

# Applewood Court/Route 130 D

Cranbury Township, Middlesex County, NJ March 2016



**Clarke Caton Hintz**  
 Architecture  
 Planning  
 Landscape Architecture



SOURCE: MASTER CONSULTING, 8/6/2015



**Clarke Caton Hintz**  
 Architecture  
 Planning  
 and Landscape Architecture

# BLOCK 26, LOT 3 Applewood Court/Route 130D

Cranbury Township, Middlesex County, NJ March 2016

- ✓ Construction Schedule – Per an email from CHA and as confirmed by the Township, construction will begin within the next few months and will continue through July 2017.

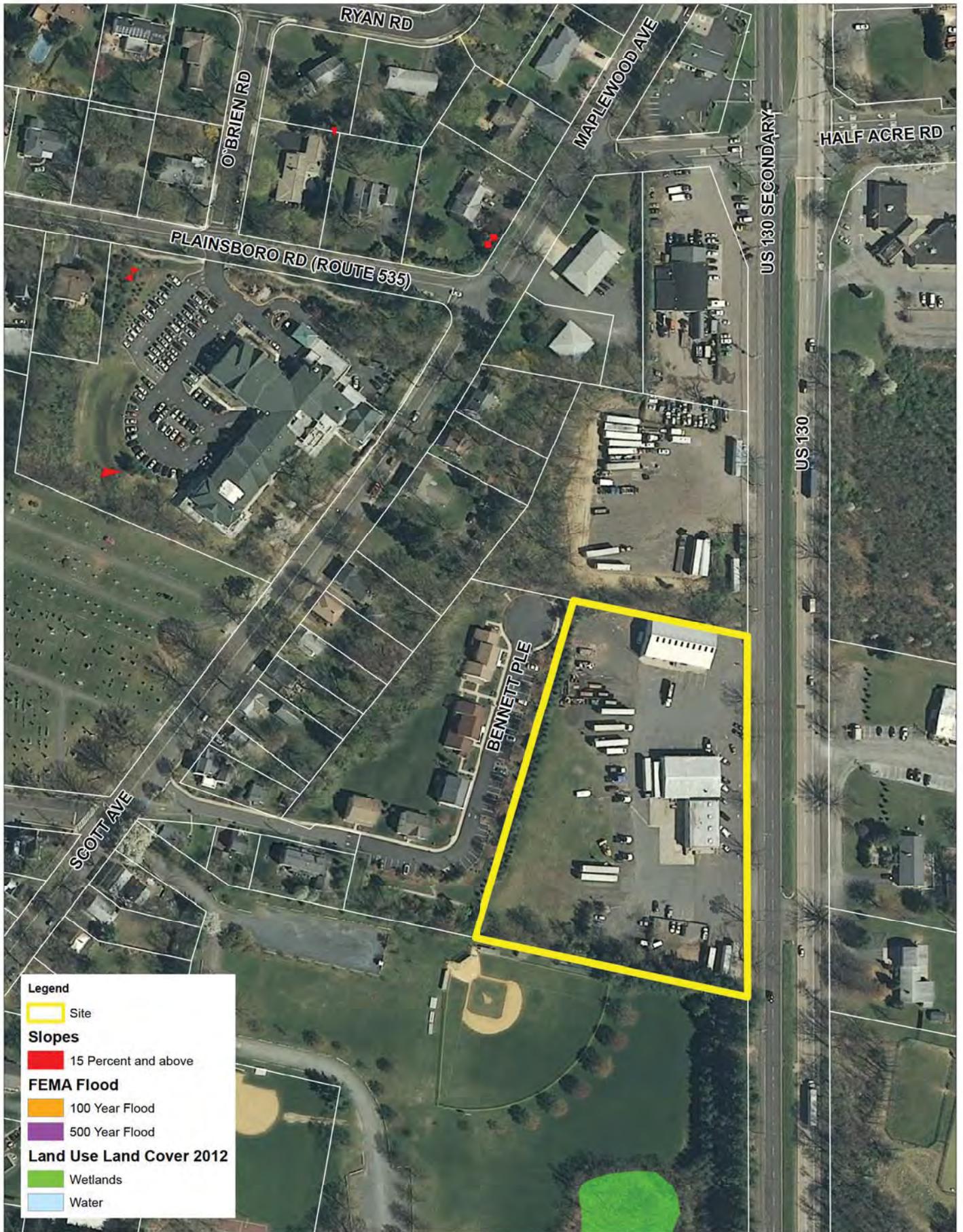
### **Ingerman/Paul's Auto - 100% Affordable**

On February 11, 2016, an agreement of sale was signed to purchase a 3.89 acre site (Block 33, Lot 13.04) located on State Highway Route 130 to develop the site with affordable housing (see aerial map). The site will include 49 affordable senior rental units, 17 special needs units (all very-low income units) and 24 affordable family rental units. The Township anticipates entering into an agreement with Ingerman, an experienced affordable housing developer, in May 2016.

The site is currently occupied by an auto repair facility (Paul's Auto Repair). The 100% affordable housing development will be constructed with Federal, State and Township funds. Ingerman will apply for Low-Income Housing Tax Credit ("LIHTC") funding. The municipally sponsored development will consist of two buildings. One building will contain 66 units (special needs and senior), be three stories tall and include 66 parking spaces while the other building will be 2.5 stories tall, contain 24 units and include 36 parking spaces. The buildings will be constructed simultaneously and will not be phased. The site will be rezoned to permit residential development through the redevelopment process. The site is surrounded by multi-family residential uses to the west along Bennet Place, Village Park to the south and commercial uses to the north and east. While the main vehicular access will be onto Route 130, additional access via an easement onto Maplewood Ave is being considered. Pedestrian access to the Township school and village center will be provided through Village Park to the south and will include access along Bennett Place or Maplewood Avenue.

The site has been determined to be a "non-condemnation area in need of redevelopment". For the senior/special need building, the developer will apply for 9% tax credits (special needs set-aside round) and other funding sources including Federal Home Loan Bank and County HOME funds. As required by the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") and a condition of the application, the project will provide a 25% special needs set-aside (17 units). The Township will commit \$2,600,000 from the affordable housing trust fund for the senior/special needs building. Additionally, Ingerman will apply for 4% non-competitive tax exempt bond financing for the family affordable rental units. Ingerman will also rely on \$2,275,000 from the Township's affordable housing trust fund for the family rental building.

COAH's Second Round rules at *N.J.A.C. 5:93-5.3* "New construction; site criteria and general requirements" *N.J.A.C. 5:93-5.3* "Municipally sponsored construction" and are addressed as follows:



Block 33 / Lot 13.04

# Ingerman/Paul's Auto Site

Cranbury Township, Middlesex County, NJ March 2016

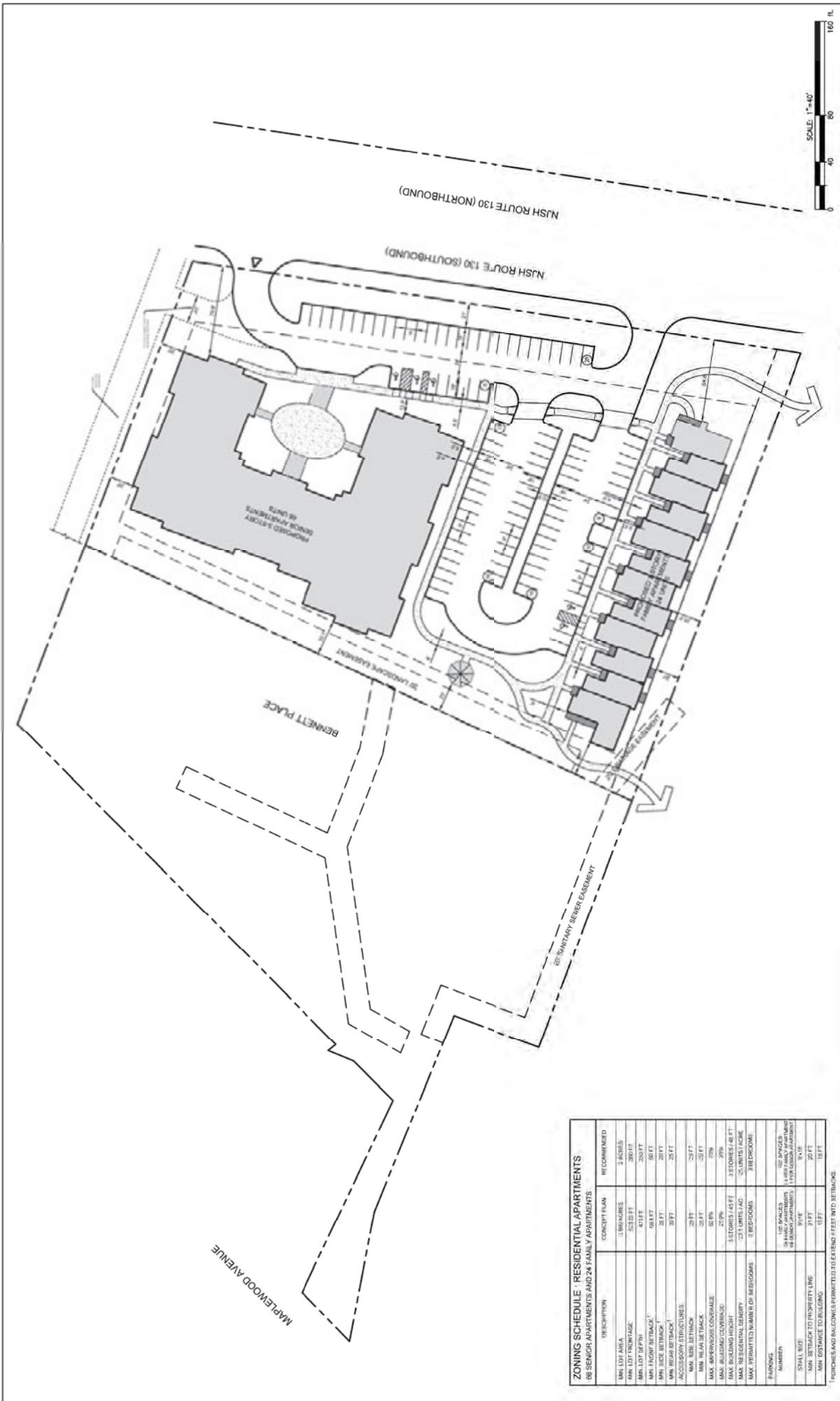


Clarke Caton Hintz

Architecture

Planning

Landscape Architecture



SOURCE: BOYMAN CONSULTING GROUP, LTD. 3/21/2016



**Clarke Caton Hintz**  
 Architecture  
 Planning  
 and Landscape Architecture

**ZONING SCHEDULE 1: RESIDENTIAL APARTMENTS**  
 R8 SENIOR APARTMENTS AND 24 FAMILY APARTMENTS

DESCRIPTION	CONCEPT PLAN	RECOMMENDED
MIN. LOT AREA	3.96 ACRES	5 ACRES
MIN. LOT FRONTAGE	523.5 FT	300 FT
MIN. LOT DEPTH	411 FT	250 FT
MIN. FRONT SETBACK <sup>1</sup>	58.1 FT	50 FT
MIN. REAR SETBACK <sup>1</sup>	37 FT	25 FT
MIN. SIDE SETBACK	37 FT	25 FT
MIN. MAX. SETBACK	20 FT	20 FT
MIN. MAX. SETBACK	20 FT	20 FT
MAX. IMPROVEMENT COVERAGE	80.0%	70%
MAX. BUILDING COVERAGE	25.0%	30%
MAX. BUILDING HEIGHT	3 STORES / 45 FT	3 STORES / 45 FT
MAX. RESIDENTIAL DENSITY	231 UNITS/AC	25 UNITS/AC
MAX. PERMITTED NUMBER OF RESIDENCES	2 RESIDENCES	2 RESIDENCES
PARKING	142 SPACES (100 SPACES FOR SENIOR APARTMENTS 42 SPACES FOR 24 FAMILY APARTMENTS)	142 SPACES (100 SPACES FOR SENIOR APARTMENTS 42 SPACES FOR 24 FAMILY APARTMENTS)
MIN. SETBACK TO PROPERTY LINE	5 FT	5 FT
MIN. DISTANCE TO BUILDING	15 FT	15 FT

<sup>1</sup> FENCES AND BALCONIES PERMITTED TO EXTEND FEET INTO SETBACKS.

BLOCK 33, LOT 13.04

# Ingerman/Paul's Auto

Cranbury Township, Middlesex County, NJ March 2016

- ✓ Site Control – There is an agreement of sale with the owner.
- ✓ Site Suitability – The site is available, suitable, developable and approvable as defined in *N.J.A.C. 5:93-1.3*. The site can be developed consistent with the Residential Site Improvement Standards and other state regulations such as those of the Department of Environmental Protection (hereafter “DEP”). From a review of DEP’s wetland mappings, there does not appear to be any wetlands on the property. After a review of Federal Emergency Management Agency (hereafter “FEMA”) Flood Insurance Rate Maps (hereafter “FIRMs”) it would appear the site contains no floodplain. Per conversations with the Township and New Jersey American Water both water and sewer infrastructure and capacity is available. The site is located in Planning Area 2 (hereafter “PA2”) of the adopted and proposed State Development and Redevelopment Plan Policy Map (hereafter “State Plan”).
- ✓ Administrative Entity - Ingerman will administer and affirmatively market the affordable units, income qualify applicants, place 30-year affordability controls on the units and provide long-term administration of the units in accordance with COAH’s rules at *N.J.A.C. 5:93-9.2* and *5:93-11.1* and UHAC per *N.J.A.C. 5:80-26.1*.
- ✓ Bedroom Distribution – For the family units, Ingerman will follow the UHAC requirements in developing the affordable units by providing no more than 20% one-bedroom units, a minimum of 20% three-bedroom units and the balance (at least 30%) two-bedroom units in accordance with *N.J.A.C. 5:80-26.1*. Regarding the senior/special needs units there will be five 2-bedroom units and 61 1-bedroom units. As the developer intends to have a maintenance person on site 40 hours per week and on call 24/7, an onsite superintendent is not currently planned.
- ✓ Funding – Ingerman has developed a pro forma for developing the 90 affordable units (at least 17 of which will be available for households earning 30% or less of regional median income) and anticipates applying for various funding sources including but not limited to HMFA bond financing, Federal Low Income Housing Tax Credits, and conventional financing (Appendix K). Shortfall of funds will be addressed through the use of outside funding sources or through bonding and/or appropriations as may be allowed by law.
- ✓ Construction Schedule – Ingerman has proposed a construction schedule for the site that anticipates construction beginning in 2018 as required in *N.J.A.C. 5:93-5.5(a)4* (Appendix K). The Construction Schedule notes each step in the development process, including preparation of a site plan,

- granting of municipal approvals, applications for State and Federal permits, and beginning construction.
- ✓ Very Low/Low/Moderate Income Split – At least half of the affordable units developed by Ingerman will be affordable to low income households and an odd number of affordable units will always be split in favor of the low income unit per *N.J.A.C. 5:93-2.20* and the UHAC at *N.J.A.C. 5:80-26*. The senior project will have 33 low income units (of which 17 will be very low) and 33 moderate income units. Seventeen of the low income units will be designated special needs and will be one bedroom units designated for very low income residents. The family affordable project will provide 13% of the units at 30% (very-low income), 39% of the units at 50% (low income) and 48% of the units at 60% (moderate income).
  - ✓ Rental Bonus – The site is eligible for Third Round rental bonuses per *N.J.A.C. 5:93-5:15* as there is a firm commitment to produce family affordable rental units.

### **Inclusionary Development/Redevelopment– Approved, Proposed**

#### **High Point/Cheney/Kushner/Hagerty - Inclusionary Redevelopment**

On October 26, 2015, Township Committee approved the Redevelopment Plan for this 11.58 acre site (Block 19, Lots 2- 4, and Block 20.16, Lots 7-10, and 20). The Redevelopment Area is bounded generally by South Main Street to the east; Block 19, Lot 5 and Old Hightstown Road to the south; Old Cranbury Road to the west; and Old Trenton Road to the north. The Old Hightstown Road right-of-way traverses the Redevelopment Area, generally from its southwestern corner to its northeastern corner, and terminates in a cul-de-sac just before the intersection of Old Trenton Road and South Main Street (see aerial map). Presently, the site is occupied by old dilapidated industrial/agricultural buildings, vacant single-family homes and some treed areas.

The site is located in the High Point Redevelopment Area and all parcels within the Development Area are under contract with High Point Development, LLC. The Redevelopment Plan was intended to encourage the development of a comprehensive mixed-use project (66 units in total), consisting of a row of retail businesses with residential apartments on the second floor along Old Trenton Road, and lower-density townhouses, complemented by park-like green spaces, on the remainder of the site (see approved site plan). The project will have a 10% minimum set-aside for affordable housing and will be providing seven affordable family rental units.



Block 19/Lots 2- 4, Block 20.16/Lots 7-10, 20

# High Point/Cheney/Hagerty

Cranbury Township, Middlesex County, NJ March 2016



**Clarke Caton Hintz**  
 Architecture  
 Planning  
 Landscape Architecture



SOURCE: BOYMAN CONSULTING GROUP, LTD. 03/2015

BLOCK 19/LOTS 2- 4, BLOCK 20.16/LOTS 7-10, 20

# High Point/Cheney/Hagerty

Cranbury Township, Middlesex County, NJ March 2016

Clarke Caton Hintz

Architecture

Planning

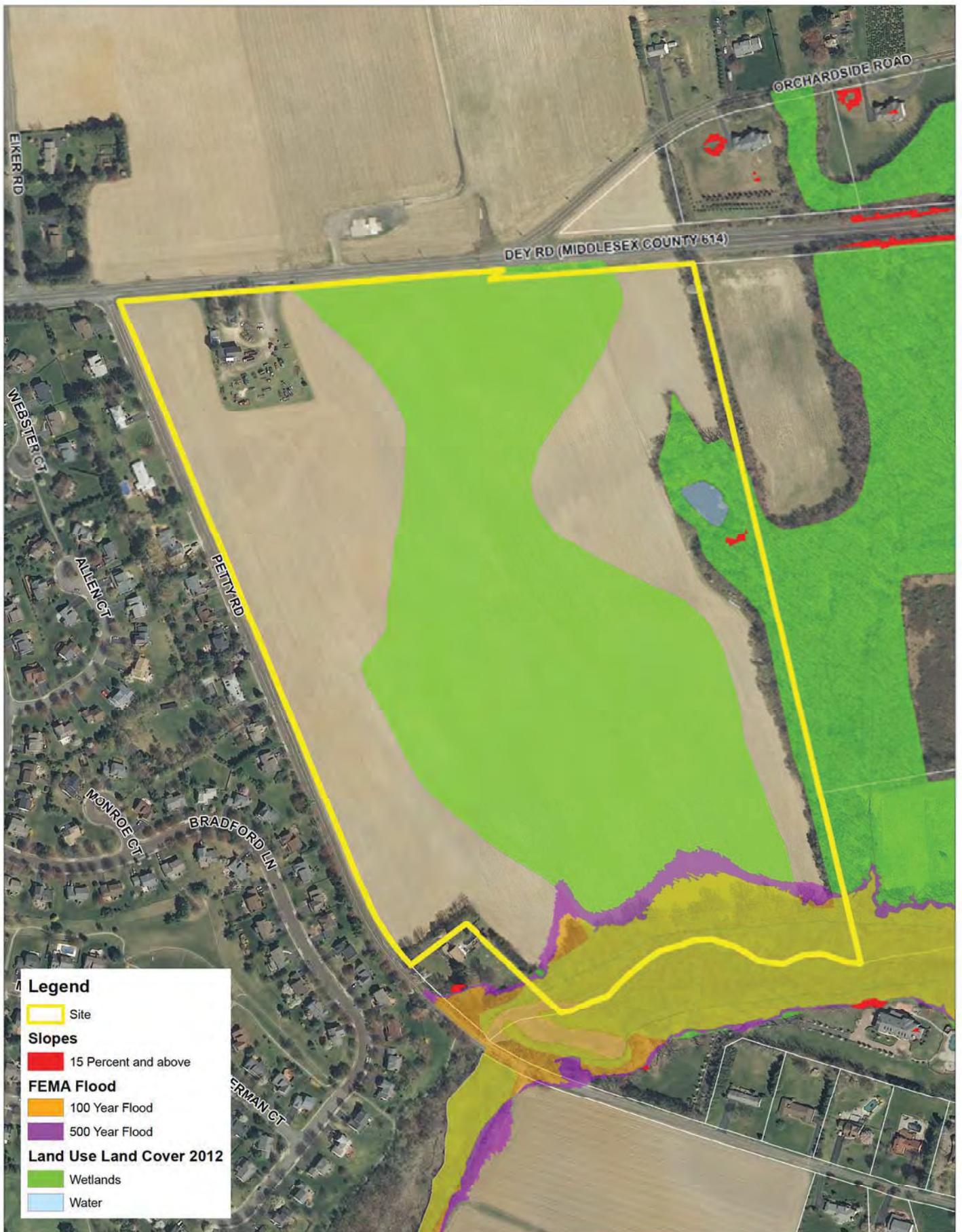
Landscape Architecture

On December 15, 2015 the Planning Board granted preliminary and final site plan (Phase 1) and final subdivision approval (Appendix L). The site is eligible for Third Round rental bonuses per *N.J.A.C. 5:93-5:15* as there is a firm commitment to produce family affordable rental units. The very low/low/moderate-income unit mix will include 1 very-low income unit, three (3) low-income units and three (3) moderate-income units. The development will provide a bedroom mix which includes one 1-bedroom unit, four 2-bedroom units and two 3-bedroom units meeting UHAC requirements indicated in *N.J.A.C. 5:80-26.1 et seq.* The developer will retain Piazza and Associates, an experienced administrative agent, for the long term administration of the units, which includes placement of 30-year affordability controls, affirmative unit marketing, setting of affordable rents and income qualifying tenants. These units help the Township address its minimum rental obligation and as there is a firm commitment for their construction are eligible for a Third Round rental bonus. Due to the cap on rental bonuses, six of the seven units at the development are eligible for rental bonuses.

The applicant has indicated that they would like to phase the development outside of normal COAH regulations. COAH stipulates that once 25% of the market-rate units have been completed, a percentage of the affordable units must be constructed. The applicant proposes to modify the COAH phasing schedule such that 100% of affordable housing units will be completed by the time approximately 75% of market-rate units are constructed. The Township governing body will take action on the redevelopers phasing waiver as part of its Plan submission to the Superior Court.

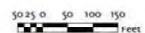
#### **Toll Brothers/Protinick Site – Inclusionary/ Payment-In-Lieu**

This 71.66 acre site (Block 25, Lot 1) is located at 330 Dey Road on the corner of Dey Road and Petty Road (see aerial map). While the site contains some environmental constraints (floodplain, wetlands, streams), disturbance will be outside sensitive areas. The Township has agreed to a tentative settlement agreement with Toll Brothers, the developer of the site, which would permit 174 senior market-rate units. The tentative settlement agreement indicates that sewer will be obtained from Plainsboro Township while New Jersey American Water has indicated that there is a 20 inch line in Dey Road. Instead of constructing affordable housing onsite, Toll Brothers will make a \$3 million payment in lieu to the Township. The payment in lieu funds will be utilized by the Township to defer costs associated with the Township's remaining Third Round 100% affordable housing sites including the Ingerman/Paul's Auto site and the Applewood Court/Route 130D site.



BLOCK 25 / LOT 1  
**Protinick Site**

Cranbury Township, Middlesex County, NJ March 2016



Clarke Caton Hintz

Architecture

Planning

Landscape Architecture



### Rental Bonuses

As noted above, Cranbury Township has addressed the 65-unit Third Round minimum rental obligation through a total of 132 family, senior and special needs rentals. The Township is eligible for 65 third round rental bonuses for the 65 affordable family rentals built, approved or proposed with a firm commitment at the CHA Old Cranbury site, the Gristmiller House, Applewood Court/Route 130D site, Ingerman/Paul's Auto site and the High Point/Cheney/Kushner/Hagerty redevelopment site.

### **AFFORDABLE HOUSING ORDINANCE AND AFFIRMATIVE MARKETING**

The Township of Cranbury has an Affirmative Marketing and Affordable Housing Ordinance (Chapter 44 "Affordable Housing" of the code of the Township of Cranbury) in accordance with COAH's substantive rules and UHAC and last amended in May 10, 2010 (Ordinance #05-10-06) as part of the Township's Third Round substantive certification from COAH. The Township's Fair Share Ordinance governs the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

To conduct affirmative marketing and monitoring of affordable units, the Township currently contracts with CHA for the administration of existing affordable units in the Township and the proposed units at the Applewood Court/Route 130D site, with the exception of the existing supportive and special needs housing units, which are administered by SERV. The Township will rely on Ingerman to administer their senior/special needs and family units and anticipates that the High Point developer will enter into a similar contract with an experienced housing provider and administrator (initially assumed to be Piazza and Associates) for future affordable housing units at the inclusionary redevelopment site.

The affirmative marketing plan is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in Housing Region #3, consisting of Hunterdon, Middlesex and Somerset Counties.

The affirmative marketing plan includes regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to *N.J.A.C. 5:80-26*. All newly created affordable units will comply with the 30-year affordability control required by UHAC,

*N.J.A.C. 5:80-26-5* and *5:80-26-11*. This plan must be adhered to by all private, non-profit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit. The costs of implementing the affirmative marketing plan (i.e., the costs of advertising the affordable units, etc.) are the responsibilities of the developers of the affordable units. This requirement is included in the Township's fair share ordinance and shall be a condition of any municipal development approval.

#### **AFFORDABLE HOUSING TRUST FUND**

The Township has collected development fees since October 5, 1994, when COAH approved the Township's first development fee ordinance. The ordinance has been amended multiple times since then. Most recently, the Township revised its development fee ordinance pursuant to amendments to the Fair Housing Act (P.L.2008, c.46) on March 30, 2009 to increase the nonresidential development fee to 2.5% and the residential development fee to 1.5%.

On April 12, 2010, COAH approved the Township's Third Round spending plan as part of its grant of Third Round substantive certification. As part of their amended Third Round plan the Township will revise its certified spending plan. The Township's amended spending plan (Appendix M), which details the collection and use of revenues, was prepared in accordance to *N.J.A.C. 5:93-5.1(c)*. Collected revenues will be placed in the Township's Affordable Housing Trust fund and will be dispensed for the use of affordable housing activities. Pursuant to *N.J.A.C. 5:93-8.16*, Cranbury Township may use the funds in the trust fund for the below listed items:

- Rehabilitation;
- New construction;
- Purchase of land for low and moderate income housing;
- Improvement of land to be used for low and moderate income housing;
- Extensions and/or improvements of roads and infrastructure to low and moderate income housing sites;
- Assistance designed to render units to be more affordable and administration of the implementation of the housing element.

At least 30% of development fees and interest collected since July 17, 2008, excluding expenditures made from the fund inception regarding all new construction, previously funded RCAs and rehabilitation activities, must be used to provide affordability assistance to low and moderate income households in affordable units or for the creation of very-low or low-income affordable units included in a municipal

Fair Share Plan. Additionally, no more than 20% of the revenues collected from development fees and interest each year, exclusive of the fees used to fund an RCA, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

Cranbury Township intends to spend development fee revenues pursuant to *N.J.A.C. 5:93-8.16* and in conjunction with the housing programs outlined in this document. Cranbury Township currently has approximately \$32,667 in the housing trust fund and anticipates an additional \$9.25 million in revenues before the expiration of Judgment of Repose and Compliance, for a total of \$9.29<sup>16</sup> million. The municipality will dedicate the anticipated development fee revenues and will seek outside funding sources to cover the potential costs of its affordable housing programs anticipated to cost \$9.29 million. The shortfall of funds will be addressed through use of outside funding sources or through bonding and/or appropriations as may be allowed by law. A copy of the Township's 2008 resolution of intent to bond/fund is attached (Appendix B) and will be updated as part of this 2016 plan.

---

<sup>16</sup> Off due to rounding

## APPENDIX A - SERVICE AGREEMENT WITH COUNTY



TO: Middlesex "Urban County" Mayors and Municipal Clerks

FROM: Paul Buckley  
Division Head

DATE: May 13, 2014

RE: 2015 Cooperation Agreements

The United States Department of Housing and Urban Development (HUD) has sent our office requirements and deadlines for the federal fiscal year 2015 "Urban County" qualification process in the Community Development Block Grant (CDBG) and HOME Investment Partnership Programs.

This is the latest in a series of agreements which have been in effect since 1975 and which have allowed the participating "Urban County" municipalities to receive over \$79 million in federal funding. **Each year, your municipality receives a guaranteed allocation, by formula, from this program.**

In the 1994 agreements, a clause was added to the agreement which stated that the agreement will automatically renew for successive three-year qualification periods unless the County or the participating municipality provides written notice it elects not to participate in the new qualification period. Each "Urban County" participating municipality renewed under the current agreement covering federal fiscal years 2012, 2013 and 2014. The next renewal period will cover federal fiscal years 2015, 2016 and 2017.

TO: Middlesex "Urban County" Mayors and Municipal Clerks  
FROM: Paul Buckley, Division Head  
DATE: May 13, 2014  
RE: 2015 Cooperation Agreements

Page Two

Under HUD law, our office is required to notify each participating municipality that the Cooperation Agreement executed in 1994 will automatically renew unless your municipality notifies our office, and HUD, in writing, that you are specifically terminating this agreement.

**If your municipality elects to be excluded from the "Urban County" for the upcoming three-year period, you must notify our office, and HUD, in writing, by June 20, 2015.**

If your municipality elects to continue in the "Urban County" entitlement program, you will, of course, not be eligible to apply for competitive grants under the HUD-Administered Small Cities or State CDBG Programs.

Your municipality's continuance in the "Urban County" also continues your participation in the Middlesex County HOME and ESG consortium, thus continuing your eligibility to apply to the County for HOME Investment Partnership funds, as available.

If you have any questions, please do not hesitate to contact me at 732-745-3950.

Thank you for your cooperation.

**APPENDIX B - RESOLUTION OF INTENT TO BOND**



**Cranbury Township Resolution # R 04-16-073**

**TOWNSHIP OF CRANBURY**  
**COUNTY OF MIDDLESEX, STATE OF NEW JERSEY**

**A RESOLUTION CONCERNING THE TOWNSHIP OF CRANBURY'S  
COMMITMENT TO FUND ITS AFFORDABLE HOUSING PROGRAM**

**WHEREAS**, the Township Committee of the Township of Cranbury in Middlesex County, New Jersey, has endorsed a Housing Element and Fair Share Plan setting forth the Township's commitment to meeting its affordable housing obligation through 2025; and

**WHEREAS**, the Township Committee is petitioning the Superior Court of the State of New Jersey for a Judgment of Repose of its Third Round Housing Element and Fair Share Plan finding that it is constitutionally compliant; and

**WHEREAS**, this Housing Element and Fair Share Plan contains one or more municipally-sponsored affordable housing developments pursuant to N.J.A.C. 5:93-5.5 and other compliance techniques, include rehabilitation, for which the Township must demonstrate an adequate and stable funding source; and

**WHEREAS**, the Township anticipates that funding will come from the following sources to satisfy its obligation, including, but not limited to, the Township's affordable housing trust fund consisting of development fees, in-lieu payments and other revenue; and governmental sources including the Federal Low Income Housing Tax Credits program, New Jersey Balanced Housing funds, HUD funding, Federal Home Loan Bank Board financing, HMFA bond financing, Middlesex County Home funds, etc.; and

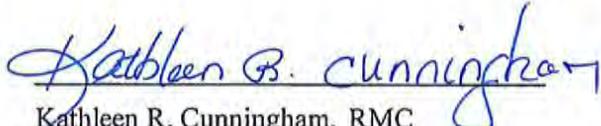
**WHEREAS**, in the event that the above funding sources prove inadequate to meet the Township's funding obligation, the Township shall provide sufficient funding to address any shortfalls.

**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Cranbury, in the County of Middlesex, that the governing body does hereby agree to fund any shortfalls in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason; and

**BE IT FURTHER RESOLVED** that said shortfall shall be funded by bonding if there are no other resources.

**CERTIFICATION**

I, Kathleen R. Cunningham, Clerk of the Township of Cranbury, do hereby certify that the foregoing is a true and correct copy of a resolution passed by the Township Committee of the Township of Cranbury at its meeting held on April 11, 2016.

  
  
Kathleen R. Cunningham, RMC  
Cranbury Township Clerk

**RESOLUTION # 12-08-217**

**TOWNSHIP OF CRANBURY**  
**COUNTY OF MIDDLESEX, STATE OF NEW JERSEY**

**A RESOLUTION CONCERNING THE TOWNSHIP OF CRANBURY'S  
COMMITMENT TO FUND ITS AFFORDABLE HOUSING PROGRAM**

**WHEREAS**, pursuant to N.J.A.C. 5:96-2.1, the Township Committee of the Township of Cranbury in Middlesex County, New Jersey, has endorsed an amended Housing Element and Fair Share Plan setting forth the Township's commitment to meeting its affordable housing obligation through 2018; and

**WHEREAS**, pursuant to N.J.A.C. 5:96-3.1, the Township Committee is re-petitioning the New Jersey Council on Affordable Housing ("COAH") for substantive certification of its amended Housing Element and Fair Share Plan; and

**WHEREAS**, this Housing Element and Fair Share Plan contains one or more municipally-sponsored affordable housing developments pursuant to N.J.A.C. 5:97-6.7 and other compliance techniques, include rehabilitation, for which the Township must demonstrate an adequate and stable funding source; and

**WHEREAS**, the Township Committee is confident that adequate and stable funding will be available from monies collected in the Township's affordable housing trust fund, from federal, State or County funding sources, and/or from the funding sources set forth in "A Guide to Affordable Housing Funding Sources," dated October 2008, posted by the Council on Affordable Housing on its website to assist municipalities; and

**WHEREAS**, the provisions of the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-311(d), state that nothing in said Act shall require a municipality to raise or expend municipal revenues in order to provide low and moderate income housing; and

**WHEREAS**, COAH nonetheless requires documentation to be submitted with its Fair Share Plan to indicate the availability of funding for its affordable housing compliance mechanisms;

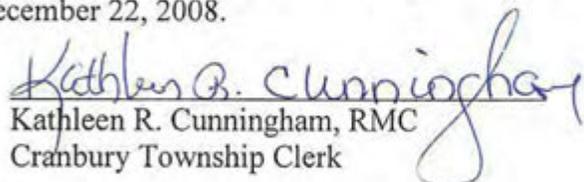
**NOW, THEREFORE, BE IT RESOLVED**, by the Township Committee of the Township of Cranbury, in the County of Middlesex, State of New Jersey, as follows:

1. The Township Committee determines that there is adequate and stable funding for all of the affordable housing compliance mechanisms set forth in its endorsed Housing Element and Fair Share Plan, consisting of funding in the Township's affordable housing trust fund and funding from governmental grants and/or other outside sources as set forth in the publication entitled "A Guide to Affordable Housing Funding Sources," dated October 28, 2008 and posted by the Council on Affordable Housing on the Council's web site as a resource for municipalities.

2. In the event that the above-referenced funding sources are not sufficient to implement the entirety of the Township's Housing Element and Fair Share Plan through 2018, the Township of Cranbury, in the discretion of the governing body then representing the Township, may determine to provide for an alternate source of affordable housing funding such as, but not limited to, municipal bonding, or elect to modify and change said Housing Element and Fair Share Plan to address its remaining affordable housing obligation in lieu of municipal bonding.

**CERTIFICATION**

I, Kathleen R. Cunningham, Clerk of the Township of Cranbury, do hereby certify that the foregoing is a true and correct copy of a Resolution passed by the Township Committee of the Township of Cranbury at its meeting held on December 22, 2008.

  
Kathleen R. Cunningham, RMC  
Cranbury Township Clerk

## APPENDIX C – 1988 MEMORANDUM OF UNDERSTANDING



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM, entered into on this            day of            , 1988, by and between the TOWNSHIP OF CRANBURY, a municipal corporation of the State of New Jersey, 23-A North Main Street, Cranbury, New Jersey 08512 (hereinafter referred to as "TOWNSHIP") and CRANBURY HOUSING ASSOCIATES, a non-profit corporation of the State of New Jersey, P. O. Box 603, Cranbury, New Jersey 08512 (hereinafter referred to as "CHA").

WITNESSETH:

WHEREAS, N.J.S.A. 52:27D-325 permits municipalities to provide for the acquisition and construction of buildings, structures or other improvements necessary or useful for the provision of low and moderate income housing in any appropriate manner as may be necessary or useful for that purpose; and

WHEREAS, the TOWNSHIP, through the process of mediation with the Council on Affordable Housing, has reached agreement with the Council on Affordable Housing, and those persons who filed objections to the Township's original affordable housing plan, including the Civic League of New Brunswick, on a plan for the construction of housing within the Township of Cranbury, which plan would satisfy the Township's obligations to provide affordable housing under the New Jersey Fair Housing Act;

WHEREAS, portion of said plan provides for the construction of certain housing by CHA; and

WHEREAS, the TOWNSHIP owns or controls the following real property (hereinafter referred to as "the Property"):

TRACT A: Approximately 6 acres along South Main Street  
(The Morris Company Site legal description)

TRACT B: Approximately 2 acres as described in the  
attached document. (The School Site)

upon which CHA proposes to construct housing (hereinafter referred to as "the Project") in accordance with the Cranbury Township affordable housing program as set forth in an agreement with the Council on Affordable Housing; and

WHEREAS, the TOWNSHIP supports the construction of the Project; and

WHEREAS, the TOWNSHIP and CHA wish to set forth herein their mutual undertakings in order to ensure the success of the Project;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, IT IS AGREED between the TOWNSHIP and CHA as follows:

1. The aforementioned sites may be added to or modified by mutual agreement by the Township and CHA, so long as necessary modifications in this Agreement are made to deal equitably with those additions or modifications.

2. The TOWNSHIP agrees to transfer ownership of the Properties to CHA after Substantive Certification of Cranbury's affordable housing program by the Council on Affordable Housing and immediately prior to issuance of a building permit. The cost of the Properties shall be mutually agreed upon by the TOWNSHIP and CHA and shall be considered a cost of the Project which shall be included by CHA in requests for funding of the Project.

3. CHA shall develop approximately 60 units of

housing, in conformance with the Cranbury Township affordable housing program, on the Property. Approximately 30 dwelling units will be sold or rented to persons of moderate income and approximately 30 units will be sold or rented to persons of low income as defined by the Mt. Laurel II doctrine. Not more than 50%, nor less than 25% of said units shall be rented. No more than 20 units of the total units may be age-restricted for senior citizens.

4. As the developer of the Project, CHA shall engage the services of experts, prepare and file the necessary land development applications, arrange for construction and permanent financing and shall undertake any and all steps necessary in order to construct, market, sell, rent and manage said dwelling units. CHA shall administer the program in accordance with the Certified Agreement between the TOWNSHIP and the Council on Affordable Housing.

5. The TOWNSHIP shall, or cause to be commissioned, promptly, an engineering study to plan for the actual construction and extension of the public sanitary sewer and domestic water lines to the Property. The TOWNSHIP shall, or cause to have public sanitary sewerage and domestic water brought to the property lines of the Property. The TOWNSHIP shall reserve its right to assess, as a local improvement, CHA and other benefitted property owners, to pay for this capital project.

6. The TOWNSHIP, in order to make public sanitary sewerage and domestic water available to the Property prior to the completion of the aforementioned sanitary sewerage and domestic water projects, shall adopt resolutions so as to reserve capacity for the Property.

7. The TOWNSHIP agrees to assist CHA as CHA makes grant and loan applications, pursuant to the New Jersey Fair Housing Act, to various County, State, Federal and private agencies in order to attempt to receive funding for the Project. The applications will be for such items as the cost of land acquisition, building construction, site improvements, professional fees and other "soft costs", and construction and permanent financing for the Project. CHA will also pursue such subsidies as may be available for the low and moderate income housing units and such other financial support as may be available through County, State, Federal and private agencies from time to time.

8. CHA will advise the TOWNSHIP at least quarterly as its land development application proceed through the usual land use process in Cranbury Township. CHA will also keep the TOWNSHIP advised at least quarterly as to the status of CHA's efforts to obtain and secure both construction and permanent financing for the Project.

9. The TOWNSHIP shall process all land use and building permit applications on an expedited basis. The TOWNSHIP shall waive those land use and permit fees in the manner as set forth in the housing element of Cranbury's Master Plan.

10. The TOWNSHIP will grant CHA real property tax

abatements for the low and moderate income rental housing units on the Property in consideration for CHA agreeing to pay to the TOWNSHIP a fair in lieu-of-tax payment, in the amount of three (3%) percent of actual gross rentals, which takes into consideration the police, fire, public educational and other municipal services which will be available to the Project. Further, the TOWNSHIP shall establish real property tax assessments for the low and moderate income sale housing units which will reflect their controlled market value.

11. The tax abatement previously described shall also be provided for the existing eight (8) low and moderate income dwelling units currently rented by CHA, located elsewhere within Cranbury Township.

12. At such time as CHA has identified all available construction financing sources, but prior to entering into any construction contract, CHA shall provide the TOWNSHIP with an analysis and a computation of the amount of funding needed to meet any shortfall. This analysis shall include the following:

- A. A detailed statement of how the financing for that subsection of the Project is to be completed, the type and number of units and location of the same consistent with the TOWNSHIP's agreement with the Council on Affordable Housing.
- B. Copies of commitments received for the funding of the Project.
- C. A copy of the cost estimate for the completion of that section of the Project.

D. A detailed projection of funds required from the TOWNSHIP and when such funds will be required.

The TOWNSHIP and CHA shall then determine, by mutual agreement, the amount of funding needed to eliminate such shortfall, which funding shall be provided by the TOWNSHIP in the form of a long-term loan on terms acceptable to the TOWNSHIP, CHA and any other mortgage lender.

13. Upon completion of the Project, CHA agrees to manage it.

14. In consideration of the TOWNSHIP'S support of the Project, CHA agrees that should the Project at some future date show a financial profit, after full provision has been made for capital improvements and reasonable reserves for the low and moderate income units on site, that CHA and the TOWNSHIP shall agree as to how such profit shall be used. These funds shall in all events be dedicated to the provision or maintenance of affordable housing in Cranbury Township.

15. In the event that CHA is unable to obtain the necessary funding for part or all of the Project, the TOWNSHIP will use its best efforts to issue bonds and make the proceeds of such bonds available to CHA. If it exercises directly its rights under N.J.S.A. 40:55C-37, the TOWNSHIP shall make a loan to CHA, as a redeveloper, for the carrying out of the Project. In the case of a default by CHA, the TOWNSHIP may exercise all controls over the Project necessary to protect its separate interest as a lender, all subject to the direction of the TOWNSHIP'S bond counsel, including the right to take control of the Project.

16. In no event shall the TOWNSHIP'S obligation to make

a cash contribution to CHA exceed the sum of \$3,500.00 per unit for each unit of senior housing to be constructed and \$10,000.00 per unit for other types of housing. In such event that the detailed projection of funds require a cash contribution in excess of the aforementioned amounts, the TOWNSHIP may withdraw its obligation for the funding of the Project. In such event, the TOWNSHIP shall repay to CHA the cost borne by CHA for professional fees and other "soft costs" in the development of its plans.

IN WITNESS WHEREOF, the parties have caused this document to be signed and sealed on the day and date first written above.

ATTESTED:

TOWNSHIP OF CRANBURY

Arthur C. Romweber  
Clerk

T. P. Weik  
Mayor

CRANBURY HOUSING ASSOCIATES

Frank A. Wright  
Secretary

Mae A. Berlin  
President

## APPENDIX D – 1998 MEMORANDUM OF UNDERSTANDING



**MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM**, entered into on this        day of        , 1998, by and between the **TOWNSHIP OF CRANBURY**, a municipal corporation of the State of New Jersey, 23-A North Main Street, Cranbury, New Jersey 08512 (hereinafter referred to as "**TOWNSHIP**") and **CRANBURY HOUSING ASSOCIATES**, a non-profit corporation of the State of New Jersey, P.O. Box 603, Cranbury, New Jersey 08512 (hereinafter referred to as "**CHA**").

**WITNESSETH:**

**WHEREAS**, N.J.S.A. 52:27D-325 permits municipalities to provide for the acquisition and construction of buildings, structures or other improvements necessary or useful for the provision of low and moderate income housing in any appropriate manner as may be necessary or useful for that purpose; and

**WHEREAS**, the TOWNSHIP has adopted an Affordable Housing Plan and a Housing Element to its Master Plan; and

**WHEREAS**, the TOWNSHIP has submitted said plans to the New Jersey Council on Affordable Housing and has petitioned said Council for Substantive Certification of said Affordable Housing Plan; and

**WHEREAS**, a portion of said plan provides for the construction of certain housing by CHA; and

**WHEREAS**, CHA proposes to construct housing on a site or sites either owned by or to be acquired by the TOWNSHIP in accordance with the Cranbury Township Affordable Housing Program as set forth in the petition for Substantive Certification to the Council on Affordable Housing (hereinafter referred to as the "Project"); and

**WHEREAS**, the TOWNSHIP supports the construction of the Project; and

**WHEREAS**, the TOWNSHIP and CHA wish to set forth herein their mutual undertakings in order to ensure the success of the Project;

**NOW, THEREFORE**, in consideration of the mutual covenants and premises as set forth herein, **IT IS AGREED** between the TOWNSHIP and CHA as follows:

1. The housing will be constructed on a site or sites either presently owned by or to be hereafter acquired by the TOWNSHIP by mutual agreement between the TOWNSHIP and CHA so long as necessary modifications in this Agreement are made to deal equitably with those additions or modifications. Said site or sites are hereinafter sometimes referred to as the "Properties".

2. The TOWNSHIP agrees to transfer ownership of the Properties to CHA after Substantive Certification of Cranbury's Affordable Housing Program by the Council on Affordable Housing and immediately prior to the issuance of a building permit. The cost of the Properties shall be mutually agreed upon by the TOWNSHIP and CHA and shall be considered a cost of the Project which shall be included by CHA in requests for funding of the Project.

3. CHA shall develop not less than nine units of housing in conformance with the Cranbury Township Affordable Housing Program on the Property and in conformance of the Substantive Certification anticipated to be granted by the New Jersey Council on Affordable Housing. All of said units shall be rental units. Approximately fifty (50%) percent of the dwelling units will be rented to persons of moderate income and approximately fifty (50%) percent will be rented to persons of low income as defined by the regulations of the New Jersey Council on Affordable Housing. The number of age restricted units for senior citizens shall be in conformance with the TOWNSHIP's Affordable Housing Plan and Substantive Certification anticipated to be granted by the Council on Affordable Housing.

4. As the developer of the Project, CHA shall engage the services of experts, prepare and file the necessary land development applications, arrange for construction and permanent financing and shall undertake any and all steps necessary in order to construct, market, sell, rent and manage said dwelling units. CHA shall administer the program in accordance with the Substantive Certification granted to the TOWNSHIP by the Council on Affordable Housing.

5. The TOWNSHIP shall provide in kind services at no charge to CHA such as engineering, planning, etc., including plans for the extension of sanitary sewer and domestic water lines to the Properties and services necessary in the preparation of subdivision and/or site plan applications to the Cranbury Township Planning Board. The TOWNSHIP reserves its right to assess, as a local improvement, CHA and other benefited property owners to pay for the capital costs involved in any necessary extension of sanitary sewage to the Property.

6. Although it is anticipated that there is adequate sewage capacity to provide public sanitary sewage to the Project, if requested by CHA, the TOWNSHIP shall adopt resolutions so as to reserve necessary capacity for the Property.

7. The TOWNSHIP agrees to assist CHA as CHA makes grant and loan applications, pursuant to the New Jersey Fair Housing Act, to various County, State, Federal and private agencies in order to attempt to receive funding for the Project. The applications will be for such items as the cost of land acquisition, building construction, site improvements, professional fees and other "soft costs", and construction and permanent financing for the Project. CHA will also pursue such subsidies as may be available for the low and moderate income housing units and such other financial support as may be available through County, State, Federal and private agencies from time to time.

8. CHA will advise the TOWNSHIP at least quarterly as its land development application proceed through the usual land use process in Cranbury Township. CHA will also keep the TOWNSHIP advised at least quarterly as to the status of CHA's efforts to obtain and secure both construction and permanent financing for the Project.

9. The TOWNSHIP shall process all land use and building permit applications on an expedited basis. The TOWNSHIP shall waive those land use and permit fees in the manner as set forth in the housing element of Cranbury's Master Plan.

10. The TOWNSHIP will grant CHA real property tax abatements for the low and moderate income rental housing units on the Property in consideration for CHA agreeing to pay to the TOWNSHIP a fair in lieu-of-tax payment, in the amount of three (3%) percent of actual gross rentals, which takes into consideration the police, fire, public educational and other municipal services which will be available to the Project. Further, the TOWNSHIP shall establish real property tax assessments for the low and moderate income sale housing units which will reflect their controlled market value.

11. As such time as CHA has identified all available construction financing sources, but prior to entering into any construction contract, CHA shall provide the TOWNSHIP with an analysis and a computation of the amount of funding needed to meet any shortfall. This analysis shall include the following:

- A. A detailed statement of how the financing for that subsection of the Project is to be completed, the type and number of units and location of the same consistent with the TOWNSHIP's agreement with the Council on Affordable Housing.
- B. Copies of commitments received for the funding of the Project.

C. A copy of the cost estimate for the completion of that section of the Project.

D. A detailed projection of funds required from the TOWNSHIP and when such funds will be required.

The TOWNSHIP and CHA shall then determine, by mutual agreement, the amount of funding needed to eliminate such shortfall, which funding shall be provided by the TOWNSHIP in the form of a long-term loan on terms acceptable to the TOWNSHIP, CHA and any other mortgage lender. In the event that CHA is unable to obtain the necessary funding for part or all of the Project, the TOWNSHIP will use its best efforts to issue bonds and make the proceeds of such bonds available to CHA. If it exercises directly its rights under N.J.S.A. 40:55C-37, the TOWNSHIP shall make a loan to CHA, as a redeveloper, for the carrying out of the Project. In the case of a default by CHA, the TOWNSHIP may exercise all controls over the Project necessary to protect its separate interest as a lender, all subject to the direction of the TOWNSHIP's bond counsel, including the right to take control of the Project. CHA and the TOWNSHIP agree to cooperate to establish a method of funding the project in a manner most financially attractive to both the TOWNSHIP and CHA.

12. Upon completion of the Project, CHA agrees to manage it.

13. In consideration of the TOWNSHIP's support of the Project, CHA agrees that should the Project at some future date show a financial profit, after full provision has been made for capital improvements and reasonable reserves for the low and moderate income units on site, that CHA and the TOWNSHIP shall agree as to how such profit shall be used. These funds shall in all events be dedicated to the provision or maintenance of Affordable Housing in Cranbury Township.

14. In no event shall the TOWNSHIP's obligation to make a cash

contribution to CHA exceed the sum of \$20,000.00 per unit for each unit of rental or for sale housing to be constructed by CHA as part of the Project. In such event that the detailed projection of funds require a cash contribution in excess of the aforementioned amount, the TOWNSHIP may withdraw its obligation for the funding of the Project. In such event, the TOWNSHIP shall repay to CHA the cost borne by CHA for professional fees and other "soft costs" in the development of its plans.

15. CHA agrees to submit to the TOWNSHIP for review and comment all of its site plan applications or subdivision applications at least thirty (30) days prior to their submission to the Cranbury Township Planning Board for approval. The TOWNSHIP reserves the right to submit any of its comments to the Planning Board for consideration in connection with the approval process.

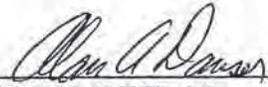
16. This Agreement shall be binding upon the parties thereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have caused this document to be signed and sealed on the day and date first written above.

ATTESTED:

TOWNSHIP OF CRANBURY

  
CHRISTINE SMELTZER, Clerk

By:   
ALAN DANSER, Mayor

CRANBURY HOUSING ASSOCIATES

  
, Secretary

By:   
, President

**APPENDIX E - BERGEN DR., DANSER DR. & SOUTH MAIN ST - DEED  
RESTRICTIONS**



**MASTER DEED  
FOR  
THE BERGEN-DANSER CONDOMINIUM**

**THIS MASTER DEED**, made this            day of January 1997, by CRANBURY HOUSING ASSOCIATES, INC., a New Jersey non-profit corporation having its principal office at c/o Berkowsky & Associates, 2551 Route 130, Cranbury, New Jersey (hereinafter referred to as "Sponsor").

**WHEREAS**, Sponsor is the owner of the fee simple title to those lands and premises in the Township of Cranbury, County of Middlesex, State of New Jersey, more particularly described in Exhibit A attached hereto and made a part hereof, which lands and premises are hereinafter referred to as the "Property"; and

**WHEREAS**, the Condominium includes a total of thirty-four (34) individual dwelling Units, hereinafter referred to collectively as "Units", together with parking areas, walkways and other improvements as more particularly shown on a certain Condominium Plan attached hereto and made a part hereof as Exhibit B, and on certain floor plan drawings which are attached hereto and made a part hereof as Exhibit C; and

**WHEREAS**, it is the intention of the Sponsor to establish the form of ownership of the Property as a condominium pursuant to the provisions of the New Jersey Condominium Act, N.J.S.A. 46:88-1 et seq., under the name of "The Bergen-Danser Condominium", (hereinafter referred to as the "Condominium"); and

**WHEREAS**, the Sponsor is about to establish The Bergen-Danser Condominium Association, Inc., a New Jersey non-profit corporation (hereinafter referred to as the "Condominium Association"), for the administration, operation and management of the Condominium; and

**WHEREAS**, the Condominium, as now or hereafter constituted, will consist of lands and buildings which are part of a residential community being developed by the Sponsor known as "The South Main-Bergen-Danser" development (hereinafter the "Community"), which Community is intended to contain forty (40) dwelling units; and

**WHEREAS**, the Community is governed by and subject to the provisions of a certain Declaration of Covenants, Conditions and Restrictions for The South Main-Bergen-Danser Master Association (hereinafter the "Declaration"), and the Certificate of Incorporation and By-Laws of The South Main-Bergen-Danser Homeowners Association, Inc., (hereinafter the "Homeowners Association"), a New Jersey non-profit corporation which is established to operate, manage and maintain the General Common Property and Reserved Common Property and facilities within the Community which are intended for the use and enjoyment of all the residents; and

WHEREAS, the Homeowners Association is empowered to accept the responsibility for maintaining, operating and administering the Common Elements of the Condominium which has been delegated to it pursuant to this Master Deed, the Certificate of Incorporation and the By-Laws of the Condominium Association.

NOW, THEREFORE, WITNESSETH:

1. **ESTABLISHMENT OF CONDOMINIUM.** The Sponsor does hereby submit, declare and establish in accordance with N.J.S.A. 46:8B-1 et seq. the condominium form of ownership for those parcels of land described in Exhibit A and as more particularly shown on Exhibits B and C.

2. **DEFINITIONS.** For the purpose hereof, the following terms shall have the following meanings unless the context in which same is utilized clearly indicates otherwise:

- (a) "Affordable Unit" shall mean and refer to all Units in the Condominium, in that all such Units are reserved for sale to persons qualifying as low or moderate income purchasers or renters as defined in the Affordable Housing Plan prepared by the Sponsor.
- (b) "Affordable Housing Plan" shall mean and refer to the Affordable Housing Plan for The Bergen-Danser Condominium which may be recorded as a separate instrument.
- (c) "Association" shall mean either the Condominium Association or the Homeowners Association, as hereinafter defined, as the case may be. Whenever the term "Association" is used herein without designation as to the Condominium Association or the Homeowners Association, it shall refer to the Homeowners Association until such time as the Board of Trustees terminates the delegation of powers, duties and responsibilities granted herein in accordance with Paragraph 3 of this Master Deed.
- (d) "Board" shall mean the Board of Trustees of the Condominium Association and any reference herein or in the Certificate of Incorporation, By-Laws or Rules and Regulations to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the membership of the Association, unless the context expressly indicates to the contrary.
- (e) "Building" shall mean all the enclosed structures containing Units and structural improvements appurtenant thereto which are located on the lands described in

Exhibits .... through .... and shown on Exhibits .....,  
and .....

- (f) "By-Laws" shall mean the By-Laws of the Condominium Association, a copy of which document is attached hereto and made a part hereof as Exhibit E, together with all future amendments or supplements thereto.
- (g) "Certificate of Incorporation" shall mean the Certificate of Incorporation of the Condominium Association, a copy of which document is attached hereto and made a part hereof as Exhibit D, together with all future amendments or supplements thereto.
- (h) "Common Elements" shall mean "General Common Elements" or "Limited Common Elements" of the Condominium, as hereinafter defined.
- (i) "Common Expenses" shall, subject to the provisions of paragraph 6 hereof, mean all those expenses anticipated by N.J.S.A. 46:8B-3(e), in addition to all expenses, including reserves, incurred or assessed by the Homeowners Association or the Condominium Association, or their respective Governing Boards, officers, agents or employees, in the lawful performance of their respective duties or powers.
- (j) "Community" shall mean all those lands and improvements lawfully subjected to the provisions of the Declaration, hereinafter defined.
- (k) "Condominium" shall mean (i) all the lands and premises described in Exhibit A which may now or hereafter be lawfully subjected to this Master Deed; (ii) all improvements now or hereafter constructed in, upon, over or through such lands and premises, whether or not shown on any Exhibit hereto; (iii) all rights, roads, waters, privileges and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of this Master Deed.
- (l) "Condominium Association" shall mean The Bergen-Danser Condominium Association, Inc., a New Jersey non-profit corporation, its successors and assigns.
- (m) "Condominium Act" shall mean the provisions of N.J.S.A. 46:8B-1 et seq., and all applicable amendments and supplements thereto.
- (n) "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for South Main-Bergen-Danser recorded or to be recorded in the Middlesex County

Clerk's Office, together with all amendments or supplements thereto as now or hereafter may be executed and recorded.

- (o) "General Common Elements" shall mean the same meaning as "common elements" pursuant to N.J.S.A. 46:8B(d), except as same may be modified by the provisions of paragraph 5(a) hereof.
- (p) "Governing Board" shall mean either the Board of Trustees of the Condominium Association or the Board of Directors of the Homeowners Association, as the case may be. Whenever the term "Governing Board" is used herein, it shall refer to the Board of Directors of the Homeowners Association until such time as the Board of Trustees revokes the delegation of powers, duties and responsibilities granted herein in accordance with Paragraph 3 of this Master Deed. Thereafter "Governing Board" shall refer to the Board of Trustees of the Condominium Association.
- (q) "Homeowners Association" shall mean and refer to The South Main-Bergen-Danser Homeowners Association, Inc., a New Jersey non-profit corporation, its successors and assigns.
- (r) "Institutional Lender" shall mean the Sponsor, any bank, mortgage banker, savings and loan association or other financial institution or pension fund, which is the record owner of a first mortgage loan which encumbers any Unit.
- (s) "Lease" shall mean any agreement for the leasing or rental of any Unit of the Condominium.
- (t) "Limited Common Elements" shall have the same meaning as "limited common elements" pursuant to N.J.S.A. 46:8B-3(j), except as same may be modified by the provisions of Paragraph 5(b) hereof.
- (u) "Maintenance Responsibility Chart" shall mean and refer to the chart annexed hereto as Exhibit F which defines the maintenance and repair obligations of the Unit Owner, the Homeowners Association and the Condominium Association.
- (v) "Master Deed" shall mean this instrument together with all existing and/or future amendments or supplements hereto.
- (w) "Member" shall mean and refer to every person, firm, association, corporation or other legal entity, including

the Sponsor, who is a record owner or co-owner of the fee title to any Unit; provided however, that any person, firm, association, corporation, or legal entity who holds such title or interest merely as a security for the performance of an obligation (including but not limited to mortgagees or trustees under deeds of trust) shall not be a Member of the Condominium Association.

- (x) "Owner" or "Unit Owner" shall mean and refer to those persons, including the Sponsor, in whom record fee simple title to any unit is vested as shown in the records of the Middlesex County Clerk, unless the context expressly indicates otherwise, but shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to any such Unit, nor shall the term "Unit Owner" refer to any lessee or tenant.
- (y) "Permitted Mortgage" shall mean and refer to any mortgage lien encumbering a Unit held by a bank, mortgage banker, trust company, insurance company, savings and loan association, pension fund, governmental agency, or other Institutional Lender or which is a purchase money mortgage held by the Sponsor or by the Seller of a Unit. It shall also include any other mortgage lien which is expressly subordinate to any and all existing or future common expense liens imposed against the Unit by the Association.
- (z) "Rules and Regulations" shall mean the rules and regulations of the Condominium Association and the Homeowner Association, together with all future amendments or supplements thereto. The Condominium Association may, but shall not be required to record either the original or any amendments or supplements to the Rules and Regulations.
- (aa) "Sections" shall mean the two (2) distinct portions of the Condominium. The "Bergen Section" shall mean the twenty-four(24) Units located on Bergen Drive and the "Danser Section" shall mean the eight (8) Units located on Danser Drive.
- (bb) "Sponsor" shall mean and refer to Cranbury Housing Associates, Inc., a New Jersey non-profit Corporation, its successors and assigns.
- (cc) "Unit" shall mean a part of the Condominium designated and intended for independent ownership and use as a residential dwelling regardless of type, all as more specifically described in paragraph 5 hereof and shall not be deemed to include any part of the General Common

10

Elements or Limited Common Elements situated within or appurtenant to a Unit.

Unless the context clearly indicates otherwise, all definitions set forth in N.J.S.A. 46:8B-3 are incorporated herein by reference and the definitions set forth above shall be used in conjunction therewith.

**3. DELEGATION OF POWERS AND DUTIES TO HOMEOWNERS ASSOCIATION.** The Bergen-Danser Condominium Association, Inc. hereby delegates exclusively to the Board of Directors of The South Main-Bergen-Danser Homeowners Association, Inc. all of those powers, duties and responsibilities set forth in Article V, Sections 3 and 4 of the By-Laws of the Condominium Association, together with the right to exercise discretion in the exercise and performance thereof.

The Board of Trustees shall have the right to terminate said delegation at any time upon ninety (90) days written notice to the Board of Directors of the Homeowners Association but only if such action shall be authorized by the vote in person or by proxy of two-thirds (2/3) of all the aggregate votes held by all of the Members of the Condominium Association in good standing effected at a meeting duly called for such purpose. In the event that the Board of Trustees terminates said delegation, it shall promptly meet with the Board of Directors of the Homeowners Association and the managing agent to effect the orderly transfer of the books, records and funds of the Condominium Association, and to agree upon the amount of General Common Expense to be thereafter contributed to the Homeowners Association by the Condominium Unit Owners for maintenance of the General Common Property. The obligation of the Condominium Unit Owners to pay to the Homeowners Association their pro rata share of the expenses to maintain the General Common Property in the Community, including reserves for repair and replacement, shall be perpetual.

**4. DESCRIPTION OF CONDOMINIUM.** Upon the recordation of this Master Deed, the Condominium will include the lands described in Exhibit A, attached hereto and made a part hereof. The Condominium will include parking areas and other site improvements all as shown on the Condominium Plan appended to this Master Deed as Exhibit B, which depicts the entire Condominium, and shall also include all rights, privileges, roads, waters and appurtenances thereto belonging or appertaining.

**5. DESCRIPTION OF UNITS.** Thirty-four (34) separate parcels of real property, being the Units, hereinafter more particularly described and as shown on Exhibit B. Exhibit C describes the room layouts of the several units at floor level.

Each Unit consists of:

(A) All the space within the area bounded by the interior surface of its perimeter walls and its lowermost floor and its uppermost ceiling as follows:

Bottom: The bottom is an imaginary horizontal plane through the highest point of the interior surface of each portion of the uppermost subfloor, generally concrete or concrete slab (originally installed by the Sponsor), within the Unit, and extending in every direction to the point where it intersects or closes with a side of such Unit.

Top: The top is an imaginary horizontal plane along and coincident with the innermost surface of the studding or truss assembly of the uppermost ceiling and along and coincident with the exterior surface of any skylights, of the Unit and extending in every direction to the point where it intersects or closes with every side of such Unit.

Sides: The sides of each Unit are imaginary vertical planes along and coincident with the innermost surface of the studding of the perimeter walls (originally installed by the Sponsor) or where there is no studding, the innermost surface of concrete block perimeter walls or equivalent. Where no wall exists, the side is an imaginary vertical plane along and coincident with the exterior finished surface of the windows or doors located on the perimeter of such Unit. The sides of each such Unit are bounded by the bottom and top of the Unit; and

(B) All appliances, fixtures, doors, windows, screens, skylights, interior walls and partitions, gypsum board and/or other facing material on the walls and ceilings thereof, the inner decorated and/or finished surface of the floors including all flooring tile, ceramic tile, finished flooring, carpeting and padding) and all other improvements which are located within the boundaries of the Unit as set forth in (A) or which are exclusively appurtenant to a Unit, although all or part of the improvement may not be located within the boundaries of the Unit as set forth in (A). Such appurtenant improvements include the following, to the extent that they serve an individual Unit only and not any other Unit of any portion of the Common Elements, no matter where they are located:

- (1) Any and all utility lines, pipes, vents and systems, including, but not limited to, (a) electrical wires and wiring fixtures, switches, outlets and circuit breakers, (b) water pipes and hose bibs, (c) sewer pipes and cleanouts, (d) vents and ducts, (e) telephone lines and wires, (f) master antenna or cable television wiring, except where ownership of any of the above is retained by a company, public utility, agency or otherwise providing service therefor;

- (2) Any fireplace, chimney or flue;
- (3) All utility meters not owned by the public utility agency supplying the service;
- (4) All equipment, appliances, machinery, mechanical or other systems including, but not limited to heat pumps, air conditioning units, HVAC units located on concrete pads upon the Common Elements; and
- (5) All storage areas located within or outside of the Unit, which area provides exclusive storage for a Unit.

The word "Unit" when used throughout this instrument, shall be deemed to refer to each of the aforesaid Units as herein described.

**6. DESCRIPTION OF GENERAL, LIMITED AND RESERVED COMMON ELEMENTS.**

**(a) General Common Elements**

The remaining portion of the lands and premises hereinabove described with all improvements constructed and to be constructed thereon, including all appurtenances thereto, which said remaining portions shall be hereinafter known and referred to as "Common Elements." More specifically, "General Common Elements" shall include, but not be limited to, the following:

(a) The parcel of land described in Exhibit A, including the space actually occupied by the above.

(b) The Buildings described above including the space within each of said Buildings not otherwise herein defined as being the Units, and including the foundations, roofs, floors, ceilings, perimeter walls, load bearing interior walls and partitions, slabs, stairways, passageways, pipes, wires, conduits, air ducts and utility lines, and utility connections, including the space actually occupied by the above.

(c) All of the roads, walkways, paths, trees, shrubs, yards, etc., located or to be located on the aforesaid parcel of land.

(d) All other elements of the Buildings constructed on the aforesaid parcel of land, rationally of common use or necessary to their existence, upkeep and safety and, in general, all other devices or installations existing for common use, including but not limited to tangible personal property.

(e) The General Common Elements shall not include any of the Units as hereinabove described, notwithstanding; that the Buildings in which said Units shall be located may not have been constructed at the time of the recording of this instrument, it being the intention of the Sponsor that the interest in any General Common Elements appurtenant to each Units, as said interest shall be hereinafter defined, shall not include any interest whatsoever in any of the other Units and the space within them, whether or not the Buildings within which said Units are or shall be located, are constructed or yet to be constructed at the time of the recording of this instrument.

(b) Limited Common Elements

Portions of the Common Elements are hereby set aside and reserved for the restricted use of the respective Units to the exclusion of the other Units and such portions shall be known and referred to herein as "Limited Common Elements". Limited Common Elements restricted to the use of the respective Units shall be clearly described if and when they are established hereafter. Any assigned parking spaces shall be Limited Common Elements. Each Unit Owner shall be responsible for maintaining, at their individual cost and expense, all areas designated as Limited Common Elements. However, maintenance of the structural components of all Limited Common Elements shall be the responsibility of the Association. Each Unit Owner shall be responsible for any improvements or maintenance in and to patios (enclosed an unenclosed), porches, fences, decks including any glass, glass doors, screens or screen doors, or storage buildings, none of which shall be responsibility for maintenance by the Association. All Limited Common Elements, however, shall be in compliance with all governmental rules and regulations, as well as all rules and regulations of the Association, as provided for herein, or in the By-Laws.

(c) Reserved Common Elements

The Board shall have the power in its discretion:

(i) to designate from time to time certain Common Elements as "Reserved Common Elements"; (ii) grant reserved rights therein to the Association and to any or less than all of the Unit Owners; and (iii) establish a reasonable charge to such Unit Owners for the use and maintenance thereof. Such designation by the Board shall not be construed as a sale or disposition of the Common Elements.

7. ESTATE ACQUIRED; INTEREST IN COMMON EXPENSES; INTEREST IN COMMON SURPLUS; VOTING; COMMON EXPENSES.

The owner of each Unit shall have such an estate therein as may be acquired by grant, by purchase or by operation of law, including an estate in fee simple; and shall acquire as an appurtenance thereto an undivided percentage interest in the Common Elements of the Condominium, which shall not be divisible from the Unit to which it appertains, as set forth in Exhibit " " attached hereto and made a part hereof. Said percentage has been adjusted to permit same to be expressed as a finite number and to avoid an interminable series of digits.

The aforesaid percentage interest shall be used to (i) allocate the division of proceeds, if any, resulting from casualty loss, any eminent domain proceedings, any common surplus of the Association; or from any other disposition of the Condominium property; and (ii) to apportion the assessments for the Common Expenses of each Unit within the Condominium.

In addition to a percentage interest in the Common Elements of the Condominium, the Owner of each Unit shall have a fee simple interest in the General Common Property, in common with all other Owners in the Community as described in that certain Declaration of Covenants and Restrictions for The South Main-Bergen-Danser Master Association to be recorded in the Middlesex County Clerk's Office, which shall not be divisible from the Unit to which it appertains.

Each Unit, including unbuilt Units which have not been conveyed to individual purchasers, shall be entitled to one (1) vote in The Bergen-Danser Condominium Association and one (1) vote in The South Main-Bergen-Danser Homeowners Association. If a Unit is owned by more than one person, the one vote to which said Unit is entitled shall be divided by the number of co-owners of said Unit.

**8. COVENANT FOR MAINTENANCE AND CAPITAL IMPROVEMENT ASSESSMENTS.** Every Unit Owner, by acceptance of a deed or other conveyance for a Unit, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such sums, by way of annual or special Common Expense assessments contemplated herein or in the Declaration or By-Laws of the Homeowners Association or the By-Laws of the Condominium Association. Upon the conveyance of title to a Unit, the portion of the then current annual assessment payable by the new Unit Owner shall be an amount which bears the same relationship to the annual assessment as the remaining number of months in the then current annual assessment period bears to twelve. Such first annual assessment, or portion thereof for which a new Unit Owner is liable, shall be immediately due upon the closing of title to the purchaser.

It shall be an affirmative and perpetual obligation of the Governing Board to fix Common Expense assessments in an amount at

least sufficient to maintain the exterior of the Buildings and to maintain and operate the Common Elements and the General Common Property as contemplated by the Master Deed or By-Laws and as required by the Condominium Act. The amount of monies for Common Expenses of the Associations deemed necessary by the Governing Board and the manner of expenditure thereof shall be a matter for the sole discretion of said Governing Board.

Common Expense assessments shall be made for an annual period to be determined by the Governing Board, and shall be payable in monthly installments due on the first day of each month. The Governing Board shall cause to be prepared annually at least thirty (30) days in advance of the due date of the first Common Expense installment for the period, a list of the Units and the annual Common Expense assessment applicable thereto, according to the names of the Unit Owners, which list shall be kept in the office of the Association and shall be open to inspection, upon request, by any Unit Owner. Written notice of the annual Common Expense assessments shall be sent by mail or delivered to every Unit Owner, as more particularly described in Article VI, Section 8 of the By-Laws.

All assessments by the Association shall be levied in accordance with a formula based both upon the number of bedrooms and whether such unit is then occupied by a low or moderate income occupant. Such formula shall be made available for review by Unit Owners and shall be in accordance with any guidelines promulgated by the United States Department of Housing and Urban Development ("HUD") or the Council on Affordable Housing of the State of New Jersey ("COAH").

If an annual Common Expense assessment is not made as required, an assessment shall be presumed to have been made in the amount of one hundred ten percent (110%) of the last prior year's assessment, and any installments of such annual assessments shall be due upon each installment payment date until a new annual Common Expense assessment is made. While the Sponsor maintains a majority of the Governing Board, it shall ensure that the annual General and Specific Common Expense assessment is made, and that notice thereof is given as herein provided, for every fiscal year at the inception of which the Sponsor is in control of the Governing Board.

In the event the annual Common Expense assessment proves to be insufficient, the budget and assessment may be amended at any time by the Governing Board, provided that nothing herein shall serve to prohibit or prevent the said Board from imposing a lump sum assessment in the case of any immediate need or emergency.

In addition to the annual Common Expense assessments authorized, the Governing Board may levy, in any assessment year, a special Common Expense assessment, for the purpose of

defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon or to the Common Elements, including the necessary furniture, fixtures, equipment and other personal property related thereto, or for any other lawful purpose, provided that any such special Common Expense assessment shall be authorized by the vote in person or by proxy of two-thirds (2/3) of all the aggregate votes held by all of the Members of the Condominium Association in good standing effected at a meeting duly called for such purpose. Written notice of such meeting shall be sent to all Unit Owners at least thirty (30) days in advance, which notice shall set forth the purpose of the meeting. The due date(s) of any special assessment, or any installment(s) thereof, shall be fixed in the resolution authorizing such special assessment. Any special assessment levied pursuant to this paragraph shall be applicable only for the year in which assessed.

The Association shall, within ten (10) days of the request of any Unit Owner liable for a Common Expense assessment, or of the holder of any Permitted Mortgage for any Unit, furnish to such Unit Owner or holder of any Permitted Mortgage, a certificate in writing, signed by an officer of the Association, setting forth whether or not such annual Common Expense assessment or any special Common Expense assessment has been paid. Such certificate shall constitute conclusive evidence of the payment of any Common Expense assessments therein stated to have been paid.

No Unit Owner may waive or otherwise avoid liability for Common Expenses by non-use of the Common Elements or General Common Property. Each such assessment shall be a continuing lien upon the Unit against which it was made and shall also be the joint and several personal obligation of the Owner of such Unit at the time when the Common Expense assessment fell due, and of each subsequent record owner of such Unit, together with interest thereon and cost of collection thereof, including reasonable attorney's fees. Liens for unpaid Common Expense assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. Suit to recover a money judgment for unpaid Common Expense assessments may be maintained without waiving the lien securing the same.

**9. COMMON EXPENSES; RESPONSIBILITIES OF OWNERS; DAMAGE DUE TO NEGLIGENCE, OMISSION, OR MISUSE.** The Common Expense assessments levied by the Governing Board shall be used exclusively for promoting the health, safety, pleasure and welfare of the Members of the Associations, including, but without limitation: the maintenance and repair obligations set forth in the Maintenance Responsibility Chart as to the Units and Limited Common Elements; maintenance, repair and replacement of

the Common Elements or any other improvements in the Condominium; maintenance, repair and replacement of the General Common Property of the Community; payment of taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and, such other items as may from time to time be deemed appropriate by the Governing Board.

The Maintenance Responsibility Chart for the Condominium, annexed hereto as Exhibit F, sets forth the maintenance obligations as between the Association and the Units Owners. The maintenance, repair and/or replacement of certain Limited Common Elements, including concrete patios (if any), and entrance stairways to upper story Units, shall be performed by the Association and charged only to the Owners who benefit. No reserve for maintenance expenses for these items are included in the Association's budget or in the Common Expense assessments for the Units.

Each Unit Owner shall promptly furnish, perform and be responsible for, at the Owner's expense, all of the maintenance, repairs and replacements within the Unit, provided, however: (i) such maintenance, repairs and replacements as may be required for the functioning of the common plumbing, heating, air conditioning, mechanical, electrical and water supply systems within the Building shall be furnished by the Association; and (ii) the Association, its agents and employees may effect emergency or other necessary repairs which the Unit Owner has failed to perform; but any and all expenses incurred pursuant to the foregoing provisions shall be the responsibility of the Unit Owners affected thereby. Except as hereinbefore provided, maintenance, repairs and replacements of the plumbing fixtures and systems, windows, doors, electrical wiring and receptacles, kitchen appliances and equipment, and lighting fixtures within any Unit which are not common shall be the Unit Owner's responsibility at his sole cost and expense, and if the Unit Owner fails to perform such work the Association may do so on the Unit Owner's behalf and charge the reasonable expenses thereof to the Unit Owner. Maintenance, repair, replacement, cleaning and washing of all wallpaper, paint, paneling, floor covering, draperies and window shades or curtains within any Unit shall also be the Unit Owner's responsibility at his sole cost and expense.

Unit Owners will be responsible for such maintenance of Limited Common Elements, if any, appurtenant to their respective Units as set forth under Unit Owner Responsibilities in the Maintenance Responsibility Chart and the repair or replacement of any damage to the Limited Common Elements caused by the Unit Owner or the unit Owner's family, guests, invitees, employees or agents. The Association shall be responsible for such maintenance, repair or replacement of the Common Elements and the

Limited Common Elements as set forth under Homeowner Association Maintenance in the Maintenance Responsibility Chart.

If, due to the negligent act or omission or misuse by a Unit Owner, or a member of his family or household pet, or a guest, occupant or visitor (whether authorized or unauthorized by the Unit Owner), damage shall be caused to the Common Elements, or to a Unit owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then the Unit Owner so responsible shall pay for such damage and be liable for any damages, liability, costs and expense, including attorney's fees, caused by or arising out of such circumstances; and such maintenance, repairs and replacements to the General or Limited Common Elements or the Unit(s) shall be subject to the By-Laws and any Rules and Regulations that may be promulgated by the Governing Board.

10. EASEMENTS. Every Unit Owner, his or her successors and assigns, shall have the following perpetual easements with respect to the Property:

- (a) A non-exclusive easement in, upon, over, under, across and through the Common Elements to keep, maintain, use, operate, repair and replace his or her Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements; and
- (b) An exclusive easement for the existence and continuance of any encroachment by his or her Unit upon any adjoining Unit or upon any Common Elements, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Building or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands; and
- (c) A non-exclusive easement for ingress and egress to his or her Unit in, upon, under, over, across and through the General Common Elements; and
- (d) An exclusive easement to use and enjoy the surfaces of the main walls, (including any windows, doors, balcony or patio therein), ceilings and floors contained within his or her Unit; and

- (e) An easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television, master antenna and other General Common Elements located in any of the other Units and serving his or her Unit; and
- (f) A perpetual and non-exclusive easement in, over and through the General Common Elements of the Condominium and to use the parking areas, walkways and other common facilities within the Condominium subject to the right of the Board to:
  - (i) promulgate rules and regulations for the use and enjoyment thereof; and
  - (ii) suspend the voting rights of any Unit Owner for any period during which any assessment for Common Expenses remains unpaid; or for any period during which any infraction of the published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the rules and regulations of the Condominium Association shall not constitute a waiver or discharge of the Unit Owner's obligation to pay the assessment.

Sponsor, its successors and assigns, shall have the following easements with respect to the Property:

- (a) A blanket and non-exclusive easement in, upon, through, under and across the Common Elements for the purpose of construction, installation, maintenance and repair of any improvements to the Units or the Common Elements, for ingress and egress for the use of all driveways, parking areas, and for the utilization of existing and future model Units for sales promotion and exhibition, until the expiration of one (1) year from the date the last Unit is sold and conveyed in the normal course of business, but in no event more than ten (10) years from the date of recording this Master Deed. In addition, Sponsor hereby reserves the irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Sponsor or its agents to service such Unit or any part of the Building provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall

be immediate whether the Unit Owner is present at the time or not; and

- (b) A perpetual, blanket and non-exclusive easement in, upon, over, under across and through the Common Elements for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located upon the Condominium. No individual Unit Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Condominium.

Every owner of a Lot or Dwelling Unit in  
shall have the following perpetual easement with  
respect to the Condominium:

- (a) A non-exclusive easement in, upon, over, across and through the Common Elements for ingress and egress to and from the Tot Lot located in the Condominium, subject to the right of the Board to designate the route of access thereto. Shares
- (b) A non-exclusive easement for use and enjoyment of the facilities in the Tot Lot, subject to the rules and regulations of the Condominium Association.

The Property shall also be subject to the following easements:

- (a) The Condominium Association and the Homeowners Association shall have a perpetual exclusive easement for the maintenance of any Common Elements, which presently or may hereafter encroach upon a Unit; and
- (b) The Association, through the Board or the Homeowners Association Board, or any manager, or managing agent, or their respective agents or employees shall have the perpetual and non-exclusive right of access to each Unit (i) to inspect same (ii) to remedy any violations of the provisions of this Master Deed, the By-Laws or any Rules and Regulations of the Condominium Association, and (iii) to perform any operations required in connection with the maintenance, repair or replacements of or to the Common Elements, or any equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements; provided that requests for entry are made in advance and that any such entry is at a

time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, without the necessity of notice, whether the Unit Owner is present at the time or not; and

- (c) Any holder of a Permitted Mortgage, including any Institutional Lender, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Condominium or any part thereof to inspect the condition and repair of the Common Elements, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to and with the permission of the Board and the Unit Owner; and
- (d) A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, poles, transformers, master television antennas and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility systems serving the Condominium, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services; and
- (e) A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Township of Princeton, the Condominium Association, the Homeowners Association and their respective officers, agents and employees (but not the public in general) and all police, fire and ambulance personnel in the proper performance of their respective duties, (including, but not limited to, emergency or other necessary repairs to a Unit which the Unit Owner has failed to perform), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Unit Owner(s) directly affected thereby.

**11. BY-LAWS AND ADMINISTRATION; CHANGES IN DOCUMENTS; POWER Warrants OF ATTORNEY.**

**(a) By-Laws and Administration.**

The responsibility for administration of the Common Elements of the Condominium and other common facilities shall be by, and exclusively delegated, to the Homeowners Association unless such delegation is terminated by the Board of Trustees pursuant to Paragraph 3 of this Master Deed and shall be in accordance with the provisions of the New Jersey Condominium Act, this Master Deed, the Declaration, the Certificates of Incorporation and the By-Laws of the Condominium and Homeowners Associations, and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or subsequently be required by any Institutional Lender designated by the Sponsor or by any governmental agency having regulatory jurisdiction over the Condominium or by any title insurance company selected by Sponsor to insure title to any Unit(s).

**(b) Changes in Documents.**

Sponsor hereby reserves for itself, its successors and assigns, for a period of (5) years from the date the first Unit is conveyed to an individual purchaser, or until Sponsor conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements to the above described documents which may be so required by any such Institutional Lender, governmental agency or title insurance company; provided, however, that no such agreement, document, amendment or supplement which adversely affects the value or substantially alters the floor plan of any Unit, or changes the percentage of the undivided interest in the Common Elements or increases the financial obligations of the Unit Owner or reserves any additional or special privileges shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering same; or if such agreement, document, amendment or supplement adversely affects the priority or validity of any mortgage which encumbers any Unit, without the prior written consent of the owners of all such mortgages.

**(c) Power of Attorney.**

By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, mortgagee, or other lienholder or party having a legal or equitable interest in the Condominium does automatically and

irrevocably name, constitute, appoint and confirm (i) Sponsor, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Master Deed(s) and other instrument(s) necessary to effect the foregoing rights reserved to the Sponsor, subject to the limitations set forth above in the preceding paragraphs, and (ii) the Condominium Association as attorney-in-fact to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Unit Owners to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired or to sublease any Units so leased by the Condominium Association.

The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said powers of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers. Said powers of attorney shall be vested in the Sponsor, its successors and assigns until same effectuate the initial conveyance of all Units. Thereafter, said powers of attorney shall automatically vest in the Condominium Association to be exercised through its Board of Trustees.

Despite the foregoing, the Sponsor shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending this Master Deed, the By-Laws or any other document for the purpose of changing the permitted use of a Unit or the purpose of reducing the Common Elements or facilities except as provided above.

**12. RESTRICTIONS.** The Condominium shall be subject to all covenants, restrictions and easements contained in the Declaration or otherwise of record and to the following restrictions:

- (a) No Unit, except those Units used by the Sponsor as sales offices, administrative offices, construction offices or models, shall be used for any purpose other than as a private residence.
- (b) There shall be no obstruction of the Common Elements nor shall anything be stored in or upon the Common Elements without the prior consent of the Governing Board.
- (c) No reptile, or animal of any kind shall be raised, bred, or kept in any Unit or anywhere else in the

Condominium, except that dogs, cats or other household pets are permitted, not to exceed one in the aggregate, provided that they are not kept, bred or maintained for any commercial purpose, are housed within the Unit and are otherwise kept in accordance with all applicable Rules and Regulations and municipal ordinances. No outside dog pens, runs or yards shall be permitted. Pets shall not be taken or allowed outside of the Unit unleashed or left outside of the Unit unattended at any time. Pets shall not be permitted to soil the Common Elements or the General Common Property. Subject to additional Rules and Regulations that may be promulgated by the Governing Board in the future, pet owners may walk their pets only within paved streets and must immediately clean up after their pets. Pets shall be registered with the Condominium Association.

- (d) Parking in the Community shall be limited to passenger cars or vans and small trucks. No vehicles larger than a standard pick-up truck and no inoperable vehicle, mobile home, camper, recreation vehicle, boat, boat trailer or the like shall be parked on any part of the Condominium (except those vehicles temporarily in the Condominium for the purpose of servicing the Condominium itself or one of the Units). This restriction shall not apply to the Sponsor, its employees, agents, contractors and servants.
- (e) No portion of the Common Elements or Limited Common Elements, including porches, patios or balconies, shall be used or maintained for the dumping of garbage, trash or debris, except within the dumpster disposal containers. No garbage, trash or debris shall be placed on the ground within the enclosures housing the dumpsters. Garbage, trash or other debris shall be kept in sanitary containers on the Condominium for regular collection.
- (f) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted, nor shall floodlights be installed in any exterior area of any Unit or any balcony, patio or terrace appurtenant thereto without the written permission of the Governing Board.
- (g) The owner of each Unit, regardless of type, shall not cause or permit any clothes, sheets, blankets,

or laundry of any kind or other articles to be hung or displayed on the outside of windows or placed on the outside windowsills, walls, patios or balconies of any Building, parking areas or other Common Element; and no signs, awnings, grills, patio or balcony enclosure, fence, canopies, shutters, or radio or television antenna or aerial shall be erected or installed in or upon the Common Elements or any part thereof without the prior written consent of the Governing Board. Unit Owners shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building.

- (h) In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of a current roster of Unit Owner or occupants, each Unit Owner shall give the Managing Agent timely notice of his or her intent to list his or her Unit for sale or lease, and upon closing of title, or execution of the lease, as the case may be, shall forthwith notify Agent of the names and home addresses of the purchasers or lessees and shall furnish a copy of any Lease to the Governing Board.
- (i) No Unit owner or occupant shall build, plant, or maintain any object or thing upon, in, over or under the General or Limited Common Elements without the prior written consent of the Governing Board unless permitted by any Rules and Regulations promulgated by the Governing Board.
- (j) Each Unit Owner shall be responsible for the maintenance, repair and replacement of all windows and for all components and to the extent shown in the Maintenance Responsibility Chart under Unit Owner's Responsibility.
- (k) No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements.
- (l) To the extent that equipment, facilities and fixtures, within any Unit shall be connected to similar equipment, facilities or fixtures affecting or serving other Units or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to this Master Deed, the By-Laws and any Rules and Regulations of the Condominium Association or the Homeowner Association.

- (m) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the rates of insurance of any Building or the contents thereof beyond the ordinary rates applicable for Units, without the prior written consent of the Governing Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or upon the Common Elements which will result in the cancellation of insurance on any Building or the contents thereof, or which will be in violation of any law or ordinance.
- (n) No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done therein either wilfully or negligently which may be or become an annoyance or nuisance to the other residents in the Condominium.
- (o) No immoral, improper, offensive or unlawful use shall be made of any Unit; and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed.
- (p) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change any Building. Nothing herein shall be construed to prohibit the reasonable adaptation of any Unit for handicap use. No Unit Owner (other than the Sponsor) may make any structural additions, alterations or improvements in or to his or her Unit or in or to the Common Elements, or impair any easement without the prior written consent of the Governing Board. Despite the foregoing, while the Sponsor maintains a majority on the Condominium Board, it shall make no additions, alterations, improvements or purchases which would necessitate a special assessment or a substantial increase in the monthly common expense assessment unless required by a governmental agency, title insurance company, institutional mortgage lender or in the event of an emergency. The Governing Board shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement to his or her Unit within forty-five (45) days after the receipt of such request, and failure to do so within the stipulated time shall constitute a denial of the proposal. Any application to any

municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must first be reviewed by the Governing Board and, if approved, shall be executed by the said Board and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Condominium Association or Homeowner Association to any contractor, subcontractor, or materialman on account of such addition, alteration, or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall furnish the Governing Board with a copy of any such permit which he has procured. The provisions of this subparagraph shall not apply to Units owned by the Sponsor until such Units have been initially sold and conveyed by the Sponsor.

- (q) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.
- (r) No Unit shall be leased by the Owners thereof (except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or by any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as (i) rental for any time period less than six (6) months; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as service of food, mail service, furnishing laundry and service, provided however, that any Unit Owner, including Sponsor, may rent a Unit for a period of less than six (6) months to a contract purchaser. No Unit Owner may lease less than an entire Unit nor permit more than two (2) persons per bedroom to occupy any Unit pursuant to any lease.

Other than the foregoing restrictions and except for the provisions applicable because all Units are Affordable Units, which must be occupied by individuals with low or moderate incomes, the Unit Owners shall have the right to lease same provided that said lease is in writing and is subject to all provisions of this Master Deed, the By-Laws, the Declaration and By-Laws of the Homeowner Association and other documents referred to herein

including the right of amendment reserved to Sponsor herein and in the Declaration, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the Lease.

A Unit Owner who leases his or her Unit shall provide a copy of the written lease to the Governing Board. In the event a tenant of a Unit fails to comply with the provisions of this Master Deed and the By-Laws, the Declaration and By-Laws of the Homeowners Association or any Rules and Regulations then, in addition to all other remedies which it may have, the Governing Board shall notify the Unit Owner of such violation(s) and demand that the same be remedied through the Unit Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then the Unit Owner shall immediately thereafter, at his or her own cost and expense, institute and diligently prosecute an eviction action against any tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Governing Board. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Governing Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Said cost and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Governing Board in the same manner as the said Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Governing Board as his or her attorney-in-fact for the purposes described in this subparagraph (r).

- (s) No Unit Owner shall have the right to mortgage or encumber his or her Unit, unless such mortgage or encumbrance is a Permitted Mortgage. Further, any Permitted mortgage which is not a first lien shall expressly and automatically be subordinate to the Common Expense lien of the Condominium Association and/or the Homeowners Association.

- (t) All property taxes, special assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided by the New Jersey Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Condominium as a whole, then each Unit Owner shall pay his or her proportionate share thereof in accordance with his or her proportionate undivided percentage interest in the General Common Elements.
- (u) Each Unit Owner shall pay for his or her own telephone, and other utilities, which are separately metered or billed to each user. Utilities which are not separately metered or billed or which serve the Common Elements shall be treated as Common Expenses.

The Governing Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions, and shall have the right to bring law suits to enforce the Rules and Regulations so promulgated. The said Board shall further have the right to levy fines for violations of these regulations. Each day that a violation continues after receipt of notice by the Unit Owner may be considered as a separate violation. Any fine so levied shall be considered as a Common Charge to be levied against the particular Unit Owner involved, and collection may be enforced by the Governing Board in the same manner as the Board is entitled to enforce collection of Common Charges, including, but not limited to, the filing of a Notice of Lien.

**13. PROVISIONS AND RESTRICTIONS APPLICABLE TO THE AFFORDABLE UNITS.** The Condominium is comprised of thirty-four (34) residential dwellings, all of which dwellings shall be offered for sale (or rent) to eligible low income and moderate income families for occupancy as their primary residence. Because of the requirement that this status remain in effect, all Units are subject to the following provisions and restrictions:

(a) Owners of Units may not sell their Units for a purchase price greater than the original purchase price as reflected in their deeds plus an amount equal to the percentage increase in regional median income, as that permitted increase is defined hereinafter.

(b) Owners of Units may not sell their Units on resale to a person other than one qualifying as a family of low or moderate income as the applicable case may be, and in compliance with all rules, regulations and requirements duly promulgated by the Affordable Housing Board of the Township

of Cranbury which is the agency established by Cranbury Township to administer the Affordable Housing Plan (the "Agency"). It is the intent and purpose of this Master Deed that all Units be and remain affordable to low and moderate income families in accordance with the provisions of the ordinances of Cranbury Township and all other applicable state and federal laws and regulations.

(c) The resale of Units shall be subject to the rules and regulations of the Agency. The Agency shall monitor and approve resales of Units to assure that purchasers of same shall be low or moderate income purchasers as defined by the Agency's income criteria in effect at the time of the proposed resale. The Agency, however, shall approve any resale of any Unit so long as the purchase price as required in the contract of sale and the deed conveying title to the new buyer is not greater than the maximum price permitted, based on the regional increase in median income, as defined by HUD, or such other standard adopted by COAH. The price of a Unit may increase annually based upon the percentage increase in median income for Middlesex County as determined from the uncapped Section 8 income limits published by HUD, or such other recognized standard adopted by COAH.

(d) Owners of Units may add amenities or improvements to such Units, as permitted by this Master Deed and the rules promulgated by the Board of Trustees of the Association. However, the effect of these improvements may not increase the resale price of the Unit beyond levels which are affordable to low and moderate income families. In the event that such amenities or improvements are installed, however, the resale price of the Unit shall nevertheless be restricted by the Agency in accordance with the foregoing standards.

(e) Owners of Units shall maintain them in accordance with the standards established herein and in By-Laws. Upon notice of an intent to sell any Unit, the Agency shall cause an inspection of the Unit to be made by the Township Housing Inspector. In the event that, as a result of the inspection, the Agency determines that the Unit is in need of substantial repairs the Agency, through the Housing Inspector shall submit in writing to the Owner a list of violations and/or necessary repairs. The estimated cost of any required repair or improvement not completed by the Owner prior to the date of closing shall be deducted from the resale price and the cost to complete these repairs shall be then placed in an escrow account to cover the cost of the repairs.

(f) Owners shall not convey title to or lease or otherwise deliver possession of Units other than in

accordance with this Master Deed and Agency regulations. The Association shall have no responsibility whatsoever for implementing, enforcing or supervising the terms of this Master Deed. The fair market value of the Units shall be determined in accordance with the provisions of this Master Deed.

(g) The terms, restrictions, provisions and covenants of this Master Deed referring to and incorporating restrictions related to low and moderate income occupancy shall exist for ninety-nine years from the original occupancy of each Unit.

(h) Neither the Sponsor, any Owner, the Association nor the Agency shall amend or alter the provisions of this Paragraph 13 without first obtaining the approval of both the Agency and the Planning Board of the Township of Cranbury. Any such approved amendments or modifications shall be in writing and shall contain proof of Planning Board approval and shall not be effective unless and until recorded with the Middlesex County Clerk.

(i) Owners, including the Sponsor for so long as it owns any of the Units, are bound by all applicable laws of the State of New Jersey, the rules of the COAH, the ordinances of the Township of Cranbury and the Rules and Regulations of the Agency, as the same may be amended from time to time; provided, however, that any amendment to said laws, ordinance, rules or regulations shall not apply to the owners if the enforcement thereof would deprive the Owner of the economic rights to which he is entitled under this Master Deed or unreasonably interfere with those provisions upon which the owner relied when purchasing the Unit.

**14. OBLIGATIONS OF SPONSOR.** Until the conveyance of title to the first Unit, the Sponsor shall be solely responsible for all Common Expenses. Following the first conveyance, the Owners of Units to whom title shall have been conveyed shall be responsible for their proportionate share of all Common Expenses and the Sponsor shall be responsible for payment of all Common Expenses assessed against Units which have not been conveyed and for which an initial Certificate of Occupancy has been issued by the Township of Cranbury.

While the Sponsor maintains control of the Board, it shall take no action which adversely affects any Unit Owner's rights under N.J.A.C. 5:25-5. Claims relative to defects in Common Elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

**15. NO PARTITION.** Subject to the provisions of this Master Deed and Certificate of Incorporation and By-Laws of the Condominium Association and the New Jersey Condominium Act, the

Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division thereof. In addition, the undivided percentage interest in the Common Elements and the interest in the General Common Property of the Community shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

16. **MEMBERSHIP IN THE ASSOCIATIONS.** Upon acceptance of a Deed to a Unit each Unit Owner shall automatically become a Member of the Condominium Association and the Homeowners Association and shall be a member for so long as such owner shall hold legal title to the Unit subject to all provisions of this Master Deed, the Declaration of the Homeowners Association, the New Jersey Condominium Act, the Certificate of Incorporation, and the By-Laws and any Rules and Regulations which may now or hereafter be established for or by the Condominium Association and the Homeowners Association. The Sponsor shall be a member of the Condominium Association and the Homeowner Association with respect to all Units owned by it.

17. **COMPLIANCE BY OWNERS.** Each owner or occupant of a Unit shall comply with, and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having jurisdiction over the Condominium, the provisions of this Master Deed, the Certificate of Incorporation and By-Laws of the Condominium Association and to the Declaration, Certificate of Incorporation and By-Laws of the Homeowners Association, or any other rules and regulations, documents, amendments or supplements to the foregoing as described in paragraph 11 hereof. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Sponsor, the Condominium Association, the Homeowners Association, or any Unit Owner, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Unit Owner to enforce any lien created by this Master Deed or the Declaration or any covenant contained therein. Failure by the Sponsor, the Condominium Association, the Homeowners Association, or any Unit Owner to enforce any covenant therein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

18. **DAMAGE OR DESTRUCTION TO THE PROPERTY.** If any Building, any improvement or Common Element or any part thereof is damaged or destroyed by fire or casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the following:

(a) If the insurance proceeds derived from such loss amount to \$25,000 or less, then the Governing Board shall contract with any licensed contractor or contractors to rebuild or repair such damaged or destroyed portions of the Condominium in conformance with the original plans and specifications, or if adherence to such original plans and specifications is impracticable in said Board's opinion, then in conformance with revised plans and specifications, provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction. The Governing Board shall accept bids only in specific amounts and shall not enter into any cost-plus or other sliding scale arrangement for compensation to the contractor.

(b) If the insurance proceeds derived from such loss exceed \$25,000, all such insurance proceeds shall be paid directly to an Insurance Trustee as may be designated by the Governing Board, as trustee for all Institutional Lenders holding first mortgages on the Units in the Condominium, and all Unit Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Governing Board.

(1) Upon notification of the receipt of insurance proceeds by the Insurance Trustee, the Governing Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed portions of the Condominium, as nearly as practicable to the original plans and specifications thereof and in accordance with all applicable building codes.

(2) The Governing Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the Trustee. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate containing such provisions as may be appropriate in the circumstances and deemed suitable by the Governing Board.

(3) The Governing Board shall employ a licensed architect to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality and that construction is completed in a workmanlike manner and according to plans and specifications.

(c) If the damage is only to those parts of a Unit for which the responsibility for maintenance and repair is that of the Owner, then that Owner shall be responsible for

reconstruction and repair, but the proceeds of any insurance that may have been obtained by the Condominium Association or Homeowners Association shall be made available for such purpose. Subject to the provisions of this Master Deed, in all other instances the responsibility of reconstruction and repair after casualty shall be that of the Governing Board.

(d) If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all Owners whose Units were damaged or destroyed, in sufficient amounts to provide funds for the payment of such costs. Despite anything to the contrary in this Master Deed or By-Laws, such assessments shall be in the manner provided in Paragraph 8, above. The foregoing provisions of this subparagraph are applicable to the repairs and reconstruction to be undertaken by the Governing Board and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair is that of the Unit Owner for which the costs and expenses must be borne by each Owner; provided, however, any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Unit Owner shall be paid to said Unit Owner, or if there is a mortgage endorsement as to such Unit, then to the Unit Owner and mortgagee, jointly.

(e) If the amount of available insurance proceeds should exceed the cost of any such reconstruction or repair, the excess shall be retained by the Governing Board and applied by it to reduce the Common Expenses of the Condominium.

(f) In the event the Condominium Association determines not to repair or restore the damaged property in accordance with N.J.S.A. 46:8B-24, any insurance proceeds payable to a Unit Owner as a result of damage or destruction to his Unit and/or interest in the Common Elements are hereby assigned and shall be paid to any appropriate Institutional Lenders and/or Permitted Mortgagee as their interests may appear, for application to the appropriate mortgage indebtedness and the excess, if any, shall be paid to the appropriate Unit Owners, all in accordance with N.J.S.A. 46:8B-24.

**19. EMINENT DOMAIN.** If any Building, improvement or Common Element or any part thereof shall be taken, injured or destroyed by eminent domain, each Unit Owner affected shall be entitled to notice of such taking and to participate through the Condominium Association in the proceeding incident thereto. Any awards made

in connection with such proceedings shall be collected by the Condominium Association and applied or distributed by it in accordance with the following, unless the award or decree provides to the contrary:

- (a) If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Unit Owner with a remnant which may not be practical or may not be lawfully used for any purpose permitted by this Master Deed, the provisions of this subparagraph (a) will control. Upon acquisition by the condemning authority, unless the decree provides interest otherwise, each affected Unit's entire percentage and its Common Expense liability shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, and the Condominium Association shall promptly prepare, execute, and record an amendment to the master Deed reflecting the reallocations. Any remnant of a Unit remaining after a part of a Unit is taken under this subsection shall thereafter be a Common Element.
- (b) If part of a Unit is acquired by eminent domain, other than under the circumstances contemplated by subparagraph (a), this subparagraph (b) will control. Upon acquisition by the condemning authority, (1) each affected percentage interest, and its Common Expense liability shall be reduced in proportion to the reduction in square footage of each such Unit, and (2) the portion of its percentage interest, and Common Expense liability divested from the partially acquired unit shall be automatically reallocated to each such Unit and the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, with the partially acquired Unit(s) participating in the reallocation on the basis of their reduced percentage interest and liabilities.
- (c) If a part of the Common Elements is acquired by eminent domain, the award must be paid to the Condominium Association. The Condominium Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the affected Unit Owners in proportion to their respective percentage interest in the Common Elements before the taking, but the portion of the award attributable to the acquisition of any Limited Common Element must be equally divided among the Owners of the Unit to which that Limited Common Element was allocated at the time of acquisition based upon the relative proportionate

entitlement of those Unit Owners to the acquired Limited Common Elements.

- (d) In no event shall the aggregate amount distributed to the affected Unit Owner(s) exceed the total amount of any award paid with respect to any taking by eminent domain. This provision shall be deemed to be supplemental to and not in derogation of the provisions of N.J.S.A. 46:8B-25.

20. **INSURANCE**. The Condominium Association Board shall cause to be obtained and continued in effect, through the Homeowners Association, if applicable, blanket property insurance on the Common Elements in an amount equal to replacement value, and in form satisfactory to any Institutional Lender holding first mortgages on a majority of the Units, but without prejudice to the right of the Owner of any Unit to obtain individual Unit insurance at his or her own cost. In addition, the Board shall cause to be obtained and continued in effect, through the Homeowners Association, if applicable, such other types and amounts of insurance as may be required by the provisions of the By-Laws of the Condominium Association. Premiums for all such insurance coverage except for individual Unit coverage shall be a Common Expense to be included in the monthly assessment for Common Expenses.

21. **AMENDMENT OF MASTER DEED, TERMINATION**. This Master Deed may be amended at any time after the date hereof by a vote of at least two-thirds (2/3) of the total votes of all members of the Condominium Association at any meeting of the Condominium Association duly held in accordance with the provisions of the By-Laws provided, however, that such amendments are subject to the provisions of paragraph 11 hereof and its subparagraphs. No amendment shall be effective until recorded in the Office of the Clerk of Middlesex County, New Jersey. This paragraph is by way of supplement to and not in derogation of the powers of amendment reserved to Sponsor pursuant to paragraph 11 hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Unit owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Clerk of Middlesex County, New Jersey.

No amendment shall impair or adversely affect the rights of the Sponsor or cause the Sponsor to suffer any financial, legal or other detriment, including but not limited to any direct or indirect interference with the sale of Units, or the assessment of the Sponsor for capital improvements.

Despite the foregoing, the Sponsor shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending this Master Deed, the By-Laws or any other document for

the purpose of changing the permitted use of a Unit or the purpose of reducing the Common Elements or facilities.

Despite anything to the contrary herein, an amendment, deed of revocation, or other document shall be effective to terminate the Condominium form of ownership upon the written approval of eighty (80%) percent in interest of all non-Sponsor Unit Owners, and the written approval of the Sponsor for so long as it holds one (1) Unit for sale in the ordinary course of business. Provided, however, that any such termination of the condominium form of ownership shall not waive or otherwise affect the terms of the Affordable Housing Plan.

22. **ENFORCEMENT.** Enforcement of this Master Deed shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having jurisdiction against any person or persons, firm or corporation violating or attempting to violate any covenant herein contained; either to restrain or enjoin such violation or threatened violation, or to recover damages; and against any owner to enforce any lien created by this Master Deed in any covenant herein contained. Failure by the Homeowners Association, the Condominium Association or any member thereof to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

23. **MUNICIPAL MAINTENANCE.** In the event that the Association shall at any time after establishment of the Condominium fail to maintain the common open space and undedicated streets in reasonable order and condition in accordance with the plans approved by the Township of Cranbury Planning Board, the governing body of the Township of Cranbury may serve written notice upon the Association or upon the residents and owners of the Condominium, setting forth the manner in which the Association has failed to maintain the common open space in reasonable condition, and the notice shall include a demand that the deficiencies of maintenance be cured within 35 days thereof, and shall state the date and place of the hearing thereon which shall be held 15 days from the date of the notice. At that hearing, the governing body of the Township of Cranbury may modify the terms of the original notice as to the deficiencies and may give an extension of time not to exceed 65 days within which such deficiencies shall be cured. If the deficiencies set forth in the original notice or in the modifications shall not be cured within 35 days of any extension, the governing body of the Township of Cranbury, in order to prevent the common open space from becoming a public nuisance, may enter upon the common open space and maintain it for a period of one (1) year. Entry and maintenance by the Township of Cranbury shall not vest in the public any rights to use any open space except when it is voluntarily dedicated to the public by the Condominium. Before the expiration of the one (1) year

period, the governing body of the Township of Cranbury shall, upon its initiative or upon the request of the Association, order a public hearing within 15 days notice by the Zoning Board of the Township of Cranbury. At that bearing, the Association shall show cause why maintenance by the Township of Cranbury shall not, at the election of the Township, continue for the succeeding year. If the Planning Board shall determine that the Association is not ready and able to maintain the common open space in a reasonable condition, the Township of Cranbury may, in its discretion, continue to maintain the common open space during the next succeeding year and, subject to a similar hearing and determination, each year thereafter. The decision of the governing body in such case shall constitute a final administrative decision subject to judicial review. The cost of maintenance by the Township of Cranbury shall be assessed ratably against the properties within the Condominium having the right or enjoyment of the common open space, and shall become a tax lien on those properties and be added to and be a part of the taxes to be levied and assessed thereon, and enforced and collected with interest by the same officers and in the same manner as other taxes. The Township of Cranbury at the time of entering upon the common open space for the purpose of maintenance, shall file a notice of the tax lien in the office of the Middlesex County Clerk upon the properties affected by the tax lien within the Condominium.

24. WAIVER. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

25. GENDER. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

26. RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the officers, trustees, directors, members or employees of the Condominium Association and/or the Homeowners Association and the Sponsor may be identical, and the fact that the Sponsor or its nominees, may have heretofore entered or may hereafter enter into agreements with the Condominium Association or Homeowners Association or with third parties, will not invalidate any such agreements and the Condominium Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions thereof. The purchase of a Unit, and the acceptance of the Deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser, his heirs, legal representatives, successors and assigns, of the propriety and legality of said agreements or said agreement, or any other agreements authorized and permitted by the New Jersey Condominium

Act, this Master Deed, the Certificate of Incorporation or the By-Laws.

27. PROTECTIVE-PROVISIONS FOR THE BENEFIT OF ELIGIBLE MORTGAGE HOLDERS.

(a) General. Anything to the contrary in this Master Deed or the By-laws or Certificate of Incorporation notwithstanding, the provisions of this Paragraph 27 and its subparagraphs shall apply with respect to each Eligible Mortgage Holder.

(b) Notice. Any Eligible Mortgage Holder shall be entitled to timely written notice of:

(1) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing the Eligible Mortgage Holder's mortgage; and no Unit Owner or other party shall have priority over such Eligible Mortgage Holder with respect to the distribution to such Unit(s) of the proceeds of any condemnation award or settlement in the event of condemnation or with respect to the distribution to such Unit(s) of any insurance proceeds in the event of casualty loss; and

(2) any sixty (60) day delinquency in the payment of Common Expense assessment installations or other assessments or charges owed to the Association by a Unit Owner of any Unit upon which the Eligible Mortgage Holder holds a mortgage; and

(3) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

(4) any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

(c) Amendments Requiring Approval of 51% of Eligible Mortgage Holders.

The prior written approval of at least fifty-one (51%) percent of the Eligible Mortgage Holders is required for any material amendment to this Master Deed or to the By-laws or Certificate of Incorporation including, but not limited to, any amendment which would change any provision relating to:

- (1) voting rights;
- (2) reserves for maintenance, repair and replacement of Common Elements.
- (3) responsibility for maintenance and repairs;
- (4) re-allocation of interests in the General or Limited Common Elements or rights to their use;
- (5) boundaries of any Unit;

- (6) convertibility of Units into Common Elements or vice-versa;
- (7) expansion or contraction of the Condominium, or the addition, annexation or withdrawal of land to or from the Condominium;
- (8) insurance or fidelity bonds;
- (9) leasing of Units;
- (10) imposition of any restrictions upon a Unit Owner's right to sell or transfer his or her Unit;
- (11) assessment liens or the priority of assessment liens;
- (12) restoration or repair of the Condominium (after damage, destruction or condemnation) in a manner other than that specified in this Master Deed;
- (13) any cation to terminate the legal status of the condominium as a Condominium after substantial damage or condemnation occurs; or
- (14) any provisions that expressly benefit Eligible Mortgage Holders.

(d) **Amendments Requiring Approval of 67% of Eligible Mortgage Holders.**

The prior written approval of at least sixty-seven (67%) percent of the Eligible Mortgage Holders is required before the effectuation of any decision by the Unit Owners to terminate the legal status of the Condominium as a Condominium for reasons other than substantial destruction or condemnation of the Property.

(e) **No Partition.** No Unit in the Condominium may be partitioned or subdivided without the prior written approval of any Eligible Mortgage Holder for such Unit.

(f) **Common Expense Lien Subordinate.** Any lien the Association may have on any Unit in the Condominium for the payment of Common Expense assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any first mortgage on the Unit recorded prior to the date any such Common Expense assessment became due.

(g) **Inspection of Records.** Any Eligible Mortgage Holder shall upon request, (a) be permitted to inspect the books and records of the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association. The Association shall maintain current copies of the Master Deed, Certificate of Incorporation, Bylaws and Rules and Regulations, and any respective amendments thereto.

(h) **Notice of Meetings.** Any Eligible Mortgage Holder shall receive written notice of all meetings of the Association and be

permitted to designate a representative to attend all such meetings.

(i) **Liability for Common Expense Assessments.** Any Permitted Mortgage Holder holding a first mortgage lien on a Unit that obtains title to a Unit as a result of foreclosure of the first mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Unit Owners including such acquirer, his successors and assigns.

(j) **Management Agreements.** Any management agreement for the Condominium will be terminable by the Association with or without cause upon ninety (90) days' prior written notice thereof, and the term of any such agreement shall not exceed one (1) year.

(k) **Common Expense Default.** Notwithstanding the absence of any express provision to such effect in the mortgage instrument, in the event that there is any default in the payment of any installment of a Common Expense assessment with respect to any Unit, either regular or special, the Permitted Mortgage Holder of such Unit shall be entitled to declare such mortgage in default in the same manner that is permitted by such mortgage with respect to any default in the payment of real estate taxes.

(l) **Implied Approval.** Approval of any action requiring consent hereunder will be implied when an Eligible Mortgage Holder fails to submit a response to any written proposal within thirty (30) days after it receives proper notice of the proposal provided that notice was delivered by certified or registered mail, with a return receipt requested.

**28. RULE AGAINST PERPETUITIES.** If any provision of this Master Deed, or the By-Laws shall be interpreted to constitute a violation of the rule against perpetuities, then such provision shall be dealt with in accordance with N.J.S.A. 46:2F-3.

**29. SPECIAL SPONSOR'S RIGHTS.**

(a) No special rights created or reserved to the Sponsor under this Master Deed ("Special Sponsor Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the Clerk of Middlesex County, New Jersey. The instrument shall not be effective unless executed by the transferee.

(b) Upon transfer of any such Special Sponsor Right, the liability of the transferor is as follows:

(i) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him. Lack of privity does not deprive any Unit Owner of standing to bring an action to enforce any obligation of the transferor.

(ii) If a transferor retains any such Special Sponsor Right, or if a successor to any such Special Sponsor Right is an affiliate of the Sponsor, the transferor is subject to liability for all obligations and liabilities imposed on a Sponsor or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(iii) A transferor who retains no such Special Sponsor Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Sponsor Right by a successor Sponsor who is not an affiliate of the transferor.

(c) Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sale by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of any Units owned by Sponsor in the Condominium, a person acquiring title to all the Units being foreclosed or sold, but only upon his request, succeeds to all such Special Sponsor Rights, or only to any such Special Sponsor Rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Sponsor Rights requested.

(d) Upon foreclosure, sale by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of all Units in the Condominium owned by Sponsor:

(i) The Sponsor ceases to have any such Special Sponsor Rights, and

(ii) The period of Sponsor control terminates unless the judgment or instrument conveying title provides for transfer of all such Special sponsor Rights to a successor or Sponsor.

(e) The liabilities and obligations of persons who succeed to all Special Sponsor Rights are as follows:

(i) A successor to all such Special Sponsor Rights who is an affiliate of the Sponsor is subject to all

obligations and liabilities imposed on any Sponsor by law or by the Master Deed.

(ii) A successor to all such Special Sponsor Rights, other than a successor described in paragraphs (iii) or (iv) hereof who is not an affiliate of Sponsor, is subject to all obligations and liabilities imposed upon Sponsor by law or the Master Deed, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Sponsor or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Sponsor.

(iii) Successor to only a Special Sponsor Right to maintain models, sales offices and signs, if he is not an affiliate of Sponsor, may not exercise any other Special Sponsor Right, but is not subject to any liability or obligation as a Sponsor.

(iv) A successor to all Special Sponsor Rights who is not an affiliate of Sponsor and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under subparagraph (c) aforesaid, may declare his intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter until transferring all such Special Sponsor Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board for the duration of any period of Sponsor control and any attempted exercise of those rights is void. so long as a successor Sponsor may not exercise special rights under this subparagraph, he is not subject to any liability or obligation as a Sponsor other than liability for the successor's acts and omissions under the Master Deed.

(f) Nothing in this paragraph subjects any successor to a Special Sponsor Right to any claims against or other obligations of a transferor other than claims and obligations arising under the Master Deed.

**30. INVALIDITY.** The invalidity of any provision of this Master Deed, the Certificate of Incorporation, or By-Laws of the Condominium Association shall not be deemed to impair or affect in any manner the validity, enforceability or effect the remainder of this Master Deed or said By-Laws and in such event all of the other provisions of this Master Deed and said By-Laws shall continue in full force as if such invalid provisions had never been included.

**IN WITNESS WHEREOF,** the Sponsor has caused this instrument to be signed, sealed and delivered by its proper corporate

officers and its corporate seal to be affixed as of the date first above written.

Attest:

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

State of New Jersey :

ss.

County of Middlesex :

Be It Remembered, that on this \_\_\_\_\_ day of \_\_\_\_\_, 1996, the subscriber, an Attorney at Law of the State of New Jersey, personally appeared \_\_\_\_\_ who, being by me duly sworn upon his oath, deposes and makes proof to my satisfaction, that he is the Secretary of \_\_\_\_\_ the corporation named in the within instrument; that \_\_\_\_\_ is the President of said corporation; that the execution, as well as the making of this instrument, has been duly authorized by a proper resolution of the Board of Directors of the said corporation; that deponent well knows the corporate seal of said corporation; and that the seal affixed to said instrument is the proper corporate seal and was thereto affixed and said instrument signed and delivered by said President as and for the voluntary act and deed of said corporation, in presence of deponent, who thereupon subscribed his name thereto as attesting witness.

\_\_\_\_\_

Sworn and subscribed to before me the date aforesaid.

\_\_\_\_\_

EXHIBIT A

**LEGAL DESCRIPTION  
OF  
LOT 44.1, BLOCK 18  
TOWNSHIP OF CRANBURY  
MIDDLESEX COUNTY, NEW JERSEY**

A tract of land known and designated as Lot 44.1, Block 18, located in the Township of Cranbury, Middlesex County, New Jersey, being a portion of Lot 44, Block 18, said Lot 44 as shown on a certain map entitled "Map of Heritage Park, Section 1A, Township of Cranbury, Middlesex County, New Jersey", prepared by W.J.K. Surveying Associates, dated August 2, 1994, last revised October 26, 1994, and being more particularly described as follows:

Beginning at a point in the northeasterly sideline of Old Trenton Road (Middlesex County Route No. 4R3), (100 foot right-of-way), distant 25.51 feet along said northeasterly sideline from a point in the northwesterly sideline of Bergen Drive (50 foot right-of-way), if both were extended, and running, thence;

1. Along said Old Trenton Road northeasterly sideline, north 52 degrees 47 minutes 14 seconds west, a distance of 147.06 feet to a point of curvature, thence;
2. Along the same, and along a curve to the left having a radius of 1,472.66 feet, and an arc length of 30.48 feet to a point, thence;

The following seven courses along a line of division between said Lots 44.1 and 44:

3. North 15 degrees 37 minutes 12 seconds east, a distance of 153.11 feet, thence;
4. North 29 degrees 08 minutes 29 seconds east, a distance of 179.66 feet, thence;
5. North 40 degrees 09 minutes 47 seconds east, a distance of 113.79 feet, thence;
6. North 55 degrees 27 minutes 49 seconds east, a distance of 198.20 feet, thence;
7. North 73 degrees 52 minutes 26 seconds east, a distance of 160.60 feet, thence;
8. South 16 degrees 07 minutes 34 seconds east, a distance of 151.30 feet, thence;
9. South 17 degrees 41 minutes 36 seconds west, a distance of 96.86 feet to a point in said Bergen Drive northwesterly sideline, thence;
10. Along said northwesterly sideline, in a westerly direction, and along a curve to the left having a radius of 222.72 feet, a central angle of 51 degrees 22 minutes 02 seconds, an arc length of 199.68 feet, and a chord bearing south 65 degrees 50 minutes 48 seconds west, a chord distance of 193.05 feet to a point of tangency, thence;
11. Along the same, south 40 degrees 09 minutes 47 seconds west, a distance of 104.31 feet to a point of curvature, thence;
12. Along the same, and along a curve to the left having a radius of 199.70 feet, a central angle of 24 degrees 32 minutes 34 seconds, and an arc length of 85.54 feet to a point of tangency, thence;

13. Along the same, south 15 degrees 37 minutes 12 seconds west, a distance of 89.79 feet to a point of curvature, thence;
14. Along the same, and along a curve to the right having a radius of 247.42 feet, a central angle of 20 degrees 26 minutes 48 seconds, and an arc length of 88.29 feet to a point of tangency, thence;
15. Along the same, south 36 degrees 04 minutes 00 seconds west, a distance of 16.53 feet to a point of curvature, thence;
16. Along the same, and along a curve to the right having a radius of 25.00 feet, a central angle of 91 degrees 08 minutes 45 seconds, and an arc length of 39.77 feet to the point and place of beginning.

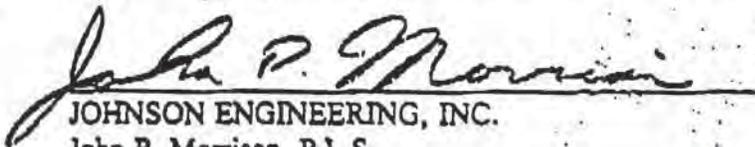
Containing 157,352 square feet/3.612 acres of land as described herein.

Subject to a sight triangle easement at the intersection of said Old Trenton Road and Bergen Drive, as shown on said "Map of Heritage Park, Section 1A".

Subject to a utility easement distant 6 feet and parallel to the aforementioned Old Trenton Road and Bergen Drive right-of-way lines, as shown on said "Map of Heritage Park, Section 1A".

Subject to all easements of record.

The above description was prepared in the office of Johnson Engineering, Inc., Morristown, New Jersey.

  
JOHNSON ENGINEERING, INC.  
John P. Morrison, P.L.S.  
Professional Land Surveyor  
New Jersey License No. 34869  
April 18, 1995

**LEGAL DESCRIPTION  
OF  
LOT 14, BLOCK 18  
TOWNSHIP OF CRANBURY  
MIDDLESEX COUNTY, NEW JERSEY**

A tract of land known and designated as Lot 14, Block 18, located in the Township of Cranbury, Middlesex County, New Jersey, as shown on a certain map entitled "Survey of Lot 14, Block 18, Township of Cranbury, Middlesex County, New Jersey", prepared by Hewitt and Magee Associates, dated April 21, 1995, and being more particularly described as follows:

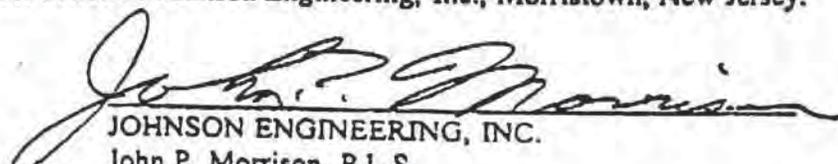
Beginning at a point in the easterly sideline of Hightstown Road, (also known as Main Street), (73 foot right-of-way, 40 feet from centerline, bearing south 14 degrees 15 minutes 35 seconds west along said easterly sideline, a distance of 1,332.89 feet from the intersection of the southerly sideline of Old Trenton Road (Middlesex County Route 4R3), (100 foot right-of-way), if both were extended, and running, thence;

1. Leaving said easterly sideline, and along a curve to the right in a northeasterly direction having a radius of 25.00 feet, a central of 90 degrees 00 minutes 00 seconds, and an arc length of 39.27 feet to a point of tangency, thence; \* angle
2. South 75 degrees 44 minutes 25 seconds east, a distance of 60.00 feet to a point of curvature, thence;
3. Along a curve to the right having a radius of 100.00 feet, a central angle of 24 degrees 12 minutes 30 seconds, and an arc length of 42.26 feet to a point of tangency, thence;
4. South 51 degrees 31 minutes 55 seconds east, a distance of 185.09 feet to a point of curvature, thence;
5. Along a curve to the left having a radius of 175.00 feet, a central angle of 28 degrees 16 minutes 12 seconds, and an arc length of 86.35 feet to a point, thence;
6. South 10 degrees 11 minutes 53 seconds west, a distance of 173.54 feet to a point, thence;
7. North 71 degrees 41 minutes 03 seconds west, a distance of 392.25 to a point in said Hightstown Road easterly sideline, thence;
8. Along said easterly sideline, north 14 degrees 15 minutes 35 seconds east, a distance of 220.00 feet to the point and place of beginning.

Containing 82,798 square feet/1.9008 acres of land as described herein.

Subject to all easements of record.

The above description was prepared in the office of Johnson Engineering, Inc., Morristown, New Jersey.

  
JOHNSON ENGINEERING, INC.  
John P. Morrison, P.L.S.  
Professional Land Surveyor

So. Main / Danser Site  
Cranbury Housing  
Associates

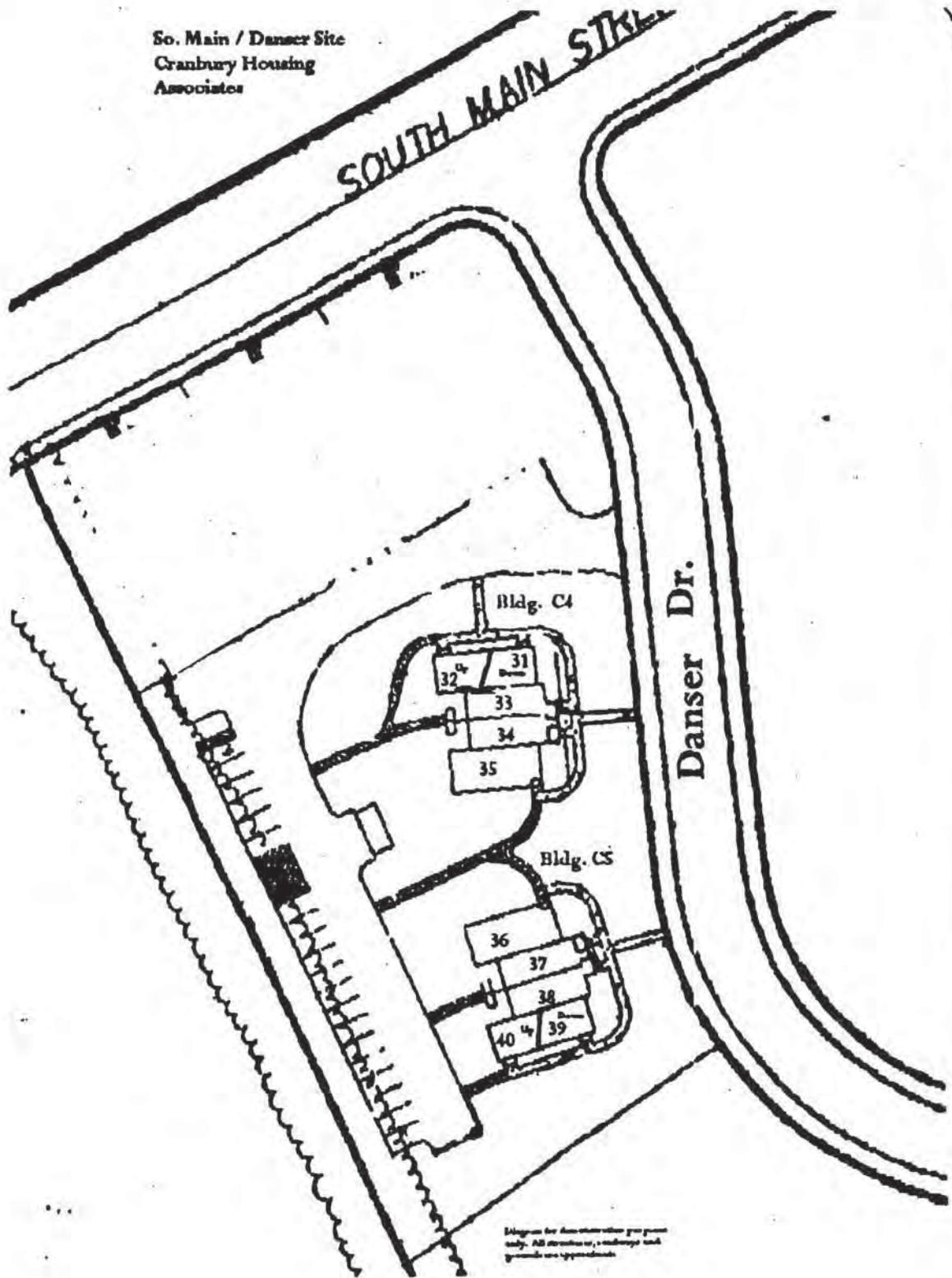
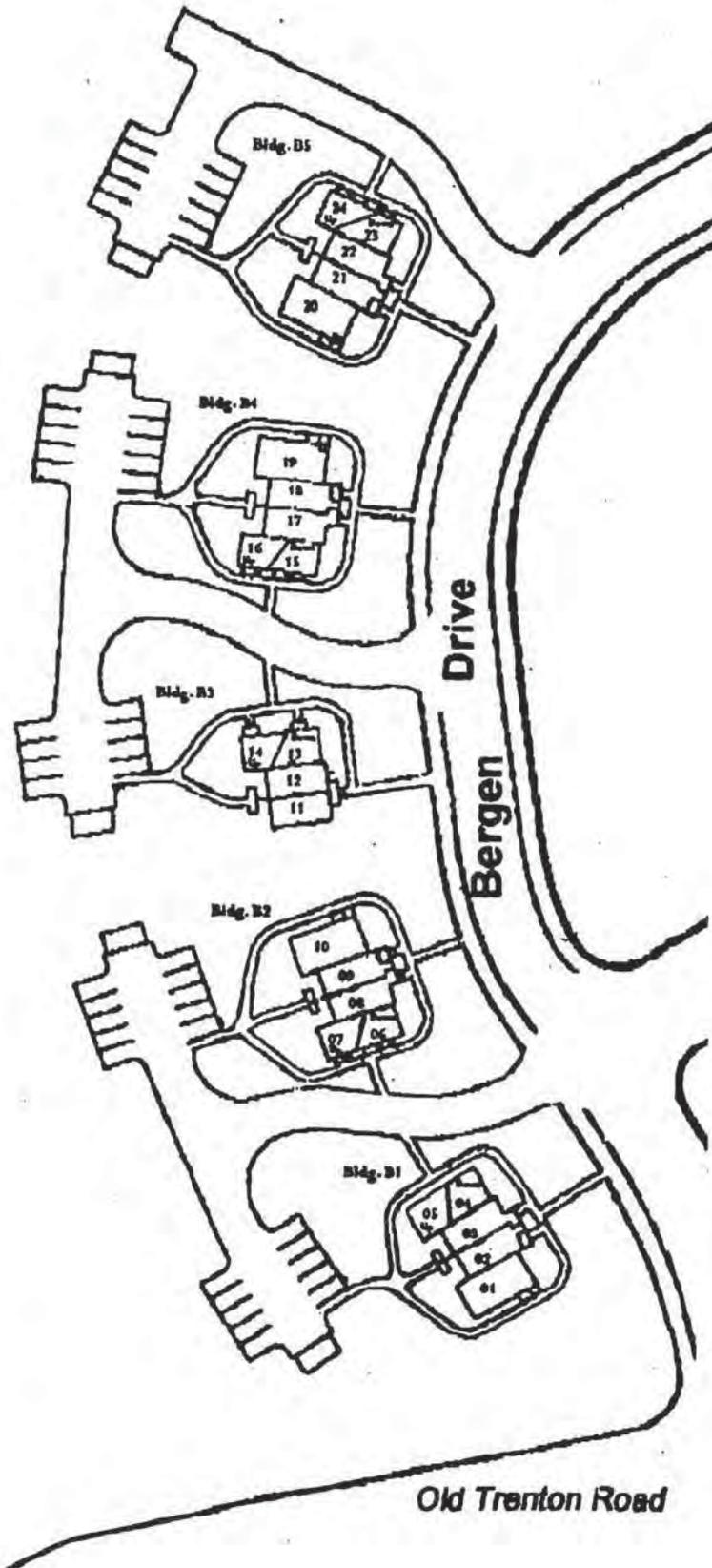


EXHIBIT B

**Bergen Drive Site**  
**Cranbury Housing**  
**Associates**

Diagram for illustrative purposes only. All structures, roadways and grounds are approximate.





Inside, each rental and sale home features:

- An open, modern floor plan
- Wall-to-wall carpeting
- A Washer and Dryer
- A kitchen with ample cabinets and working area
- Frost-free refrigerator and gas range
- Individually controlled gas heat and central air conditioning
- Telephone and cable outlets

Variety can be found in the floor plans. For your convenience, we have depicted the basic design of each style of home. However, some of the details may vary from home to home, depending on its location on the site and position in the building. The number of each style is limited and subject to availability. All measurements are approximate and designs are subject to change.

### Floor Plan A

One Bedroom - One Bath

This one-story, condominium-style home features 651 square feet of interior space, and is available at both locations for purchase or rent to qualified households. A-Style homes are available only on the first floor.



Plan A - Lower Level Only



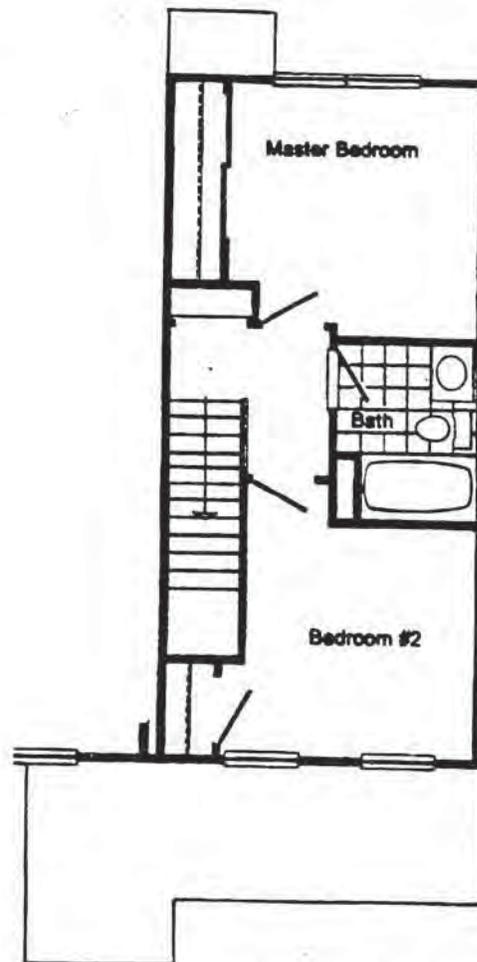
## Floor Plan B

Two Bedroom - One & One Half Baths

This two-story townhome style floor plan features approximately 863 square feet of living space. The entrance on the first floor leads to ample living area, a large kitchen and a powder room. Two bedrooms and a full bath are located on the second floor. A limited number of these homes are available at both sites for purchase and rent to qualified households.



Plan B - First Floor



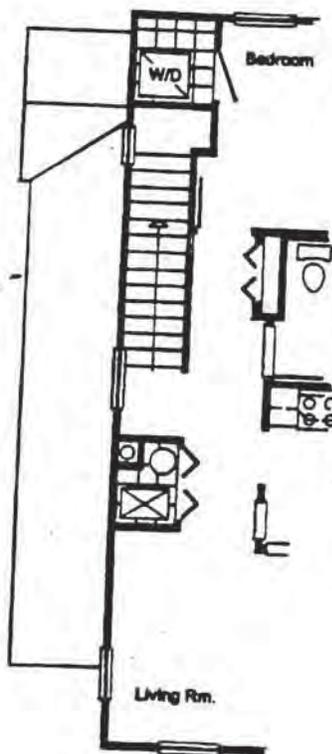
Plan B - Second Floor



## Floor Plan C

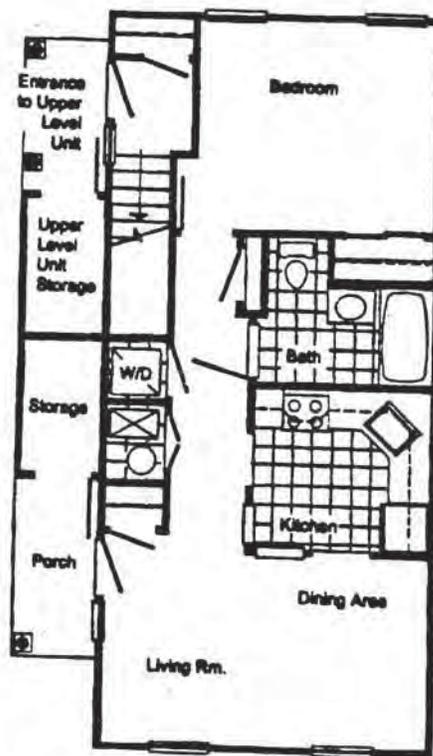
One Bedroom - One Bath

This single-story design is available on the first or second floor. The first floor plan is 634 square feet, while the second floor plan, with its interior stairway and first floor entrance, is 644 square feet. A limited number are available at both sites for purchase and rent to qualified households.



Upper Level Unit Plan C

(Partial)



Lower Level Unit Plan C

EXHIBIT D

CERTIFICATE OF INCORPORATION

OF

THE BERGEN-DANSER CONDOMINIUM ASSOCIATION, INC.

---

DATED: JANUARY , 1997

---

Prepared by: Christopher S. Tarr, Esq.

Record and Return to:

CHRISTOPHER S. TARR, ESQ.  
Smith, Stratton, Wise, Heher & Brennan  
600 College Road East  
Princeton, NJ 08540

In compliance with the requirements of Title 15A, Chapter 127, et seq. of the New Jersey Statutes Annotated, the undersigned, who is of full age, has this day voluntarily agreed to act as the Incorporator for the purpose of forming a nonprofit corporation, and does hereby certify:

#### ARTICLE I

The name of the corporation is " THE BERGEN-DANSER CONDOMINIUM ASSOCIATION, INC.", a New Jersey nonprofit corporation, hereinafter called the "Association".

#### ARTICLE II

The principal office of the Association is located at c/o Smith, Stratton, Wise, Heher & Brennan, 600 College Road East, Princeton, New Jersey.

#### ARTICLE III

Christopher S. Tarr, whose address is c/o Smith, Stratton, Wise, Heher & Brennan, 600 College Road East, Princeton, New Jersey 08540, is hereby appointed the initial registered agent of the Association.

#### ARTICLE IV

##### Purpose and Powers of the Association

The Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and control of the Property as shown and described in the exhibits attached to and made a part of the Master Deed for The Bergen-Danser Condominium, recorded or intended to be recorded in the Office of

the Clerk of Middlesex County, and to promote the health, safety and welfare of the residents within the above described Property and for these purposes:

- (a) To delegate certain powers, duties and responsibilities exclusively to the Board of Directors of The South Main-Bergen-Danser Homeowners Association, Inc., a New Jersey nonprofit corporation, as set forth in the aforesaid Master Deed and in the By-Laws of the Association annexed to the Master Deed, as the same may be amended from time to time, said Master Deed and By-Laws being incorporated herein as if set forth at length;
- (b) To exercise all of the non-delegated powers and privileges of the Association as set forth in the aforesaid Master Deed and By-Laws;
- (c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) To borrow money, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

- (e) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of New Jersey by law by now or hereafter have or exercise, except to the extent delegated to The South Main-Bergen-Danser Homeowners Association, Inc. as set forth in the aforesaid Master Deed and By-Laws.

## ARTICLE V

### Membership

Every person or entity who is a record owner of a fee interest in any Unit which is subject to the Master Deed aforesaid, is subject to assessment by the Association, or its designee, and qualifies in accordance with the By-Laws, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of any such Unit shall be the sole qualification for membership. Upon termination of the interest of the Unit Owner, his or her membership shall automatically terminate and shall be transferred and shall inure to the new Unit Owner succeeding him or her in interest.

## ARTICLE VI

### Board of Trustees

The affairs of the Association shall be managed by a Board of Trustees, except as otherwise delegated in the aforesaid Master Deed and By-Laws. The initial Board of Trustees shall be composed of at least three (3) persons who need not be members of the

Association. The names and addresses of the persons who are to act in the capacity of Trustees until the selection of their successors are:

Pamela Gleason	8 Park Place East, Cranbury, NJ 08512
Bob Norland	89 North Main Street, Cranbury, NJ 08512
Joan Weidner	28 North Main Street, Cranbury, NJ 08512
Peter Wise	49 South Main Street, Cranbury, NJ 08512
Myrna Doggett	65 Station Road, Cranbury, NJ 08512
Andrea Kane Hilson	30 Maplewood Avenue, Cranbury, NJ 08512
Fay Kobland	21 Hardley Drive, Cranbury, NJ 08512
Marilee Nissen	7 Symmes Court, Cranbury, NJ 08512
Kim Adams	8 Prospect Street, Cranbury, NJ 08512
Mark Berkowsky	167 North Main Street, Cranbury, NJ 08512
Stan Moody	69 Plainsboro Road, Cranbury, NJ 08512
Elizabeth Silverman	144 North Main Street, Cranbury, NJ 08512

#### ARTICLE VII

##### Distribution of Assets

Upon dissolution, the assets of the Association shall be distributed on the same basis as the respective proportionate responsibility for Common Expenses of the members is determined.

#### ARTICLE VIII

##### Duration

The Association shall exist perpetually.

#### ARTICLE IX

##### Amendments

Amendment of this Certificate shall require the assent of two-thirds (2/3) of the members of the Association.

**IN WITNESS WHEREOF**, for the purpose of forming this nonprofit corporation under the laws of the State of New Jersey, the

undersigned, the incorporator of this Association, has executed  
this Certificate of Incorporation this            day of January, 1997.

---

Christopher S. Tarr

## APPENDIX F – 2006 MEMORANDUM OF UNDERSTANDING



**MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM**, entered into on this 12<sup>th</sup> day of June, 2006, by and between the **TOWNSHIP OF CRANBURY**, a municipal corporation of the State of New Jersey, 23-A North Main Street, Cranbury, New Jersey 08512 (hereinafter referred to as "**TOWNSHIP**") and **CRANBURY HOUSING ASSOCIATES, INC.** a non-profit corporation of the State of New Jersey, P.O. Box 603, Cranbury, New Jersey 08512 (hereinafter referred to as "**CHA**").

**WITNESSETH:**

**Whereas**, N.J.S.A. 52:27D-325 permits municipalities to provide for the acquisition and construction of buildings, structures or other improvements necessary or useful for the provision of low and moderate income housing in any appropriate manner as may be necessary or useful for that purpose; and

**WHEREAS**, the TOWNSHIP has adopted an Affordable Housing Plan and a Housing Element to its Master Plan (hereafter "plan" or "third round plan"); and

**WHEREAS**, TOWNSHIP has petitioned the New Jersey Council on Affordable Housing for Substantive Certification of its third round plan; and

**WHEREAS**, a portion of said plan provides for the construction of certain housing by CHA; and

**WHEREAS**, CHA proposes to construct housing on the site or sites designated hereinbelow in accordance with the Cranbury Township Affordable Housing Program as set forth in the petition for Substantive Certification to the Council on Affordable Housing (hereinafter referred to as the "Project"); and

**WHEREAS**, the TOWNSHIP supports the construction of the Project; and

**WHEREAS**, the TOWNSHIP and CHA wish to set forth herein their mutual undertakings in order to ensure the success of the Project;

**NOW, THEREFORE**, in consideration of the mutual covenants and premises as set forth herein, **IT IS AGREED** between the TOWNSHIP and CHA as follows:

1. CHA agrees to construct affordable housing as set forth in more detail below on the site designated on the Cranbury Township Tax Map as Block 20, Lot 10.01, situated on Cranbury Road (the "CHA at Four Seasons" site) and the site designated on the Cranbury Township Tax Map as Block 26, Lot 3, situated on Route 130 South (the "Route 130D" site), said being either presently owned or to be acquired by the TOWNSHIP by mutual agreement between the TOWNSHIP and CHA so long as necessary modifications in this Agreement are made to deal equitably with those additions or modifications. Said site or sites are hereinafter sometimes referred to collectively as the "Properties".
2. The TOWNSHIP agrees to make all reasonable efforts to transfer ownership of the Properties to CHA prior to the issuance of the first building permit.
3. CHA agrees to construct affordable housing on the Properties in accordance with the provisions set forth in the Township's third round affordable housing plan or such plan as receives substantive certification from the Council on Affordable Housing, including the number of units per site set forth in the plan, the income distribution requirements, and any other requirements or restrictions regarding the nature of the affordable housing units to be built.
4. CHA agrees that in its capacity as the developer of the Project, it will engage the services of experts, prepare and file all necessary land development applications, arrange for construction and permanent financing, and undertake any and all other acts as may be necessary to construct, market, rent and manage said dwelling units. CHA further agrees to administer the program in accordance with the terms and conditions of such third round affordable housing plan as receives substantive certification from the Council on Affordable Housing.

MAB KRC  
KRC MAB  
MAB KRC

5. The TOWNSHIP agrees that wherever possible, it will assist CHA's experts in preparing plans as may be deemed necessary, including assisting in the preparation of plans for the extension of sanitary sewer and domestic water lines to the Properties and services necessary in the preparation of subdivision and/or site plan applications to the Cranbury Township Planning Board. The TOWNSHIP reserves its right to assess, as a local improvement, CHA and other benefited property owners to pay for the capital costs involved in any necessary extension of sanitary sewage to the Property.
6. Although it is anticipated that there is adequate sewage capacity to provide public sanitary sewage to the Project, if requested by CHA, the TOWNSHIP agrees to take such steps and adopt such resolutions as may be necessary to reserve adequate capacity for the Project.
7. The TOWNSHIP agrees to assist CHA in making grant and loan applications, pursuant to the New Jersey Fair Housing Act, to various County, State, Federal and private agencies to fund the Project. The applications will be for such items as the cost of land acquisition, building construction, site improvements, professional fees and other "soft costs," and construction and permanent financing for the Project. CHA will also pursue such subsidies as may be available for the low and moderate income housing units and such other financial support as may be available through County, State, Federal and private agencies from time to time.
8. CHA agrees to advise the TOWNSHIP at least quarterly as its land development application proceeds through the usual land use process in Cranbury Township. CHA also agrees to advise the TOWNSHIP at least quarterly as to the status of CHA's efforts to obtain and secure both construction and permanent financing for the Project.
9. The TOWNSHIP agrees that whenever possible shall process all land use and building permit applications on an expedited basis. The TOWNSHIP further agrees to waive all land use and permit fees in the manner set forth in the housing element of Cranbury's Master Plan.

10. The TOWNSHIP agrees to grant CHA real property tax abatements for the low and moderate income rental housing units on the Properties in consideration for CHA agreeing to pay to the TOWNSHIP an in lieu-of-tax payment in the amount of three (3%) percent of actual gross rentals, which takes into consideration the police, fire, public educational and other municipal services which will be available to the Project.
11. CHA agrees that at such time as it has identified all available construction financing sources, but prior to entering into any construction contract, it will provide the TOWNSHIP with an analysis and a computation of the amount of funding needed to meet any shortfall. This analysis will include the following:
  - A. A detailed statement of how the financing for that subsection of the project is to be completed, the type and number of units and location of the same consistent with the TOWNSHIP's agreement with the Council on Affordable Housing.
  - B. Copies of commitments received for the funding of the Project.
  - C. A copy of the cost estimate for the completion of that section of the Project.
  - D. A detailed projection of funds required from the TOWNSHIP and when such funds will be required.
  - E. Any such other information as the TOWNSHIP's Chief Financial Officer might require.

The TOWNSHIP agrees to provide such funding as the TOWNSHIP and CHA mutually agree is needed to eliminate such shortfall. If CHA is unable to obtain the necessary funding for part or all of the Project, the TOWNSHIP agrees to provide funding from the TOWNSHIP's Affordable Housing Trust Fund or to use its best efforts to issue bonds and make the proceeds of such bonds available to CHA. In the case of a default by CHA, the TOWNSHIP may exercise all controls over the Project necessary to protect its separate interest, subject to the direction of the Township Attorney, including the right to take control of the Project. CHA and the TOWNSHIP agree to cooperate to establish such method of funding the project as will be the most fiscally prudent for both the TOWNSHIP and CHA.

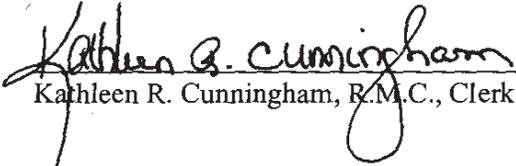
12. CHA agrees that it will manage the Project upon its completion.

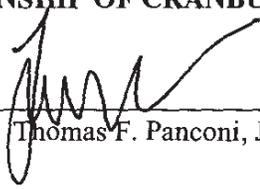
13. In consideration of the TOWNSHIP's support of the Project, CHA agrees that should the Project at some future date show a financial profit, after full provision has been made for capital improvements and reasonable reserves for the low and moderate income units on site, CHA and the TOWNSHIP agree as to how such profit will be used, subject to the requirement that said funds be dedicated to the provision or maintenance of Affordable Housing in Cranbury Township.
14. This Agreement is binding upon the parties hereto and their respective successors and assigns.

**IN WITNESS WHEREOF**, the parties have caused this agreement to be signed and sealed on the day and date first written above.

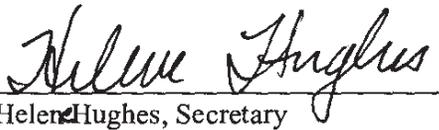
ATTESTED:

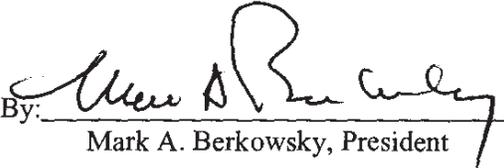
TOWNSHIP OF CRANBURY

  
Kathleen R. Cunningham, R.M.C., Clerk

By:   
Thomas F. Panconi, Jr., Mayor

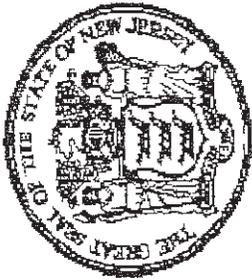
CRANBURY HOUSING ASSOCIATES, INC.

  
Helen Hughes, Secretary

By:   
Mark A. Berkowsky, President

**APPENDIX G - SERV GROUP HOME - DEY ROAD- LICENSE/ETC.**





License No. 50004M/401040

**State of New Jersey**  
**Department of Human Services**  
**Office of Licensing**

**LICENSE**

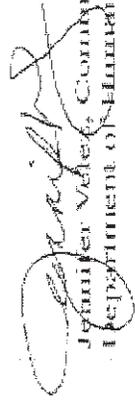
**SERV Centers of New Jersey, Inc**  
20 Scotch Road  
West Trenton, NJ 08628

*In accordance with Department of Human Services regulations, NJAC 10:37A, is hereby licensed to operate*

**Group Home - Adult Mental Health**  
**for up to 11 Residents**

at  
210 Dey Road  
Cranbury, NJ 08512

This License is effective from 5/22/2014 to 5/21/2016

  
Jennifer Velez, Commissioner  
Department of Human Services

**Council on Affordable Housing (COAH)  
Alternative Living Arrangement Survey**

Municipality: Cranbury Township\_\_\_\_\_

County: Middlesex\_\_\_\_\_

Sponsor: SERV Centers of New Jersey, Inc. Developer: SERV Properties and Management, Inc.

Block:25\_\_\_\_\_ Lot: 5.01\_\_\_\_\_ Street Address 210 Dey Road

Facility Name: SERV Group Home\_\_\_\_\_

Type of Facility:

- Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- Transitional facility for the homeless
- Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- Congregate living arrangement
- Other – Please Specify: \_\_\_\_\_

Sources of funding committed to the project (check all that apply):

- Capital funding from State – Amount \$ \_\_\_\_\_
- Balanced Housing – Amount \$ \_\_\_\_\_
- HUD – Amount \$ \_\_\_\_\_
- Federal Home Loan Bank – Amount \$ \_\_\_\_\_
- Farmers Home Administration – Amount \$ \_\_\_\_\_
- Development fees – Amount \$ \_\_\_\_\_
- Bank financing – Amount \$ \_\_\_\_\_
- Other – Please specify: \_\_\_\_\_

Please provide a pro forma for proposed projects

# of total bedrooms 6\_\_\_\_\_

# of low-income residents 6\_\_\_\_\_

# of moderate-income residents \_\_\_\_\_

# of market residents \_\_\_\_\_

Residents qualify as low or moderate income?

Yes  No

~~Length of Controls: 20 years 8 months~~

~~Effective Date of Controls: 4/20/97~~

~~Expiration Date of Controls: 12/31/2017~~

Average Length of Stay: \_\_\_\_\_ months (transitional facilities only)

CO Date: 1997

Indicate licensing agency:

DDD  DMHS  DHSS  DCA

Initial License Date: 5/1/97

Current License Date: 5/17/08

The following verification is attached:

- Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older?  Yes  No

Age-restricted?  Yes  No

Population Served (describe): Individuals Living with Mental Illnesses \_\_\_\_\_

Accessible (in accordance with NJ Barrier Free Subcode)?  Yes  No

Affirmative Marketing Strategy (check all that apply):

DDD/DMHS/DHSS/DCA waiting list

Other (please specify): \_\_\_\_\_

## CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by:

Leif V. Hamill  
Project Administrator

11/6/08  
Date

Certified by:

\_\_\_\_\_  
Municipal Housing Liaison

\_\_\_\_\_  
Date

STATE OF NEW JERSEY - DEPARTMENT OF HUMAN SERVICES  
STANDARD LANGUAGE  
FUNDING AGREEMENT FOR CONSTRUCTION, PURCHASE, OR  
PURCHASE AND RENOVATION OF COMMUNITY-BASED FACILITIES

TABLE OF CONTENTS

I. DEFINITIONS

Agreement	1
Agreement Ceiling	1
Agreement Funds	2
Annex(es)	2
Community-Based	2
Current Fair Market Value	2
Days	3
Department Clients	3
Division	3
Facility	3
Mortgage	3
Notice	3
Project	3
Project Expenditures	3
Project Period	4
State	4
Total Project Cost	4

II. BASIC OBLIGATIONS OF THE DEPARTMENT

2.01 Payment	4
2.02 Inspection and Monitoring	4
2.03 Referenced Materials	4

III. BASIC OBLIGATIONS OF THE AGENCY

3.01 Project Implementation and Completion	4
3.02 Expenditure of Agreement Funds	5
3.03 Mortgage	5
3.04 Matching Funds	5
3.05 Facility Restrictions	5
3.06 Project Director	6
3.07 Documents and Information	6
3.08 Compliance with Laws	6

IV.	<u>SERVICE CONTRACT</u>	6
V.	<u>MORTGAGE</u>	
	5.01 Mortgage Execution	7
	5.02 Mortgage Satisfaction	8
VI.	<u>PAYMENT</u>	
	6.01 General Payment Obligation	9
	6.02 Method and Schedule of Payment	9
	6.03 Payments Conditional	9
VII.	<u>BOOKS AND RECORDS; REPORTING REQUIREMENTS; VISITATION AND INSPECTION; AUDIT</u>	
	7.01 Books and Records	9
	7.02 Reporting Requirements	10
	7.03 Visitation and Inspection	10
	7.04 Audit	10
VIII.	<u>AGREEMENT TERM; PROJECT PERIOD; AMENDMENTS AND MODIFICATIONS; CLOSEOUT</u>	
	8.01 Agreement Term	11
	8.02 Project Period	12
	8.03 Amendments and Modifications	12
	8.04 Closeout	12
IX.	<u>DEFAULT</u>	
	9.01 Causes	12
	9.02 Procedures	14
	9.03 Remedy	14
X.	<u>MISCELLANEOUS</u>	
	10.01 Assignment and Subcontracts	15
	10.02 Procurement	15
	10.03 Insurance	15
	10.04 Indemnification	16
	10.05 Insufficiency of Funds	16
	10.06 Exercise of Rights	17
	10.07 Application of New Jersey Law	17
	10.08 Title to Facility	17
	10.09 Renewability	17
	<u>AGREEMENT SIGNATURES AND DATE</u>	18

AGREEMENT effective as of the date recorded on the signature page between the New Jersey Department of Human Services (the "Department") and the signatory agency (the "Agency") identified on the signature page.

WHEREAS the New Jersey Legislature has from time to time authorized the Department to expend such funds as are appropriated for the construction, purchase, or purchase and renovation of Community-Based facilities for certain Department Clients; and

WHEREAS the Department has established a capital funding program to carry out such authorizations; and

WHEREAS the Agency, as a Community-Based private agency or a local government agency, is eligible and desires to utilize funding under the aforementioned appropriations;

THEREFORE the Department and the Agency agree as follows:

I. DEFINITIONS

For the purposes of this document, the following terms, when capitalized, shall have meanings as stated:

Agreement means this document, the Annex(es), all additional appendices and attachments (including the Mortgage and any approved assignments, subcontracts, amendments and modifications) and all supporting documents. The Agreement constitutes the entire agreement between the parties.

Agreement Ceiling means the amount so designated in the Annex(es) and reflects the total amount of funding committed by the Department under this Agreement.

Agreement Funds means funds committed by the Department to the Agency pursuant to this Agreement.

Annex(es) means the attachment(s) to this document containing at least the following information: a description of the Project; schedules for Project implementation and completion, Agency reporting of Project progress and Expenditures, and payment of Agreement Funds by the Department to the Agency; the commencement and expiration dates of the Agreement and the Project Period; the time period during which use of the Facility shall be restricted pursuant to the terms of Section 3.05 Facility Restrictions; the names of the Project director, the Agency officer authorized to sign this document and any other documents and papers under this Agreement, and the persons to whom Notices shall be directed; the title(s) of the Department officer(s) authorized to sign this document and any other documents and papers under this Agreement; the duties and responsibilities of the Project director; the Project budget, identifying both the Total Project Cost and the Agreement Ceiling; the sources and amounts of all funds supporting the Project; and a description of the services required to be provided in the Facility subsequent to its inspection and approval by the Department or the Division and subsequent to any required licensure. Copies of the forms of the mortgage and promissory note to be executed pursuant to Section 5.01 Mortgage Execution are appended to the Annex(es).

Community-Based means those service delivery programs or facilities which are not located on the grounds of or operated by a State institution.

Current Fair Market Value means the value of the Facility as determined by a reputable real estate appraiser approved by the Department. All appraisals must be independent of any influence either by the Agency or the Department. When used in connection with the satisfaction of the Mortgage, the Current Fair Market Value must be determined as close in time as possible to the date of such satisfaction.

Days means calendar days.

Department Clients means, as appropriate, clients of the Division of Youth and Family Services, the Division of Mental Retardation or the Division of Mental Health and Hospitals.

Division means, as appropriate, the Division of Youth and Family Services, the Division of Mental Retardation or the Division of Mental Health and Hospitals.

Facility means the building constructed, purchased, or purchased and renovated in whole or in part under this Agreement and includes the land on which such building is situated.

Mortgage means the mortgage or mortgages executed pursuant to Section 5.01 Mortgage Execution and also includes the promissory note(s) secured by such mortgage(s).

Notice means an official written communication between the Department or the Division and the Agency. All Notices shall be delivered in person or by certified mail, return receipt requested, and shall be directed to the persons at the addresses specified for such purpose in the Annex(es) or to such other persons as either party may designate in writing.

Project means the project described in the Annex(es) for construction, purchase, or purchase and renovation of a Community-Based facility for Department Clients and may include acquisition of land for such purpose. The Project may be wholly or partially financed with Agreement Funds.

Project Expenditures (also Expenditures) means expenditures made by the Agency in accordance with the Project budget contained in the Annex(es).

Project Period means the period, specified in the Annex(es), which spans the time from implementation to completion of the Project.

State means the State of New Jersey.

Total Project Cost means the amount so designated in the Annex(es) and reflects the total cost of the Project. If the Agency provides or obtains funding in addition to Agreement Funds to support the Project, the Total Project Cost will exceed the Agreement Ceiling by the amount of such additional funds.

## II. BASIC OBLIGATIONS OF THE DEPARTMENT

Section 2.01 Payment. Payment of Agreement Funds to the Agency shall be in accordance with Article VI of this document.

Section 2.02 Inspection and Monitoring. The Department or its designee shall inspect the Project site and shall monitor Project activities for conformity with the terms of this Agreement, as well as with all other applicable Departmental specifications.

Section 2.03 Referenced Materials. Upon written request of the Agency, the Department or the Division shall make available to the Agency copies of federal and State regulations and other materials specifically referenced in this document.

## III. BASIC OBLIGATIONS OF THE AGENCY

Section 3.01 Project Implementation and Completion. The Agency shall implement and complete the Project in accordance with the schedule outlined in the Annex(es).

Section 3.02 Expenditure of Agreement Funds. The Agency shall expend Agreement Funds for the Project in accordance with the budget contained in the Annex(es) and for no purpose other than as reflected therein. Salaries and travel expenses for Agency employees shall not be paid by Agreement Funds, except as may be specifically approved by the Department and budgeted in the Annex(es).

With exceptions only as expressly approved by the Department, the Agency may expend Agreement Funds only during the Project Period specified in the Annex(es). When circumstances force Agency expenditures for Project-related activities prior to the Project Period, such circumstances shall be documented by the Agency and forwarded in writing to the Department. At the discretion of the Department, part or all of such expenditures may be recoverable from Agreement Funds. The Department makes no assurance that it shall permit such recovery.

Section 3.03 Mortgage. The Agency shall execute and satisfy a Mortgage in accordance with Article V of this document.

Section 3.04 Matching Funds. The Department may require that the Agency provide or obtain matching funds for the Project. Any required Agency match shall be provided in accordance with Departmental specifications, and the source(s) and amount(s) of such match shall be recorded in the Annex(es).

Section 3.05 Facility Restrictions. The Agency shall maintain the Facility as an approved facility for Department Clients for a period of time stipulated by the Department in accordance with written Division policies. Such time period constitutes the Agreement term and is recorded in the Annex(es). Unless otherwise stipulated in the Annex(es), the Agency shall reserve 100 percent of the Facility's maximum client capacity for Division referrals, except during such times as the Division may determine that a lesser percent is adequate.

Section 3.06 Project Director. Under the direction of the Agency's governing body, the Project director named in the Annex(es) shall be responsible for all Project activities.

Section 3.07 Documents and Information. The Agency shall furnish the Department or the Division with all documents and information required by this Agreement, as well as with any additional material which may be considered necessary by the Department or the Division in support of the Agreement.

Section 3.08 Compliance with Laws. In fulfilling its commitment under this Agreement, the Agency shall comply with all applicable federal, State and local laws, rules and regulations (collectively, "laws"), including but not limited to the following: the federal Civil Rights Act of 1964, as amended; P.L. 1933, Chapter 277, of the State of New Jersey, as amended (N.J.S.A. 10:2-1 et seq.) and P.L. 1975, Chapter 127, of the State of New Jersey (N.J.S.A. 10:5-31 et seq.) pertaining to affirmative action and nondiscrimination in public contracts; the federal Equal Employment Opportunity Act; Section 504 of the federal Rehabilitation Act of 1973 pertaining to nondiscrimination on the basis of handicap; the federal Age Discrimination Act of 1975; and the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.), including but not limited to those sections pertaining to contracting, solicitation and the provision of inducements to State legislators, officers or employees. In addition, the Agency shall comply with all applicable State and local laws relating to licensure, with standards specified by the Department as appropriate to the Facility, and with all applicable policies and procedures issued by the Department or the Division.

#### IV. SERVICE CONTRACT

The execution of this Agreement shall require execution of separate contract(s) or affiliation agreement(s) for the provision of services in the Facility. The parties to such service contract(s)

or agreement(s) shall be the Division and the Agency or, alternatively, the Division and another entity approved by the Division. The services to be provided in the Facility are described in the Annex(es).

This Article, in conjunction with Section 3.05 Facility Restrictions, binds the Agency to make the Facility available for the provision of Department-approved services for the entire term of the Agreement. This Article shall not be construed, however, to obligate the Division or the Department to continue to fund such services throughout the Agreement term. The Division may choose or may be forced to discontinue such funding; and such discontinuance may, at the option of the Department, result in termination of this Agreement. Should such termination occur, the Department may act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

#### V. MORTGAGE

Section 5.01 Mortgage Execution. The Agency shall execute and deliver to the Department a promissory note and a mortgage against the Facility. Execution of such documents shall be authorized by a resolution of the Agency's governing body. The amounts of both the note and the Mortgage shall be equal to the Agreement Ceiling. At the conclusion of the Project Period, should the actual amount of Project Expenditures approved for payment by the Department differ from the Agreement Ceiling as budgeted in the Annex(es), an additional note and an additional mortgage shall be executed by the Agency in the amount actually paid or approved for payment in excess of the original Agreement Ceiling. The original Mortgage and any additional Mortgage shall be filed by the Agency for recording in the county in which the Facility is located, and proof of such filing shall be delivered to the Department within seven Days thereafter. The original Mortgage and any additional Mortgage shall continue in full force and

amount until or unless the Department acts in accordance with any of its options set forth in Section 5.02 Mortgage Satisfaction.

Section 5.02 Mortgage Satisfaction. The Department may, upon expiration or termination of the Agreement, exercise any of the following options:

- (a) If the Agreement Ceiling equals the Total Project Cost, the Department may require that the Agency transfer the Facility's title either to the Department or to an entity designated by the Department.
- (b) If the Agreement Ceiling is less than the Total Project Cost, the Department may pay the Agency for the Agency's interest in the Facility, and upon such payment the Agency shall transfer the Facility's title either to the Department or to an entity designated by the Department. In such case, the amount of the Department's payment to the Agency shall be calculated by multiplying the Current Fair Market Value of the Facility by the percentage of the original investment represented by Agency funds.
- (c) Regardless of the relationship of the Agreement Ceiling to the Total Project Cost, the Department may require payment by the Agency to satisfy the Mortgage. If the Agency must sell the Facility in order to satisfy the Mortgage, and if the proceeds of such sale are less than the amount of the Mortgage, the Department's fair share of such proceeds shall be deemed to satisfy the Agency's indebtedness under the Mortgage. The Department's fair share of the sale proceeds shall be the same percentage as the percentage of the original investment represented by Department funds. No amount less than the full amount of the Mortgage shall be deemed to satisfy the Agency's indebtedness to the

Department unless the Agency furnishes the Department with an appraisal indicating the Current Fair Market Value at the time of such sale and unless the Department is satisfied that the sale price was reasonable in light of such appraisal.

## VI. PAYMENT

Section 6.01 General Payment Obligation. Except as otherwise limited or precluded in this Agreement, and contingent upon satisfactory fulfillment of the Agency's obligations as set forth in Section 3.01 Project Implementation and Completion, the Department shall pay the Agency the lesser of (a) the Agreement Ceiling or (b) an amount which bears the same percentage relationship to aggregate Project Expenditures as the Agreement Ceiling bears to the Total Project Cost.

Section 6.02 Method and Schedule of Payment. The Agency shall be paid under this Agreement in accordance with the method and schedule outlined in the Annex(es). Where applicable, the Department reserves the right to require written verification from the Project architect, contractor or other appropriate person, certifying the percentage of the Project completed to the date of Agency billing. In addition, the Department may require copies of statements from parties involved in Project activities.

Section 6.03 Payments Conditional. All payments by the Department under this Agreement shall be subject to revision on the basis of an audit conducted under Section 7.04 Audit.

## VII. BOOKS AND RECORDS; REPORTING REQUIREMENTS; VISITATION AND INSPECTION; AUDIT

Section 7.01 Books and Records. The Agency shall maintain such books, records and accounts as are considered necessary by the

Department to ensure an accurate and adequate accounting of all receipts, expenditures and available funds, regardless of their source, relating to the Project. A separate bank account shall be established for Agreement Funds to ensure that they are identifiable for monitoring and auditing purposes and that co-mingling of Agreement Funds does not occur.

All books, records and documents of any kind pertaining to this Agreement shall be retained by the Agency for a minimum of four years after expiration or termination of the Agreement or ten years after completion of the Project, whichever is later. Such requirement can be waived only by written authorization of the Department.

Section 7.02 Reporting Requirements. The Agency shall report Project progress and Expenditures to the Department in accordance with the schedule and procedures established in the Annex(es).

Section 7.03 Visitation and Inspection. The Agency's books, records and facilities, as well as the Project site itself, shall be available for inspection by authorized representatives of the Department, the Division and any other appropriate unit, agency or agent of State or local government. At the discretion of the Department, visitations and inspections may be at any time and may be announced or unannounced. The Agency's obligation to make available its books and records for on-site inspection, however, shall be limited to regular business hours.

Section 7.04 Audit. At any time during the Agreement term, the Agency's overall operations, its compliance with specific Agreement provisions, and the operations of any assignees or subcontractors engaged by the Agency under Section 10.01 Assignment and Subcontracts may be subject to audit by the Department, by any other appropriate unit or agency of State government, or by a private firm retained or approved by the Department for such purpose.

Whether or not such audits are conducted during the Agreement term, a final financial and compliance audit of Project operations, including the relevant operations of any assignees or subcontractors, shall be conducted. Generally such audit shall be initiated within two years after expiration of the Project Period. Should extraordinary circumstances prevent this from occurring, the final audit shall commence as soon as feasible thereafter. The final audit shall be performed by a unit or agency of State government or by a private firm retained for such purpose by the Department or the Agency and shall follow guidelines issued by the Department. Final financial settlement of this Agreement shall be contingent upon the findings of the final audit.

All provisions of Section 7.03 Visitation and Inspection shall apply to the Agency and to any assignees or subcontractors in the case of any visitations or inspections made for the purpose of audit. The Department reserves the right to have access to all written material, including but not limited to work papers, generated in connection with any audit conducted. Should the Agency retain a private auditing firm, the Agency shall ensure that the instrument used to engage such firm contains express reference to the Department's right of access pursuant to this section.

VIII. AGREEMENT TERM; PROJECT PERIOD; AMENDMENTS AND MODIFICATIONS;  
CLOSEOUT

Section 8.01 Agreement Term. This Agreement shall commence and expire on the dates specified in the Annex(es). The Agreement's expiration date shall coincide with the date on which the Agency shall have satisfied its obligation to the Department as established pursuant to the terms of Section 3.05 Facility Restrictions and recorded in the Annex(es).

Notwithstanding the foregoing, the Department and the Agency retain the right, during the Agreement term, to terminate this Agree-

ment upon six months' Notice to the other. Should such termination occur, the Department may act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

Section 8.02 Project Period. The Project Period shall commence on the same date as the Agreement and shall expire on the date specified in the Annex(es). The Project Period may be extended only upon written authorization of the Department.

Section 8.03 Amendments and Modifications. Except as may otherwise be provided for in this document, all amendments and modifications to the terms of this Agreement shall be consistent with Department or Division policies and shall be accomplished by means of a written agreement signed by the parties' authorized agents identified in the Annex(es). All written amendments and modifications shall become part of this Agreement and shall be appended to this document.

Section 8.04 Closeout. All financial accounts under this Agreement, with the exception of the Mortgage, shall be settled as accurately as possible within 90 Days after expiration of the Project Period and shall be settled finally based upon the findings of the final audit conducted under Section 7.04 Audit. Any unexpended Agreement Funds in the possession of the Agency shall be returned to the Department within the 90-Day closeout period. The Mortgage shall be satisfied in accordance with Section 5.02 Mortgage Satisfaction.

Except as may otherwise be provided for in this document, all non-financial obligations of both parties shall continue after the Project Period and shall cease on the effective date of expiration or termination of the Agreement.

## IX. DEFAULT

Section 9.01 Causes. The occurrence of any of the following shall be considered by the Department as Agency default of this Agreement:

- (a) Agency failure, judged to be substantial by the Department, to abide by Project specifications stipulated in the Annex(es);
- (b) Agency failure, judged to be substantial by the Department, to adhere to the schedule established in the Annex(es) for Project implementation and completion;
- (c) any Agency use of Agreement Funds for purposes other than as approved by the Department and specified in the Annex(es);
- (d) Agency submission to the Department or the Division of reports or other documents that are inaccurate or incomplete in any material respect;
- (e) Agency refusal or failure to permit the Department, the Division or a designee of the Department to inspect the Agency's facilities, including the Project site, or to review and monitor Agency administrative records and operational practices;
- (f) Agency allowance, in the absence of Departmental approval, of the placement of any lien, mortgage or other encumbrance on the Facility during the term of this Agreement, other than as provided for in Section 5.01 Mortgage Execution or identified in the Annex(es);
- (g) Agency use of Agreement Funds to employ or otherwise compensate directly or indirectly any employee of the Department;
- (h) Department discovery, in the absence of Agency disclosure, of any pecuniary or personal interest by the Agency, its

officers, trustees, directors or employees in any assignment or subcontract executed pursuant to Section 10.01 Assignment and Subcontracts;

- (i) conduct or acts, including but not limited to alleged or adjudged criminal activity, on the part of the Agency, its officers, trustees, directors or employees, which are detrimental to the reputation of the Agency or the Department;
- (j) any Agency failure, judged to be substantial by the Department, to comply with the terms and conditions of this Agreement, including any failure to maintain an approved use of the Facility pursuant to Section 3.05 Facility Restrictions.

Section 9.02 Procedures. Upon occurrence of any of the events enumerated in Section 9.01 Causes, the Department shall give Notice to the Agency that it is in default of this Agreement and shall elect either to terminate the Agreement on a date of the Department's choosing or to invoke the remedy provision set forth in Section 9.03 Remedy. Should the Agreement be terminated pursuant to this section, the Department shall act in accordance with any appropriate option set forth in Section 5.02 Mortgage Satisfaction.

Section 9.03 Remedy. In lieu of terminating this Agreement in the event of default, the Department may advise the Agency, in the Notice of default, of specific measures the Agency must undertake to remedy the default by a date of the Department's choosing. Such date shall be no more than six months from the date of the Notice of default and may be extended only at the discretion of the Department and upon Notice to the Agency. The Department's election of this provision shall in no way limit or preclude its right to terminate the Agreement upon Notice to the Agency, should the Agency fail to adhere to the remedy measures or the time schedule specified in the Notice of default.

X. MISCELLANEOUS

Section 10.01 Assignment and Subcontracts. No rights or obligations of the Agency under this Agreement may be assigned or subcontracted by the Agency, nor may the Agency sell or transfer title to the Facility, except as may be provided within the terms of this Agreement or with the prior written approval of the Department. All approved assignments and subcontracts shall become part of this Agreement and shall be subject to its terms. The Agency shall bear full responsibility, without recourse to the State or any of its subdivisions, for performance under any approved assignment or subcontract. The Agency shall forward copies of all assignment and subcontract documents to the Department and shall retain copies of them on file together with this document.

Section 10.02 Procurement. The Agency shall bear full responsibility, without recourse to the State or any of its subdivisions, for the settlement and satisfaction of any issues arising from any procurement arrangement entered into in support of this Agreement.

Section 10.03 Insurance. The Agency and any assignees or subcontractors engaged in construction or renovation of the Facility shall obtain the following types of insurance in coverage amounts judged adequate by the Department and indicated in the Annex(es):

- (a) workers' compensation;
- (b) general liability, including completed operations, broad form property damage and broad form contractual coverage;
- (c) fire insurance with extended coverage, such coverage to be equal to the replacement value of the Facility without any co-insurance; and

(d) builder's risk, on an all-risk basis.

In addition, the Department may require the Agency and any assignees or subcontractors to obtain a completion bond and/or to maintain any other type of insurance coverage considered necessary by the Department. The State, which shall include the Department, shall be included as an additional named insured on any insurance policy applicable to the Project. The Department may require such proof of the required insurance and/or bond as it deems appropriate at any time during the Project Period.

Section 10.04 Indemnification. The Agency shall defend, indemnify and otherwise save harmless the State of New Jersey, its agencies, departments, bureaus, boards, officials and employees from any and all claims or actions at law, whether for personal injury, property damage or liabilities, including the costs of defense (a) which arise from acts or omissions, whether negligent or not, of the Agency or its agents, employees, servants, subcontractors, material suppliers or others working for the Agency, irrespective of whether such risks are within or beyond the control of the Agency, or (b) which arise from any failure to perform the Agency's obligations under this Agreement or any improper performance.

Notwithstanding the Agency's responsibilities outlined above in this section, the State reserves the right to provide its own attorney(s) to assist in the defense of any legal actions which may arise as a result of this Agreement.

Section 10.05 Insufficiency of Funds. The Agency and the Department recognize that this Agreement is dependent upon funding through State appropriations. The Department shall not be held responsible for any breach of this Agreement arising due to insufficiency of such appropriations.

Section 10.06 Exercise of Rights. A failure or a delay on the part of the Department or the Agency in exercising any right, power or privilege under this Agreement shall not waive that right, power or privilege. Moreover, a single or a partial exercise shall not prevent another or a further exercise of that or of any other right, power or privilege.

Section 10.07 Application of New Jersey Law. The parties to this Agreement hereby acknowledge that this Agreement is governed by New Jersey law, including the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) governing the Department's liability in any dispute that may arise under this Agreement.

Section 10.08 Title to Facility. The title to the Facility shall be and remain in the Agency until such time as the Agreement has expired or been terminated for any reason. At such time, the Department's choosing of certain options set forth in Section 5.02 Mortgage Satisfaction may result in transfer of the Facility's title either to the Department or to an entity designated by the Department.

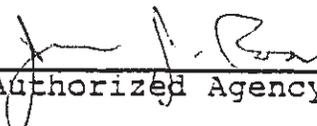
Section 10.09 Renewability. Upon expiration of the Agreement term specified in the Annex(es), this Agreement may be renewed only on the condition that such renewal is desired and its terms are fully agreed upon by both the Department (or its successor) and the Agency in a renewal agreement. Nothing either explicit or implicit in this Agreement shall be construed as granting to the Agency an automatic right of renewal. The Department reserves the right, for any reason whatsoever, to refrain from renewing this Agreement.

Should the Agreement be renewed in accordance with the terms of this section, the Mortgage shall also be renewed; and the Agency's liability to satisfy the Mortgage shall continue under and be governed by the renewal agreement.

AGREEMENT SIGNATURES AND DATE

The terms of this Agreement have been read and understood by the persons whose signatures appear below. The parties agree to comply with the terms and conditions of the Agreement as set forth in Article I through Article X above.

BY: \_\_\_\_\_  
Assistant Commissioner, New Jersey  
Department of Human Services

BY:  \_\_\_\_\_ L.S.  
Authorized Agency Representative

NAME: James Rose, CPA

TITLE: Chairperson, Board of Directors

AGENCY: SERV Centers of New Jersey

ADDRESS: 532 West State Street

Trenton, NJ 08618

AGREEMENT DATED:  
\_\_\_\_\_

**COMMUNITY FACILITY GRANT AGREEMENT - ANNEX A**  
**(Project Number M94-01-97)**

ANNEX A is written in accordance with the definitions provided within Article I, DEFINITIONS, for the terms "Agreement" and "Annex(es)" as listed on Pages 1 and 2 of the DEPARTMENT OF HUMAN SERVICES' AGREEMENT document - FUNDING AGREEMENT FOR CONSTRUCTION, PURCHASE, OR PURCHASE AND RENOVATION OF COMMUNITY-BASED FACILITIES. ANNEX A is a part of that Agreement between the New Jersey Department of Human Services and SERV Centers of New Jersey, Inc., and is subject to its terms. As used within ANNEX A of this Agreement, the term "Division" means the Division of Mental Health Services within the Department of Human Services. The contents of ANNEX A are contained in Pages A1 through A10.

**AGENCY:** SERV Centers of New Jersey, Inc.  
532 West State Street  
Trenton, NJ 08618

**AUTHORIZED AGENCY REPRESENTATIVE:** James Rose, CPA  
Chairperson, Board of Directors

**PROJECT DIRECTOR:** Douglas Halverson  
Vice President  
Adult Clinical Services

**AUTHORIZED DEPARTMENT REPRESENTATIVE:** The Assistant Commissioner  
New Jersey Department of Human Services

**NOTICES DIRECTED TO:**

**FOR THE AGENCY:** The Project Director (above)

**FOR THE DEPARTMENT:** Frank C. DeVito  
Capital Program Supervisor  
Division of Mental Health Services  
CN 727  
Trenton, NJ 08625

**PROJECT PERIOD:** Eight (8) months

**AGREEMENT PERIOD:** 20 years, 8 months

**COMMENCING:**

**ENDING:**

### **PROJECT SCOPE AND SERVICES TO BE PROVIDED**

Under the terms of this Agreement, SERV Centers of New Jersey, Inc. (the Agency), is entitled to receive \$298,600 in Agreement Funds to be applied to the acquisition (purchase price - \$285,000, closing and related fees and expenses - \$4,600) and necessary architectural services (\$9,000) for the development of an adult community residence located at 210 Dey Road, Cranbury, New Jersey.

The aforementioned residence will house eight (8) adult clients, from Marlboro Psychiatric Hospital, who have been designated for community placement as part of the Division's Systems Redirection and Closure Project. The Agency will operate the home as a community residence for a period of 20 years, pursuant to the terms of this Agreement and N.J.S.A. 40:55D-66.1 et seq. Throughout the term of this Agreement, the Agency agrees to provide residential services in accordance with the Rules and Regulations Governing Community Mental Health Services and State Aid under the Community Mental Health Services Act (N.J.S.A. 30:9A et seq.), and in accordance with the Consolidated Funding Agreement issued by the New Jersey Division of Mental Health Services. The home will be operated in accordance with all applicable State and local requirements. Staff will be present and will provide supervision of the residence at all times when clients are at the site.

The Division will present the Project, at a later date, to the Department's Capital Facilities Approval Unit (CFAU) for Contract Approval regarding the necessary renovations. Subsequent renovation work will be based upon the preliminary renovation cost estimate agreed upon by the CFAU on April 9, 1997. The necessary Agreement Funds for renovation will be encumbered only after final plans, bid material, the proposed AIA construction contract, and the appropriate amendment to this Agreement are approved by the Department.

### **ANNEX A DOCUMENTS AND CORRESPONDENCE**

The following is a list of documents and correspondence containing information and data which has contributed to the formulation of the Agreement. Other information, which may not be listed but is included within the project file, M94-01-97, has also been utilized in forming this Agreement. During the Agreement Period, as a condition for the fulfillment of its obligations under this Agreement, the Department reserves the right to request any additional information and documentation which may be related to the terms of this Agreement. These shall be received as support documents which pertain to the various components of this Annex and are therefore subject to the terms of this Agreement.

1. The Division's completed Community Capital Program Application and required supporting documents submitted by the Agency.
2. The Department of Human Services' Application to the Capital Facilities Approval Unit, Funds for Purchase, Renovation or Construction.
3. The Department's Office of Facilities Support Services Inspection Checklist.

4. Appraisal Report, dated July 29, 1996, for 210 Dey Road, Cranbury, NJ (appraised at \$300,000) from Martin Appraisal Associates, Inc.
5. Home Inspection Report by Ruha Engineers, dated July 10, 1996.
6. Termite Inspection Report performed by Williams Termite and Pest Control dated July 9, 1996.
7. Final sales agreement, dated November 23, 1996, for Block 25, Lot 5.01 (210 Dey Road, Cranbury, NJ).
8. Architectural services and renovations estimates by John Zvosec, dated February 12, 1997.
9. Project Summary, DMHS Community Capital Unit to All Members of the Department's Capital Facilities Approval Unit, presented and approved April 9, 1997.
10. Copies of all closing documents relating to the Agency's purchase of 210 Dey Road, Cranbury, N.J.
11. A copy of the Agency's insurance policy for the new facility, in accordance with Section 10.3 of this Agreement.
12. A copy of the executed AIA Document B141, Standard Form of Agreement Between Owner and Architect.
13. Preliminary and Final Architectural Plans and Specifications, Bid instructions and requirements, and all amendments and supplements thereto for the renovation of the new facility, submitted to the Department for review.
14. Copies of Bid Advertisements, all bid proposals and materials, and all bid information and results submitted to the Department for review.
15. Review of the Final Plans and Specifications by the local building official, with a copy of the building permit(s), issued by the Cranbury Township construction official, issued prior to the start of construction and the issuance of Agreement Funds for Renovation.
16. Copies of the proposed and finalized AIA Construction Contract between the Agency and the selected construction contractor; the labor, materials, and performance bonds; and contractor insurance documentation in accordance with Article X, Section 10.03 Insurance and Section 10.04 Indemnification of this Agreement.
17. A copy of the Certificate of Occupancy, following completion of renovation work, issued to the Agency by the Cranbury Township construction official.

18. Following the completion of renovation work, in accordance with Section 10.03 of this Agreement, the Agency will submit copies of the required fire and hazard insurance coverage for the replacement value of the facility.
19. All documents and correspondence which must be supplied, as available, by the Agency and any assignees, in accordance with the terms of this Agreement.

### **DUTIES AND RESPONSIBILITIES OF THE PROJECT DIRECTOR**

With the execution of this Agreement, the Authorized Agency Representative agrees that the Project Director will perform all tasks required by the terms of this

Agreement, including the execution of all Agency responsibilities in accordance with Article III, Sections 3.06, 3.07 and 3.08; Article IV, Article IX, Section 9.01; and all other applicable Sections of this Agreement.

The Project Director will be responsible for:

1. Acting as the Agency's representative in ensuring the Agency's compliance with the terms of this Agreement, and the terms of any subsequent amendments to or modifications of this Agreement, during the Agreement Period;
2. Monitoring ongoing process of the construction/renovation work through the project architect and/or construction manager, and reporting such progress to the Department. The Project Director is responsible for ensuring that facility development occurs, and that contractual services are rendered, in full compliance with the terms contained in all contracts which the Agency has entered into for development of the Facility during the Project Period. It is his/her further responsibility to immediately inform the Department, in writing, concerning any deviation from or amendments to all such contracts and schedules for Project Development;
3. Notifying the Department concerning all proposed change orders and all additions, deletions, or other revisions which effect the Project;
4. Forwarding all instructions to the Contractor(s) through the Project Architect and/or construction manager;
5. Verifying to the Department, that the insurance/bonds required in accordance with Article X, Section 10.3 of the Agreement have been obtained, and supplying proof of such documents;
6. Submitting State Voucher (Invoice) Forms for payment;

7. Satisfactorily fulfilling all requirements listed in the Community Capital Improvement application and supplying all relevant documents for Division/Department review in accordance with the terms of this Agreement; and,
8. Performing other duties which effect the fulfillment of the terms of this Agreement and are mutually approved, in writing, by the Department and the Agency.

### **PROJECT PERIOD**

The Project Period will commence on the date that this Agreement is signed by the Assistant Commissioner of the Department or his/her designee, and will terminate no later than eight (8) months from that date. Any alteration of the Project Period must be noted, in writing, by mutual agreement of the Department and the Agency.

### **PROJECT BUDGET**

This Agreement provides for an Agreement Ceiling of \$298,600 to pay for the acquisition and architectural services costs. The allocation for purchase is \$285,000; the allocation for closing and related costs is \$4,600; and the allocation for architectural services (provided by Gvosec and Associates) is \$9,000. The Total Project Cost, including the cost of the acquisition, architectural services and renovation (projected to be \$88,700), has been established at a maximum of \$387,300.

The Agreement will be amended, at a later date, to increase the Agreement Ceiling by an amount not to exceed \$88,700 for required renovation costs.

### **AGREEMENT TERM, MORTGAGE, AND PROMISSORY NOTE**

This Agreement will commence on the date that this Agreement is signed by the Assistant Commissioner of the Department or his/her designee, and will expire 20 years from the final date of the actual Project Period pursuant to Article III, Section 3.01 and 3.05; Article IV; Article V; and Article VIII, Sections 8.01 through 8.04. In accordance with Article V, Section 5.02 of this Agreement, the Agency will complete and execute a Purchase Money Mortgage for \$298,600 in Agreement Funds to be issued under this Agreement. The Purchase Money Mortgage shall be evidenced by a Promissory Note for the same amount (i.e. \$298,600) and these documents shall become part of this Agreement.

By terms of this Agreement, the Agency agrees to complete, execute, and register (within the County of Middlesex) the Purchase Money Mortgage. The Purchase Money Mortgage and accompanying Promissory Note shall continue in full force and amount until such a time as this Agreement is terminated as per Article V, Section 5.02 or renewed as per Article X, Section 10.09.

The execution and registering of the Purchase Money Mortgage, by the Agency, shall not occur until after this Agreement is amended to include the approved Agreement Funds amount for

renovation and until all Agreement Funds owed are issued to the Agency. Simultaneously, with any amendment of this Agreement which revises the Agreement Funds amount, a new Promissory Note will be executed and the prior Promissory Note will be canceled.

### **PAYMENT SCHEDULE AND PROCEDURES**

Books and records are to be kept in accordance with Article VII, Section 7.01, and the Agency shall establish a separate, non-interest bearing bank account for these Agreement Funds, to ensure that they are identifiable for monitoring and auditing purposes and that co-mingling of Agreement Funds does not occur.

A payment of Agreement Funds for Acquisition will be issued in a lump sum prior to the closing of the site. The State Voucher Form must be completed and signed by the Authorized Agency Representative. This Form will be processed within the Department, and the necessary funds will be issued in time for closing on the property. Any Agreement Funds, which are advanced for acquisition but remain unexpended (due to uncertainty with respect to the final closing costs) following acquisition of the site, will be applied to the cost of Basic Architectural Services or refunded to the Department of Human Services.

Prior to acquisition, the Agency shall provide a copy of the insurance policy which insures the Agency against loss for the full replacement value of the facility, and includes the State (which includes the Department), as an additionally named insured, in accordance with Section 10.03 of this Agreement.

Agreement Funds for Basic Architectural Services will be issued to the Agency for reimbursement of the designated architectural firm. These funds will be disbursed after completion and Departmental approval of each of the five (5) Basic Services Phases defined in Section 11.2.2 of the AIA Document B141, Standard Form of Agreement Between Owner and Architect.

The release of Agreement Funds for facility renovation is subject to prior Departmental approval of all facility plans and specifications, bid documents, construction budgets, proposed and actual contracts for construction, and any materials which may be required by the Department in its efforts to assure timely and quality completion of facility renovations. Agreement Funds for renovation, to be issued (through the Agency) for the reimbursement of the construction contractor(s) during the renovation phase, will be issued on a reimbursement basis according to the percentage of construction work completed.

Under the terms of this Agreement, "reimbursement basis" means that Agreement Funds will be issued through the Agency and will immediately be utilized for payment of appropriate renovation expenditures owed to the construction contractor. In requesting such Agreement Funds for renovation, the Agency certifies that the contractor has satisfactorily completed the work in accordance with the terms of this Agreement and the construction contract documents and that the contractor is, therefore, entitled to be reimbursed for such work. The Agency understands that the Department will not be responsible for honoring any requests for Agreement Funds involving instances in which payments have been made directly to the contractor (by the Agency) in lieu of observance of the procedures stated herein.

The AIA Construction Contract, between the Agency and the selected construction contractor, must be approved by the Department prior to execution, and the terms of that contract must be consistent with the payments schedule as provided below. Before requesting any funds for renovation, the Agency must ensure that:

1. The contractor has provided acceptable Performance and Labor/Materials Bond coverage; and
2. A copy of the local building permit has been forwarded to the Department.

The properly completed State Voucher Form, signed by the Authorized Agency Representative, must accompany all Agency payment requests for payment during the renovation phase. All payment requests must be accompanied by the AIA form G702 Application and Certification for Payment. The applicable amount of retainage must be indicated within all G702 forms submitted by the contractor. The G702 form must be completed, notarized and forwarded to the project architect by the contractor. In turn, these will be reviewed for accuracy by the architect and submitted to the Agency for use in requesting issuance of Agreement Funds.

The Project Director will forward the State Voucher and G702 forms for processing within the Department. The Department will process the payment requests and Agreement Funds will be issued to the Agency within 15 working days following receipt within the Department.

Agreement Funds will be issued to the Agency (for reimbursement of the construction contractor) in accordance with the following schedule:

22.5% of the Agreement Ceiling for Renovation, following the completion of 25% of construction;

22.5% of the Agreement Ceiling for Renovation, following the completion of 50% of construction;

22.5% of the Agreement Ceiling for Renovation, following the completion of 75% of construction;

22.5% of the Agreement Ceiling for Renovation, following Substantial Completion (as "Substantial Completion" is defined within the AIA Construction Contract between the Agency and the construction contractor); and,

The remaining 10% of the Agreement Ceiling for Renovation will be issued following:

1. The approval of the Final Completion request (with all punch list items satisfactorily completed) by the project architect;
2. The final inspection by the Department and any other required inspections;
3. Acceptance of all work by the Agency; and

4. The Agency's receipt of the Certificate of Occupancy from the Cranbury Township construction official.

Any revision or alterations of this payment schedule must be mutually agreed to, in writing, by the Agency and the Department.

PURCHASE MONEY MORTGAGE

(M94-01-97)

MORTGAGE made this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_, between the Mortgagor, SERV Centers of New Jersey, Inc.

\_\_\_\_\_, and the Mortgagee, the State of New Jersey, Department of Human Services, CM 700, Trenton, New Jersey. 08625.

WHEREAS the Mortgagor is indebted to the Mortgagee in the sum of Two Hundred Ninety-eight Thousand, Six Hundred & 00/100 dollars (\$ 298,600 ), which indebtedness is evidenced by a promissory note dated \_\_\_\_\_, 19 \_\_, and by a certain agreement dated \_\_\_\_\_, 19 \_\_;

THEREFORE to secure the indebtedness of \$ 298,600 lawful money of the United States, to be paid in accordance with the aforesaid agreement, the Mortgagor does hereby mortgage the following described property located in the Township of Cranbury, County of Middlesex, State of New Jersey, and more particularly described in Exhibit A annexed hereto and made a part hereof, the aforesaid property being designated as Block 25 ( \_\_\_\_\_ ), Lot 5.01 ( \_\_\_\_\_ ), on the tax map of said Cranbury Township, and having a street address of 210 Dey Road  
Cranbury, New Jersey

Upon default by the Mortgagor in the performance of any term, provision or requirement of the aforesaid agreement of \_\_\_\_\_, 19 \_\_, or upon no-fault termination of said agreement pursuant to Section 8.01 thereof, the entire amount of this mortgage shall, at the option of the Mortgagee, immediately become due and payable. Alternatively, upon Mortgagor default or upon no-fault termination of the agreement of \_\_\_\_\_, 19 \_\_, the Mortgagee may exercise other options as set forth in Section 5.02 of said agreement.

The Mortgagor agrees that if default shall be made in any term, provision or requirement of the agreement of \_\_\_\_\_, 19 \_\_, the Mortgagee shall have the right forthwith, after any such default, to enter upon and take possession of the said mortgaged premises and to operate same in accordance with the aforesaid agreement.

The Mortgagor shall keep the building or buildings and improvements now on said premises, or that may hereafter be erected thereon, in good and substantial repair, and, upon failure to do so, the whole indebtedness secured and represented by this mortgage and the note accompanying same shall, at the option of the Mortgagee, become immediately due and payable; and also the Mortgagee may enter upon the premises and repair and keep in repair the same, and the expense thereof shall be added to the sum secured hereby.

In the event that the aforesaid property is condemned, the proceeds of any award for damages, direct as well as consequential, or the proceeds of any conveyance in lieu of condemnation, are hereby assigned and shall be paid to the Mortgagee.

IN WITNESS HEREOF, the Mortgagor has hereto set its hand and seal the day and year first written above.

\_\_\_\_\_  
Agency Name (Mortgagor)

BY: \_\_\_\_\_ L.S.

ATTEST:

\_\_\_\_\_  
Secretary L.S.

State of New Jersey, County of \_\_\_\_\_ ss.: Be it Remembered,  
that on \_\_\_\_\_ 19 \_\_\_\_\_, before me, the subscriber,

personally appeared

who, being by me duly sworn on h \_\_\_\_\_ oath, deposes and makes proof to  
my satisfaction, that he is the \_\_\_\_\_ Secretary of  
\_\_\_\_\_, the agency named in the

within Instrument; that \_\_\_\_\_  
is the chief executive officer of said agency; that the execution,  
as well as the making of this Instrument, has been duly authorized by  
a proper resolution of the governing body of the said agency; that  
deponent well knows the seal of said agency; and that the seal affixed  
to said Instrument is the proper seal and was thereto affixed and said  
Instrument signed and delivered by said chief executive officer as and  
for the voluntary act and deed of said agency, in the presence of de-  
ponent, who thereupon subscribed h \_\_\_\_\_ name thereto as attesting wit-  
ness.

Sworn to and subscribed before me,  
the date aforesaid.

Prepared by:

Exhibit A

A10-IV

METES AND BOUNDS

A-11

PROMISSORY NOTE

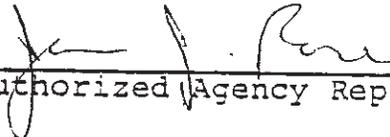
(M94-01-97)

\$ 298,600 \_\_\_\_\_, 19 \_\_\_\_\_

In accordance with the terms of a Funding Agreement for Construction, Purchase, or Purchase and Renovation of Community-Based Facilities dated \_\_\_\_\_, 1997, SERV Centers of New Jersey, Inc.

promises to pay on demand to the order of the State of New Jersey, Department of Human Services, Two Hundred Ninety-Eight Thousand, Six Hundred and 00/100.

dollars, payable at Capital Place One, 222 South Warren Street, Trenton, New Jersey 08625.

BY:  L.S.  
Authorized Agency Representative

NAME: James Rose, CPA

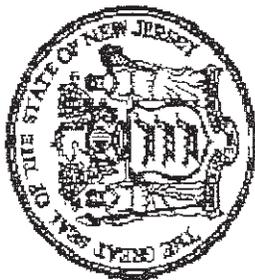
TITLE: Chairperson, Board of Directors

AGENCY: SERV Centers of New Jersey, Inc.

ADDRESS: 532 West State Street  
Trenton, New Jersey 08618

**APPENDIX H - SERV GROUP HOME – HALF ACRE ROAD- LICENSE/ETC.**





State of New Jersey  
Department of Human Services  
Office of Licensing

**LICENSE**

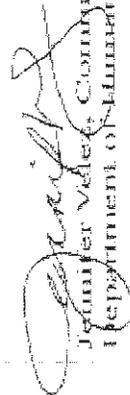
SERV Centers of New Jersey, Inc  
20 Scotch Road  
West Trenton, NJ 08628

*In accordance with Department of Human Services regulations, NJAC 10:37A, is hereby licensed to operate*

**Supportive Housing Residence  
for up to 5 Residents**

at  
365 Half-Acre Road  
Cranbury, NJ 08512

This License is effective from 5/22/2014 to 5/21/2016

  
Jennifer Velez, Commissioner  
Department of Human Services

**Council on Affordable Housing (COAH)**  
**Alternative Living Arrangement Survey**

Municipality: Cranbury Township \_\_\_\_\_

County: Middlesex \_\_\_\_\_

Sponsor: SERV Centers of New Jersey, Inc.

Developer: SERV Properties and Management, Inc.

Block: 5 \_\_\_\_\_ Lot: 26 \_\_\_\_\_

Street Address 365 Half Acre Road

Facility Name: SERV Shared Supportive Living Housing \_\_\_\_\_

Type of Facility:

- Group Home for developmentally disabled as licensed and/or regulated by the NJ Dept. of Human Services (Division of Developmental Disabilities (DDD))
- Group Home for mentally ill as licensed and/or regulated by the NJ Dept. of Human Services (Division of Mental Health Services) (DMHS))
- Transitional facility for the homeless
- Residential health care facility (licensed by NJ Dept. of Community Affairs or NJ Dept. of Human Services)
- Congregate living arrangement
- Other – Please Specify: Shared Supportive Living Arrangement \_\_\_\_\_

Sources of funding committed to the project (check all that apply):

- Capital funding from State – Amount \$ \_\_\_\_\_
- Balanced Housing – Amount \$ \_\_\_\_\_
- HUD – Amount \$ \_\_\_\_\_
- Federal Home Loan Bank – Amount \$ \_\_\_\_\_
- Farmers Home Administration – Amount \$ \_\_\_\_\_
- Development fees – Amount \$ \_\_\_\_\_
- Bank financing – Amount \$ \_\_\_\_\_
- Other – Please specify: unit donated by previous owner and upgraded by Serv Foundation. Also receives State DMHS operational funding \_\_\_\_\_
- Please provide a pro forma for proposed projects

# of total bedrooms 5 \_\_\_\_\_

# of low-income residents 5 \_\_\_\_\_

# of moderate-income residents \_\_\_\_\_

# of market residents \_\_\_\_\_

Residents qualify as low or moderate income?

Yes       No

~~Length of Controls: Indefinite years~~

~~Effective Date of Controls: 9/01/06~~

~~Expiration Date of Controls: 8/30/2036~~

Average Length of Stay: \_\_\_\_\_ months (transitional facilities only)

CO Date: 2006

Indicate licensing agency:

DDD    DMHS    DHSS    DCA

Initial License Date: 9/01/06

Current License Date: 5/17/08

The following verification is attached:

- Copy of deed restriction (30-year minimum, HUD, FHA, FHLB, BHP deed restriction, etc.)
- Copy of Capital Application Funding Unit (CAFU) Letter (20-year minimum, no deed restriction required)
- Award letter/financing commitment (proposed new construction projects only)

Residents 18 yrs or older?  Yes  No

Age-restricted?  Yes  No

Population Served (describe): Individuals Living with Mental Illnesses \_\_\_\_\_

Accessible (in accordance with NJ Barrier Free Subcode)?  Yes  No

Affirmative Marketing Strategy (check all that apply):

DDD/DMHS/DHSS/DCA waiting list

Other (please specify): Filled by individuals from Serv's continuum of care \_\_\_\_\_

### CERTIFICATIONS

I certify that the information provided is true and correct to the best of my knowledge and belief.

Certified by: Keith V. Hamilton 11/6/08  
Project Administrator Date

Certified by: \_\_\_\_\_  
Municipal Housing Liaison Date

## APPENDIX I – GRISTMILLER - LEASE AND AGREEMENT



**TOWNSHIP OF CRANBURY  
ORDINANCE NO. 01-11-03**

**AN ORDINANCE OF THE TOWNSHIP OF CRANBURY, IN MIDDLESEX COUNTY, NEW JERSEY, AUTHORIZING A LEASE AGREEMENT FOR HISTORICAL AND AFFORDABLE HOUSING PURPOSES TO THE CRANBURY HISTORICAL AND PRESERVATION SOCIETY FOR TOWNSHIP-OWNED PROPERTY LOCATED AT 6 SOUTH MAIN STREET (BLOCK 23, LOT 73) AND COMMONLY KNOWN AS THE "GRISTMILLER'S HOUSE"**

**WHEREAS**, the Township is the record owner of certain real property located at 6 South Main Street, designated as Lot 73 in Block 23 on the Cranbury Township Tax Map, improved with a two-story building commonly known as the "Gristmillers House" and/or the "Old Police Headquarters Building" (the "Property"); and

**WHEREAS**, the Gristmillers House was constructed in or about 1860 adjacent to the site of the Township's gristmill that had originally been established c. 1736, and has been occupied as a residential dwelling, and following the Township's acquisition, from 1968 to 1985 as the Cranbury Township Police Station; and

**WHEREAS**, the Gristmillers House is a historic structure located in the Township's historic district; and

**WHEREAS**, the Cranbury Historical and Preservation Society ("CHPS") is a non-profit organization with tax-exempt status pursuant to State and federal law that is committed to the furthering of interest in and knowledge of the Township's history, the promotion, support and encouragement of the beautification of the land and buildings located in the Township, and the restoration and preservation of the Township's historic buildings and sites; and

**WHEREAS**, by Lease dated December 20, 1989, CHPS leased the Property from the Township in order to save, preserve and maintain the historical improvements thereon, and with the assistance of a matching grant from the New Jersey Historic Trust and support of the Cranbury Township Community, undertook the renovation and restoration of the Gristmillers House, which was completed in 1993; and

**WHEREAS**, since that time, the Gristmillers House has served as the Cranbury History Center, housing CHPS's collection of visual, oral and written records of the Township's history, providing storage for artifacts, memorabilia and textiles not currently on exhibit at the Cranbury Museum, and providing a valuable resource facility for members of the public to conduct research and use CHPS's historical records; and

**WHEREAS**, there exists within the Gristmillers House a vacant one-bedroom residential apartment located at the rear of the building on the first and second floors (the "apartment") previously used as the residence of CHPS's custodian or subtenant; and

**WHEREAS**, CHPS has expressed its willingness and desire to lease the apartment to an income-qualified household as part of the Township's affordable housing program, and the Township desires to have the apartment leased to and occupied by an income-qualified household, in order to assist the Township satisfy its constitutional obligation to foster the production of affordable housing opportunities; and

**WHEREAS**, to effectuate and further the intent and purposes of the parties, the Township and CHPS desire to terminate the existing lease agreement and enter into a new lease agreement in order to ensure that the proper affordability controls on the apartment may be imposed such that the Township will be able to have the apartment included within its inventory of affordable housing units; and

**WHEREAS**, at this time, the Township does not have a municipal need for the Gristmiller's House or Property; and

**WHEREAS**, N.J.S.A. 40A:12-14 permits a municipality to lease to a non-profit organization for a public purpose real property that is owned, but not then needed, by said municipality; and

**WHEREAS**, enumerated public purposes under the Local Lands and Buildings Law, N.J.S.A. 40A:12-1 *et seq.* include: the promotion of the health, safety, morals and general welfare of the community; any civic or historic programs or activities by duly incorporated historical societies; restoration, preservation, improvement and utilization of historic sites for the benefit of the general public; and providing housing for low or moderate income persons or families; and

**WHEREAS**, the Township finds that the activities and uses of the Property by CHPS to: (a) maintain and preserve a valuable historic asset of the Township; (b) foster and promote interest in and knowledge of the Township's history; and (c) utilize the apartment for affordable housing purposes, all serve a multitude of valuable and beneficial public purposes.

**NOW, THEREFORE, BE IT ORDAINED** by the Township Committee of the Township of Cranbury, Middlesex County, New Jersey, as follows:

1. The factual recitals contained in the foregoing "Whereas" clauses are incorporated herein as if fully restated.
2. The Township, in concert with CHPS, hereby authorizes the termination of the existing lease agreement with the CHPS for the Property.
3. The Property's residential apartment, located on the second floor of the Gristmiller's House, is hereby designated as an affordable housing unit, subject to the following terms, conditions and restrictions (the "Affordability Controls"):
  - a. The provisions of this Section of the Ordinance shall govern the use and occupancy of the apartment for a period of thirty (30) years (the "Control

Period"), commencing upon the date on which the first certified household occupies the apartment. The Control Period may not be shortened except as provided for by law.

- b. So long as the apartment remains within the Control Period, use of the Property shall be expressly subject to these restrictions and any deed of conveyance must have these restrictions appended thereto or recited therein.
- c. Use, occupancy and rental of the apartment shall be subject to, and administered in conformance with, the applicable regulations of the New Jersey Council on Affordable Housing ("COAH"), and any successor State Department(s), agencies or entities; said regulations being currently set forth at N.J.A.C. 5:96 and 5:97 ("COAH's Third Round Rules") and N.J.A.C. 5:80-26.1 *et seq.* (the "Uniform Housing Affordability Controls" or "UHAC"), and as they may from time to time be amended, supplemented or replaced.
- d. The apartment is hereby designated by the Township as a "moderate-income" unit, as said designation is defined by N.J.A.C. 5:80-26.2.
- e. The apartment shall only be rented to, and occupied by, a household that has been approved in advance and certified in writing by the Township's Administrative Agent for affordable housing (the "Administrative Agent") (currently Cranbury Housing Associates, Inc.).
- f. The lessee of the apartment shall at all times maintain the apartment as his/her/their principal place of residence.
- g. No rent for the apartment shall be charged greater than the maximum permitted rent determined by the Administrative Agent in conformance with all applicable rules and regulations.
- h. Copies of any and all proposed leases for the apartment shall be submitted to the Administrative Agent for written approval prior to having such lease signed by a proposed tenant.
- i. No improvements or modifications may be made to the apartment that would affect its bedroom configuration without the prior written consent of the Township and the Administrative Agent.
- j. In light of the public policies set forth in the New Jersey Fair Housing Act (P.L. 1985, c. 222), UHAC, and the obligation for the provision of low and moderate-income housing, a breach of the Affordability Controls will cause irreparable harm to the Township and to the general public. As such:
  - i. In the event of a threatened breach of any of the provisions of this Section, the Township and/or Administrative Agent shall have all

remedies provided for at law or equity, including the right to seek injunctive relief or specific performance.

ii. Upon the occurrence of a breach of any of the Affordability Controls, the Township and/or Administrative Agent shall have all remedies provided for at law or equity, including but not limited to: forfeiture, foreclosure, recoupment of any funds from a rental in violation of the Affordability Controls, diversion of rent proceeds from illegal rentals, injunctive relief to prevent further violation(s) of said Affordability Controls, entry on the premises, any of those remedies provided for by UHAC, and specific performance.

k. The Township acknowledges and finds that the rules, regulations and laws regarding the State of New Jersey's affordable housing requirements are currently in the process of being substantially amended and changed. As such, the Township herein reserves the right to, and expressly provides for, the ability of the Township to impose different or further restrictions on the Property applicable to the apartment, including the recording of any deed restriction(s), covenant(s) or other legally binding provision(s), that may now or in the future be deemed necessary to ensure continued compliance with State law for the crediting of the apartment as an affordable housing unit.

4. In accordance with N.J.S.A. 40A:12-14, the Township is hereby authorized to enter into a lease agreement with CHPS for the use and occupancy of the Property for the public purposes of maintaining and preserving a valuable historic asset of the Township, fostering and promoting interest in and knowledge of the Township's history, effectuating the occupancy of the apartment unit for affordable housing purposes, and such other purposes as are consistent with the Local Lands and Buildings Law. Said lease agreement shall be subject to the following essential terms:

- a. Pursuant to N.J.S.A. 40A:12-15, the initial term of the lease shall be for a period of fifty (50) years. CHPS shall have an option to extend the lease for an additional 25 years.
- b. The annual rent due to the Township shall be the sum of One Dollar (\$1.00), to be paid on the first business day of every calendar year during the term of the lease.
- c. The apartment unit shall be sublet to an income eligible household as part of the Township's Affordable Housing Program for a period of at least 30 years, subject to the Affordability Controls set forth in Section 3 of this Ordinance.
- d. All fees of the Administrative Agent incurred in connection with the rental of the apartment shall be the responsibility of CHPS.

- e. During the lease term, CHPS shall have the right to park motor vehicles on Township-owned lands located to the rear of the Property, designated as Lot 72 in Block 23, in such a manner and number as to not interfere with the Township's and Fire Company's use of Lot 72.
- f. All utilities shall be the responsibility of CHPS. The Township shall be responsible for cutting the grass, lawn maintenance, and for snow removal of the parking lot (Lot 72) and sidewalk areas of the Property.
- g. CHPS shall maintain adequate insurance coverage naming the Township as an additional insured, and shall agree to indemnify, defend and hold the Township harmless. CHPS shall have a minimum liability insurance coverage limit of \$1,000,000. Any lessee of the apartment shall be required to maintain a rental insurance policy with a liability limit of at least \$100,000.00. The Township shall continue to provide and maintain Fire Insurance coverage for the structure.
- h. As required by N.J.S.A. 40:12-14(c), CHPS shall submit to the Township Administrator annually, a written report setting forth: (1) the uses to which the leasehold was put during the prior calendar year; (2) the activities CHPS undertook in furtherance of the public purposes for which the leasehold was granted; (3) the approximate value or cost, if any, of such activities; and (4) an affirmation of its continued tax-exempt status pursuant to both State and federal law.

5. Pursuant to the requirements of N.J.S.A. 40A:12-14, the Township Administrator is hereby designated as the authorized representative of the Township, responsible for enforcing the terms and conditions of the Lease Agreement.

6. The Mayor and Township Clerk are hereby authorized and directed to sign on behalf of the Township the above referenced Lease Agreement, a copy of which is on file in the Township Clerk's Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by counsel for the Township in consultation with the Township Administrator.

7. The Mayor, Township Administrator, Township Clerk, Township Engineer, Township Attorney, and other appropriate officers, employees, consultants and professionals, are hereby authorized and directed to prepare and execute any and all documents and instruments regarding the affordability controls and lease agreement, and undertake any and all further acts necessary to accomplish the purposes hereof.

8. This Ordinance shall take effect upon final adoption and publication, as provided for by law.

The ordinance published herewith was introduced and passed upon first reading at a meeting of the Township Committee of the Township of Cranbury, in the County of Middlesex, State of New Jersey, held on February 7, 2011. It will be further considered for final passage, after public herein thereon, at a meeting of the Township Committee to be held in the meeting room of Town Hall, 23-A North Main Street, in the Township of Cranbury on February 28, 2011 at 7:00 p.m., and during the week prior and up to and including the date of such meeting, copies of said ordinance will be made available at the Clerk's Office to the members of the general public who shall request the same.

---

Kathleen R. Cunningham, RMC  
Township Clerk

**LEASE AGREEMENT  
BETWEEN THE TOWNSHIP OF CRANBURY AND  
THE CRANBURY HISTORICAL AND PRESERVATION SOCIETY  
FOR THE "GRISTMILLER'S HOUSE"  
6 SOUTH MAIN STREET, CRANBURY, NEW JERSEY**

**THIS LEASE AGREEMENT** is made and dated on February 28, 2011, by and between **The Township of Cranbury** in Middlesex County, a municipal corporation of the State of New Jersey ("Township" or "Landlord"), with offices at 23-A North Main Street, Cranbury, New Jersey 08512, and **The Cranbury Historical and Preservation Society**, a non-profit corporation of the State of New Jersey, having an address of P.O. Box 77, Cranbury, New Jersey 08512 ("CHPS" or "Tenant").

**W I T N E S S E T H**

**WHEREAS**, the Township is the record owner of certain real property located at 6 South Main Street, designated as Lot 73 in Block 23 on the Cranbury Township Tax Map, improved with a two-story building commonly known as the "Gristmiller's House" and/or the "Old Police Headquarters Building" (the "Property"); and

**WHEREAS**, the Gristmiller's House was constructed in or about 1860 adjacent to the site of the Township's gristmill that had originally been established c. 1736, and has been occupied as a residential dwelling, and following the Township's acquisition, from 1968 to 1985 as the Cranbury Township Police Station; and

**WHEREAS**, the Gristmiller's House is a historic structure located in the Township's historic district; and

**WHEREAS**, CHPS is a non-profit organization with tax-exempt status pursuant to State and federal law committed to furthering interest in and knowledge of the Township's history, the promotion, support and encouragement of the beautification of the land and buildings located in the Township, and the restoration and preservation of the Township's historic buildings and sites; and

**WHEREAS**, by Lease dated December 20, 1989, CHPS leased the Property from the Township in order to save, preserve and maintain the historical improvements thereon, and with the assistance of a matching grant from the New Jersey Historic Trust and support of the Cranbury Township Community, undertook the renovation and restoration of the Gristmiller's House, which was completed in 1993; and

**WHEREAS**, since that time, the Gristmiller's House has served as the "Cranbury History Center," housing CHPS's collection of visual, oral and written records of the Township's history, providing storage for artifacts, memorabilia and textiles not currently on exhibit at the Cranbury Museum (located at 4 Park Place East in Cranbury Township), and providing a valuable resource facility for members of the public to conduct research and use CHPS's historical records; and

**WHEREAS**, there exists within the Gristmiller's House a vacant one-bedroom residential apartment located at the rear of the building on the first and second floors (the "apartment") previously used as the residence of CHPS's subtenant; and

**WHEREAS**, CHPS has expressed its willingness and desire to lease the apartment to an income-qualified household as part of the Township's affordable housing program, and the Township desires to have the apartment leased to and occupied by an income-qualified household, in order to assist the Township satisfy its constitutional obligation to foster the production of affordable housing opportunities; and

**WHEREAS**, use of the Property by CHPS to: (a) maintain and preserve a valuable historic asset of the Township; (b) foster and promote interest in and knowledge of the Township's history; and (c) utilize the apartment for affordable housing purposes, all serve a multitude of valuable and beneficial public purposes; and

**WHEREAS**, to effectuate and further the intent and purposes agreed upon herein, the Township and CHPS desire to terminate the existing lease agreement and enter into this new Lease in order to ensure that the proper affordability controls on the apartment may be imposed such that the Township will be able to have the apartment included within its inventory of affordable housing units; and

**WHEREAS**, this lease is authorized pursuant to N.J.S.A. 40A:12-14 and Township Ordinance No. 01-11-03.

**NOW, THEREFORE**, in consideration of the mutual promises set forth below and other good and valuable consideration, the Township and CHPS agree as follows:

1. Incorporation. The preamble to this Lease Agreement is incorporated and made a part hereof as if set forth at length herein.

2. Property. Tenant agrees to rent from the Landlord, and Landlord agrees to lease to Tenant, the land and improvements located at 6 South Main Street and designated as Lot 73 in Block 23 on the Cranbury Township Tax Map, subject to the terms, conditions and restrictions as herein set forth.

3. Purposes. The parties agree that the primary purposes of this Lease are:

- a. The maintenance and preservation of the historic Gristmill's House;
- b. The promotion and furtherance of CHPS's efforts to further interest in and knowledge of the Township's history; and
- c. The occupancy of the apartment by an income-qualified household pursuant to the requirements of the Township's Affordable Housing program and applicable State law.

4. Termination of Existing Lease Agreement. The existing lease agreement by and between the parties, dated December 20, 1989, is terminated, ended and replaced by this agreement, as of the effective date of this Lease.

5. Effective Date and Term. Pursuant to N.J.S.A. 40A:12-15, the initial term of this Lease will be for a period of fifty (50) years, starting on and effective upon: March 1, 2011 (the "effective date").

6. Rent. Tenant agrees to pay the sum of One Dollar (\$1.00) per year to be paid on the first business day of every calendar year during the term of the Lease.

7. Use of Property. Tenant may use the Property only for the following purposes:

- a. As to the apartment: for residential sublease to an income-eligible household as part of the Township's Affordable Housing Program, as set forth by Ordinance 01-11-03 and detailed in Section 11 below.
- b. As to the remainder of the Property: for the general corporate purposes of the Tenant, including use as an office, museum and any other purpose directly relating to the non-profit activities conducted by Tenant.

8. Eviction. Landlord may evict Tenant if Tenant fails to comply with any of the terms of this Lease. Tenant must pay all costs, including reasonable attorney fees, related to the eviction, along with the cost of re-entering, cleaning and repairing the Property.

9. Care of the Property. Tenant agrees to maintain the property in such condition as to render it in continuing compliance with the building code(s) of the Township of Cranbury, and as same may be from time to time amended or supplemented. Tenant shall pay for all repairs, replacements and damages caused by the act or neglect of Tenant or Tenant's sub-lessees, visitors or invitees. Tenant will remove all of Tenant's property at the end of this Lease. Any property that is left shall be considered abandoned and shall immediately become the property of Landlord, and may be immediately disposed of at Landlord's discretion.

10. Renewal. So long as Tenant has complied with the terms of this Lease, it shall have the right to renew this Lease for a period of up to 25 additional years pursuant to N.J.S.A. 40A:12-15, on otherwise the same terms. Tenant shall provide at least 60 days prior notice to Landlord of Tenant's intent to renew this Lease so that Landlord will have sufficient time to introduce and consider for adoption the proper enabling ordinance as required by law.

11. Affordable Housing Restrictions. Tenant agrees to the following terms, conditions and restrictions regarding the apartment unit within the Property (the "Affordability Controls"):

- a. The provisions of this Section shall govern the use and occupancy of the apartment for a period of 30 years (the "Control Period"), commencing upon the date on which

the first certified household occupies the unit. The Control Period may not be shortened except as provided for by law.

- b. Use, occupancy and rental of the apartment shall be subject to, and administered in conformance with, the applicable regulations of the New Jersey Council on Affordable Housing ("COAH"), and any successor State department(s), agencies or entities; said regulations being currently set forth at N.J.A.C. 5:96 and 5:97 ("COAH's Third Round Rules") and N.J.A.C. 5:80-26.1 *et seq.* (the "Uniform Housing Affordability Controls" or "UHAC"), and as they may from time to time be amended, supplemented or replaced.
- c. The apartment has been designated by the Township as a "moderate-income unit" as said designation is defined by UHAC at N.J.A.C. 5:80-26.2.
- d. The apartment shall only be occupied by a household that has been approved in advance and certified in writing by the Township's Administrative Agent for affordable housing (the "Administrative Agent"), currently Cranbury Housing Associates, 216 Rockingham Row, Princeton, New Jersey 08540. All fees of the Administrative Agent incurred in connection with the rental of the apartment shall be the responsibility of Tenant.
- e. Tenant shall:
  - (i.) Sub-lease the apartment only to an income-certified, moderate-income household approved in writing by the Administrative Agent;
  - (ii.) Charge rent no greater than the maximum permitted rent as determined by the Administrative Agent in conformance with all applicable rules and regulations;
  - (iii.) Submit for written approval of the Administrative Agent copies of any and all proposed leases for the apartment prior to having such lease signed by a proposed sub-tenant; and
  - (iv.) Ensure that the certified sub-tenant(s) of the apartment shall at all times maintain the apartment as his/her/their principal place of residence.
- f. No improvements or modifications may be made to the apartment that would affect its bedroom configuration without the prior written consent of Landlord and the Administrative Agent.
- g. Tenant acknowledges that a breach of this Section will cause irreparable harm to the Township and to the general public in light of the public policies set forth in the New Jersey Fair Housing Act (P.L. 1985, c. 222), UHAC and the obligation for the provision of low and moderate-income housing. Accordingly, in the event of a threatened breach, or upon the occurrence of a breach, of any provision of this Section by Tenant, Landlord and/or the Administrative Agent shall have available all remedies provided for at law or equity, including the right to seek injunctive relief or specific performance, to ensure compliance with this Section and the Affordability Controls.
- h. The parties expressly acknowledge that the rules, regulations and laws regarding the State of New Jersey's affordable housing requirements are currently in the process of being substantially amended and changed. As such, the parties agree and provide that nothing herein or provided for by this Lease shall prevent or prohibit the Township from imposing different or further restrictions on the Property applicable to the apartment, including the recording of any deed restriction(s), covenant(s) or other legally binding provision(s) that the Township may now or in the future find and determine to be necessary, to ensure compliance with State law for the crediting of the apartment as an affordable housing unit. Landlord agrees to provide notice to Tenant of any such restriction being imposed.

12. Insurance. Tenant shall be responsible for maintaining in force all risk insurance coverage in an amount at least equal to such coverages as CHPS maintains on the Cranbury Museum located at 4 Park Place East, Cranbury, New Jersey, with a comprehensive liability insurance limit in a minimum amount of \$1,000,000.00 per occurrence. Tenant will provide annually a Certificate of Insurance to Landlord evidencing such coverages and naming Landlord as an additional insured. Tenant further agrees to inform Landlord of any and all instances of personal injury or property damage that results from its use and

occupancy of the Property. Tenant shall require all lessees of the apartment to maintain renters insurance with a minimum liability limit of at least \$100,000.00. The Township shall continue to provide and maintain Fire Insurance coverage for the structure.

13. Indemnification and Hold Harmless. Tenant agrees to indemnify, defend and hold Landlord, its agents, employees and assigns, harmless from any losses, including, but not limited to reasonable attorneys' fees and costs, sustained by CHPS or anyone else as a result of Tenant's use and occupancy of the Property.

14. Utilities. Tenant shall be responsible for the payment of all water, sewer, electric and other utility charges in connection with its use of the Property. Tenant's failure to make such payments shall be deemed a violation of the provisions of this Lease and cause for eviction pursuant to Section 8 above.

15. Parking Restrictions On Use. Tenant shall have the right to park motor vehicles on Township-owned lands located adjacent to the rear of the Property, designated as Lot 72 in Block 23 on the Cranbury Township Tax Map ("Lot 72"), in such a manner and number as not to interfere with Landlord's and the Fire Company's use of the adjacent lands. Landlord reserves the right to use the remainder of the Property for any other purpose provided it does not render the premises herewith demised "unfit" for the purposes of Tenant, or otherwise contrary to the intent of this Lease. Landlord shall not permit parking alongside the building by anyone, except in case of emergency.

16. Landscape and Snow Removal. Landlord shall be responsible for grass cutting and landscape maintenance. Landlord shall also be responsible for removal of snow in the parking lot (Lot 72) and sidewalk areas of the Property.

17. Entry by Landlord. Upon reasonable notice, Landlord may enter the Property to provide services, inspect, repair or improve the Property or improvements. In case of emergency, Landlord may enter the Property without Tenant's consent.

18. Quiet Enjoyment. Tenant may remain in and use the Property without interference, subject to the terms of this Lease Agreement.

19. Annual Report. In accordance with N.J.S.A. 40A:12-14(c), Tenant shall submit, on or before February 15 of each year of this Lease, an annual report to the Township Administrator, setting forth: the use(s) to which this leasehold was put during the preceding calendar year; the activities of Tenant undertaken in furtherance of the public purposes stated herein; the approximate value or cost, if any, of Tenant's activities in furtherance of such public purposes; and an affirmation of the continued tax-exempt status of Tenant pursuant to both State and Federal law.

20. Notices. All notices provided by this Lease must be written, and delivered personally or by certified mail, return receipt requested. Notices to the Township shall be addressed to the Township, care of the Township Administrator, with a copy provided to the Township Clerk.

21. Assignment. Tenant may not assign its rights or obligations under this Lease, or sublet any part of the Property other than the apartment as provided for by this Lease, without the prior written consent of Landlord.

22. Choice of Law. This Lease shall be governed by and interpreted in accordance with the laws of the State of New Jersey.

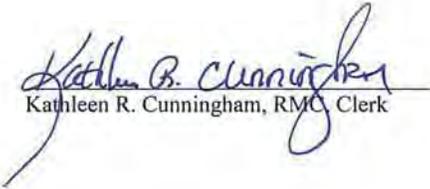
23. Severability. Should a court of competent jurisdiction deem any clause or provision of this Lease invalid, the balance of the Lease will remain in full force and effect.

24. Binding Agreement. This Lease shall be binding upon the parties hereto, their respective successors and assigns.

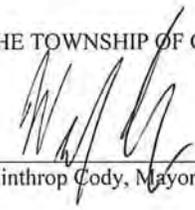
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto set their hands and affixed their seals the day and year first above written.

ATTEST:

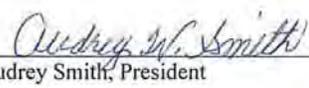
  
Kathleen R. Cunningham, RMC Clerk

THE TOWNSHIP OF CRANBURY

By:   
Winthrop Cody, Mayor

CRANBURY HISTORICAL AND  
PRESERVATION SOCIETY

  
Michael Kehrt, Recording Secretary

By:   
Audrey Smith, President

**APPENDIX J - APPLEWOOD COURT/ROUTE 130D –  
PROFORMA/RESOLUTION OF APPROVAL**





**CRANBURY TOWNSHIP PLANNING BOARD  
COUNTY OF MIDDLESEX  
STATE OF NEW JERSEY**

**RESOLUTION OF MEMORIALIZATION**

**RESOLUTION MEMORIALIZING GRANT OF  
PRELIMINARY AND FINAL MAJOR SITE PLAN APPROVAL WITH ANCILLARY  
BULK VARIANCE RELIEF TO  
CRANBURY HOUSING ASSOCIATES, INC.**

**BLOCK 26, LOT 3  
(2665 NJ State Highway Route 130)**

**APPLICATION NUMBER PB 274-15**

**WHEREAS**, Cranbury Housing Associates, Inc. (“applicant”) has applied to the Cranbury Township Planning Board (“Board”) for preliminary and final major site plan approval along with ancillary bulk variance relief for its 100% affordable housing development containing thirty-two (32) residential units located on 2665 NJ State Highway Route 130 and designated as Block 26, Lot 3 on the Cranbury Township tax maps (“property”, “subject property” or “site”); and

**WHEREAS**, the Board reviewed the following materials submitted by the applicant:

- Application, checklists, and attachments (undated);
- Application Letter dated 8/12/15, by Maser Consulting, PA
- Plan of Survey by James K. Walz, PLS of Hatch Mott MacDonald, dated 11/8/06
- Earthworks Exhibit dated 8/5/15 by Julia Algeo, PE of Maser Consulting, PA
- Traffic Impact Study dated 8/5/15 by Maurice Rached, PE of Maser Consulting, PA
- Environmental Impact Statement dated 8/15 by Maser Consulting, PA
- Stormwater Management Maintenance Manual dated 8/5/15 by Maser Consulting, PA

- Preliminary & Final Major Site Plan for Applewood Court, Block 26, Lot 3 with corresponding application documents, prepared by Maser Consulting dated August 5, 2015
- Architectural plans prepared by J Stevens & Associates, PC dated 8/11/15

and

**WHEREAS**, the Board also reviewed and considered the following reports from its professional consultants:

- Engineering reports from Board engineering consultant David J. Hoder, PE, PP, CME of Hoder Associates Consulting Engineers, dated August 8, 2015 (revised August 19, 2015), August 31, 2015 and September 23, 2015
- Traffic report from Board traffic consultant A. Andrew Feranda, PE, PTOE, CME of Shropshire Associates, LLC, dated August 31, 2015
- Planning Report from Board Planner Richard Preiss, PP of Phillips, Preiss, Grygiel, LLC dated September 9, 2015

and

**WHEREAS**, the application was duly noticed in accordance with the requirements of the Municipal Land Use Law (“MLUL”) and the Cranbury Township Land Development Ordinance (“LDO”) (Chapter 150 of the Code of the Township of Cranbury), and the Board held public hearings on the application on September 17, 2015 and September 24, 2015; and

**WHEREAS**, the applicant was represented by Christopher S. Tarr, Esquire of Stevens and Lee; and

**WHEREAS**, the following witnesses were sworn in and testified during the hearing:

- Julia G. Algeo, PE, PP (applicant’s civil engineer)
- Mark A. Berkowsky, AIA, PP (applicant’s architect and planner)
- A. Maurice Rached, PE, PTE (applicant’s traffic engineer)
- David J. Hoder, PE, PP, CME (Board’s civil engineer)
- A. Andrew Feranda, PE, PTE, CME (Board’s traffic engineer)
- Richard Preiss, PP (Board’s Planner)

- Elizabeth Leheny, PP, AICP (Board's Planner)

and

**WHEREAS**, during the hearing, the following exhibits were marked and entered into evidence:

*Applicant's exhibits:*

Exhibit A-1:	1 Color Rendering of Original Site Plan
Exhibit A-2:	Front Elevation
Exhibit A-3:	Cross Section
Exhibit A-4:	Utilities Plan, Sheet 5 of 13
Exhibit A-5:	Alternate Drainage and Utilities Plan, dated September 17, 2015
Exhibit A-6:	Dimension Plan, Dated 9/24/2015

and

**WHEREAS**, an appearance was entered by Ronald Gasiorowski, Esq. on behalf of Cathryn and Christian Tarske of 4 Silvers Lane (Block 26, Lot 29.21) at the September 24, 2015 hearing. Mr. Gasiorowski argued the Board lacked jurisdiction to hold the hearing as the proposed stormwater management plan required an easement from his clients. It was later revealed, however, that Mr. Gasiorowski actually represented the neighboring Cranbury Walk Homeowners Association and not Cathryn and Christian Tarske; and

**WHEREAS**, the following members of the public asked questions and offered comments:

- a) Rick Cinna; Ken Ellsworth; Dave Major; and Josh Kohut. All expressed concern regarding buffers and the impact of the development on their quality of life.
- b) Kevin Kelly of 3 Silvers Lane stated that he was also the President of the Cranbury Walk Homeowners Association. He confirmed that Mr. Gasiorowski was in fact representing the Association and not Mr. and Mrs. Tarske. Mr. Kelly

stated that he was appearing on behalf of the Tarske family and informed the Board that the necessary easement rights had not been secured for the stormwater management plan.

- c) Elizabeth Silverman testified that she was on the Board of Cranbury Housing Associates and believed that the project was laudable and supplied a need in the community.
- d) Josh Kohut stated that he was not in favor of a fence on top of the wall around the basin area.
- e) Bill Franke stated that he was not directly impacted by the project but had questions concerning the landscape plan on the site.
- f) Gregory DeAngelis further questioned buffering and landscaping on the site.
- g) Kevin Griffin stated that he supported stormwater management "Option B" as it included a more attractive fence around the basin. He further requested split rail fencing if possible.
- h) Other representatives of Cranbury Housing Associates stated that they did not support fencing or walls that cutoff the affordable housing development from other communities in the area.

**WHEREAS**, the members of the Board voting on this resolution attended the meeting at which the application was heard and voted in favor of the actions memorialized herein; and

**WHEREAS**, the Board has reviewed all of the application materials and submissions and is granting approval in reliance upon the representations and statements made in said materials and during the public hearing; and

**WHEREAS**, the Board, after carefully considering all of the evidence and testimony presented, makes the following findings:

1. The Board entertained jurisdiction over the application pursuant to *N.J.S.A. 40:55D-25*. The Board specifically addresses the objection to jurisdiction raised by Mr. Gasiorowski at the first hearing. The Board finds that easement rights in the stormwater management plan as depicted in "Option A" have not currently been secured. The Board, however, finds that it cannot deny jurisdiction of a matter simply because all easement rights or outside agency approvals have not yet been secured. As discussed below, the Board has approved both "Option A" and "Option B." If the Applicant avails itself of an option which requires an easement, such easement will need to be provided to the Board's professionals for review as a condition of this approval.
2. The applicant complied with the notification and publication requirements of the MLUL and Cranbury Township LDO.
3. The application proposes a 100% affordable apartment residential development. The proposed development is a permitted use in R-ML III Residential Mount Laurel III Zone. The subject site is owned by the Township of Cranbury and is part of its Fair Share Plan to be submitted to the Superior Court as part of its Declaratory Judgment action.
4. The site measures 3.81 acres and is located along the southbound side of Route 130. The site was formerly occupied with a residential/commercial mixed use building, which has since been demolished. The associated gravel parking area is all that is left on the site from this former use. The remainder of the site is undeveloped and is comprised of wooded areas and old field successional vegetation. Land use in the vicinity of the site is comprised of single-family residences to the south and west, as well as commercial establishments to the north and east along Route 130 (e.g. California Closets, Residence Inn, etc.)
5. The applicant is proposing to construct four new residential buildings, to be oriented around Applewood Court, a circular driveway within the site. Each building would measure 2 stories/35 feet in height. There would be 32 affordable rental units (eight units per building), as follows:
  - a. 4 one bedroom units (+/- 766 square feet)
  - b. 20 two bedroom units (+/- 894 square feet, +/-928.5 square feet)
  - c. 8 three bedroom units (+/- 1,062 square feet)
6. Units would be comprised of a kitchen, bathroom, living/dining area, bedroom(s), full bathroom, linen closet, laundry/utility closet, and patio/balcony; the three bedroom units would have two bathrooms.

7. A sidewalk would be provided along Applewood Court adjacent to parking areas; a connection to an existing sidewalk along the Ryan Road cul-de-sac to the south of the site would also be provided. Vehicular entrance and exit into the site would be provided from Route 130 only. An emergency access road (12 feet in width) would extend southward to the Ryan Road cul-de-sac. Seventy-four off-street parking spaces would be provided on-site, six of which would be standard spaces (to measure 9 feet by 18 feet). Four of these spaces would be handicapped accessible (to measure 8 feet by 18 feet)
8. Refuse/recycling areas would be provided in both the northeastern and southeastern portions of the site, to be accessed from Applewood Court; associated enclosures would be comprised of board on board fencing measuring six feet in height. Board on board fencing measuring four feet in height would also be provided to the north of Applewood Court, as well as along portions of the eastern and western property lines. A detention basin would be provided in the southwestern corner of the site.
9. With regard to landscaping, some existing vegetation would be retained in the southern portion of the site. A mix of shade/ornamental/evergreen trees and shrubs would be provided along Route 130. Shade trees would be provided along Applewood Court, and evergreen trees would be provided around the refuse/recycling areas. Evergreen trees would be provided along the southern portion of the site to supplement existing vegetation. Ornamental trees would be provided at the northwestern corner of the site, and a mix of shade/ornamental/evergreen trees and shrubs would be provided around portions of the drainage basin. In addition, shrubs would be provided around the base of all buildings, and shade/ornamental trees would be scattered throughout the lawn area in the interior of the site.
10. Light fixtures measuring 3.5 feet in height which will be mounted on a 12 foot pole will be provided.
11. The site will have only one (1) driveway along Route 130 southbound. Route 130 is a divided highway, thus only right-turn ingress and egress is permitted. The driveway is 30 feet wide and divided with a concrete island to channelize right-in and right-out movements. An emergency access drive will be provided to connect with the Ryan Road cul-de-sac.
12. The access along Route 130 is under the jurisdiction of the NJDOT and subject to NJDOT requirements. A NJDOT access permit will be required.
13. A sight triangle is provided for right-out movements. The sight triangle is located completely within the NJDOT right-of-way (ROW) and conforms to design standards.

14. The site has a loop circulation configuration beyond the site entrance driveway. The circulation aisle is typically 24 ft. wide for two-way travel in areas adjacent to perpendicular parking. An approximate 200 ft. section of the circulation aisle at the southwest corner of the site is 21 ft. for two-way travel in area adjacent to perpendicular parking. An approximate 200 ft. section of the circulation aisle at the southwest corner of the site is 21 ft for two-way travel adjacent to 6 parallel parking spaces. Sidewalks are provided completely around the interior of the site for pedestrian access between parking and apartment buildings. Sidewalk is provided to connect the site with the Ryan Road cul-de-sac sidewalk.
15. The proposed parking layout includes a total of 74 parking spaces, including four (4) handicap (HC) accessible spaces. Typical size of the parking spaces is 9 ft by 18 ft, except the six (6) parallel parking spaces which are 7 ft by 23 ft.
16. The applicant's traffic engineer testified that a Traffic Impact Study (TIS) was prepared to analyze traffic for the proposed 32 apartment unit development. Traffic was analyzed for the site's right-in/right-out access along Route 130 southbound for a 2017 Build-Out. Traffic count data collected in May 2011 was adjusted using a prescribed NJDOT growth factor for the traffic analysis on this report.
17. The total daily trips for the site is calculated to be 213 trips as shown in Table 2 on page 4 and in the trip generation summary calculation in the Appendix C. The site's total daily trips calculated by ITE and NJDOT HAPS program is 317 trips. All site trips access to/from Route 130. This correction does not change the traffic analysis which used park hour trips for analysis and conclusions.
18. Levels of service (LOS) were calculated for exit movements from the proposed driveway to Route 130. Based on analysis found in the report the driveway will function at LOS B (12.1 seconds of delay) for outbound movements in the AM peak hour and at LOS C (16.4 seconds of delay) in the PM peak hour.
19. The subject development will be served by public sewer and central water systems.
20. The applicant has proposed two stormwater management plans known as "Option A" and "Option B."
  1. Option A
    1. The Applicant is proposing a stormwater system that runs to an extended detention basin as well as a water quality unit and a stone and pipe recharge area. The site is considered a major development and the required 50%, 75% and 80% reductions from pre-development for the 2, 10 and 100 year storms have been met.

2. It appears that a test pit/percolation test in the area of the recharge area has not been done and it should be provided before final design and not left up to the contractor.
3. Information on the downstream storm sewer as to capacity should be provided for the run just downstream.
4. The emergency spillway should be further defined by contours and materials as needed.
5. A swale calculation should be provided for the flow from the emergency spillway to the existing swale to the existing inlet.
6. §151-61 F3 – A check list in the report should be provided in accordance with this section.

2. Option B

1. The applicant's engineer submitted an alternate plan dated September 21, 2015. This plan proposes 477 linear feet of stormwater pipe in Ryan Road flowing to the manhole at the intersection of Ryan Road and Griggs Road. The alternative is in response to the possibility that the applicant may not be able to obtain the easements for the first alternative using the grass easement at the rear of the property.
21. The Board Engineer provided reports and also testified that both stormwater management plans were appropriate and satisfy all applicable standards from an engineering perspective. The Board therefore approves both "Option A" as well as "Option B." The applicant, however, must resolve which option it will avail itself of prior to any final maps being signed.
22. §150-48 (Lighting) of the ordinance requires that a minimum of 0.2 footcandle and a maximum average of 1.0 footcandle be provided in parking lots. The applicant's professionals testified that there will be a minimum proposed footcandle of 0.2 and that the maximum average is proposed to be 1.37 footcandles. The 1.37 footcandles is above the 1.0 footcandle average requirement and therefore requires a design waiver pursuant to N.J.S.A. 40:55D-51. The Board finds that as this is a 100% affordable housing development it is required to grant all reasonable deviations from design standards so as to eliminate unnecessary cost generation and to help facilitate the construction of the development. The Board finds that the increase in the average footcandle is *di minimis* in nature and will not be visually perceptible. The Board further finds that requiring the applicant to strictly comply with the ordinance requirements would be unnecessarily cost generative and create a practicable difficulty in developing the site for its permitted use and assisting the Township to meet its constitutional affordable housing obligations. The Board therefore finds that design waiver relief is appropriate in this instance.
23. The fence around detention basin is proposed to be six (6) feet high, which requires variance relief pursuant to N.J.S.A. 40:55D70c. The applicants professionals testified

that the fence is required for safety purposes and further testified that the fence material would be subject to review and approval of the Board Planner and would be aesthetically pleasing on the property. The Board therefore finds the applicant has satisfied the positive criteria for both a c(1) hardship variance as well as the c(2) flexible variance. The Board finds that it is necessary to have a fence at the proposed height in order to achieve maximum safety on the site. The Board finds that a hardship in conforming with the applicable ordinance. The Board further finds that the fence will be visually attractive and will promote safety. These are both goals of planning as enumerated in N.J.S.A. 40:55D-2 of the Municipal Land Use Law and satisfy the c(2) flexible requirements. The Board further finds the applicant has satisfied the negative criteria. The Board finds that the purpose of the fence is provide safety on the site and that there is therefore no negative impact or substantial detriment to the zone plan or zoning ordinance. The Board further finds that the design will be aesthetically pleasing and will therefore not detract from the visual environment. The Board finds that the positive criteria outweighs the negative criteria and that variance relief pursuant to N.J.S.A. 40:55D-70c(1) and (2) is therefore appropriate.

24. The Board also finds that the request for submission waivers are appropriate and are hereby granted. The Board finds the applicant has satisfied nearly all submission requirements as contained on its checklist. The applicant has also agreed to provide additional information as conditions of approval. The Board is further aware under the Mount Laurel Doctrine that it is required to grant reasonable requests for relief from submission waiver requirements so as to eliminate unnecessary cost generation and to help facilitate the construction of the development.
25. In regard to compliance with the Cranbury Land Use Development Ordinance, it does not appear that any additional variances or waivers are required as part of this application.

NOW, THEREFORE, BE IT RESOLVED by the Cranbury Township Planning Board, in Middlesex County, New Jersey, that the application by Cranbury Housing Associates, Inc. for preliminary and final major site plan approval with ancillary bulk variance and design waiver relief for the project known as Cranbury Housing Associates, Inc. be and is hereby GRANTED, subject to the following conditions:

1. Unless expressly modified herein or during the September 17, 2015 or September 24, 2015 hearings, the applicant shall comply with all of the conditions and requirements set forth in the Board Engineer's August 8, 2015 (revised August 19, 2015), August 31, 2015 and September 23, 2015 reports as well as the Board Planner's report dated September 9, 2015.
2. The applicant shall determine if it will avail itself of "Option A" or "Option B" for stormwater management and submit a plan depicting same prior to any plans being signed.
3. Any easements must be submitted to the Board Engineer, Board Planner and Board Attorney for review and approval.
4. The applicant shall file an Agreement to exceed RSIS standards, if applicable, with the Department of Community Affairs.
5. The emergency access drive shall be 18 feet wide. Further, the Township Committee shall investigate the feasibility of creating an emergency access \_\_\_\_\_ this location.
6. The applicant shall depict additional plantings on the west and south sides of the development subject to the review and approval of the Board Planner.
7. The applicant shall provide fencing around the trash enclosure subject to the review and approval of the Board Planner.
8. The applicant shall provide a concrete pad under the proposed dumpsters subject to the review and approval of the Board's professionals.
9. The "V" shaped tree on the property shall be removed subject to the review and approval of the Board Planner.
10. The applicant shall provide perc testing results to the Board Engineer for review and approval.
11. The applicant shall make its best efforts to comply with the recommendations contained in the report of the Board Traffic Engineer.
12. The applicant shall provide a split rail fence around the basin if possible. Any fencing must be reviewed and approved by the Board Planner.
13. The applicant shall submit a full set of the approved plans for review and signature.

14. In accordance with *N.J.S.A.* 40:55D-53c, the applicant shall post performance guarantees and engineering observation escrows with the Township of Cranbury for the proposed on-site improvements in the amounts determined by the Board Engineer and/or the Township Engineer. The form and substance of the performance guarantee shall be subject to the review and approval of the Township Attorney.
15. Prior to the start of construction, the applicant will provide the Township Engineer with shop drawings and submittals stamped "approved" by the applicant's design engineer, showing at a minimum the storm sewer inlets, manholes, castings, MTD, survey cut sheets, diversion manholes, and overflow manholes.
16. Upon completion of the construction and prior to the release of the above-referenced performance guarantee, the applicant shall provide to the Township Engineer a signed and sealed as-built survey prepared by a land surveyor licensed in the State of New Jersey, in both paper and CAD format.
17. The applicant shall comply with any other condition(s) agreed to during the hearing on this application, if omitted from this resolution.
18. The applicant shall obtain approvals, revised or amended approvals, waivers, or letters of no interest from all applicable outside agencies, including, but not limited to:
  - a. New Jersey Department of Environmental Protection
  - b. NJDEP Treatment Works
  - c. New Jersey Department of Transportation
  - d. Freehold Soil Conservation District
  - e. Delaware & Raritan Canal Commission
  - f. Middlesex County Planning Board
  - g. Cranbury Volunteer Fire Company
  - h. Potable Water Extension permit
19. Except as expressly modified herein, the applicant will comply with all rules and regulations and Township Ordinances applicable to the proposed development.

\*\*\*\*\*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**ROLL CALL ON THE APPLICATION, September 24, 2015:**

Mr. Schilling motioned for approval

Mr. Johnson seconded

J. Cooke:	YES	G. Johnson:	YES
J. Gallagher:	YES	A. Kehrt:	YES
S. Goetz:	YES	B. Schilling:	YES
T. Harvey:	YES	J. Stewart:	ABSENT
A. Hasselbach:	ABSENT		

This resolution adopted November 19, 2015 memorializes the actions of the Cranbury Township Planning Board taken at a meeting on September 24, 2015. The date of the decision memorialized herein shall be September 24, 2015, except that the date of adoption of this memorializing resolution (November 19, 2015) shall be the date of decision for purposes of (1) mailing a copy of this decision to the applicant within ten days of the date of decision; (2) filing a copy of this decision with the Administrative Officer; and (3) publishing a notice of this decision.

**ROLL CALL ON THE RESOLUTION, November 19, 2015**

Mr. Harvey motioned for approval

Mr. Cooke seconded

J. Cooke:	YES	G. Johnson:	YES
J. Gallagher:	YES	A. Kehrt:	YES
S. Goetz:	YES	B. Schilling:	YES
T. Harvey:	YES	J. Stewart:	Ineligible to vote
A. Hasselbach:	Ineligible to vote		

I hereby certify that the foregoing is a true copy of a resolution duly adopted by the Cranbury Township Planning Board at a meeting held on November 19, 2015.

  
Josette C. Kratz, Board Secretary

1000188\_8

**APPENDIX K - INGERMAN/PAUL'S AUTO – PROFORMA/CONSTRUCTION  
SCHEDULE**



Township of Cranbury, Middlesex County  
2687 Route 130 (Paul's Garage Site)

Pro forma for 100% affordable multifamily residential construction

March 10, 2016

**Senior / Supportive Housing Development, 66 units**

Total Project Cost	\$15,855,000
Funding Sources	
LIHTC Equity	\$11,760,000
Permanent Mortgage	\$1,440,000
Township Contribution	\$2,600,000
Deferred Development Fee	\$55,000

**Family Housing Development, 24 units**

Total Project Cost	\$5,400,000
Funding Sources	
LIHTC Equity	\$1,600,000
Permanent Mortgage	\$1,180,000
Township Contribution	\$2,275,000
Deferred Development Fee	\$345,000

Township of Cranbury, Middlesex County  
2687 Route 130 (Paul's Garage Site)

Timeline for 100% affordable multifamily residential construction

March 10, 2016

**Senior / Supportive Housing Development, 66 units**

Redevelopment / Rezoning Process	May 2016
Preliminary Site Plan Approval	August 2016
LIHTC Application	4Q 2016
Notification of LIHTC Award	March 2017
Final Site Plan Approval	May 2017
Construction Closing	June 2017
Begin Marketing / Leasing	February 2018
Construction Completion	August 2018
Complete Leasing	January 2019

**Family Housing Development, 24 units**

Redevelopment / Rezoning Process	May 2016
Preliminary Site Plan Approval	August 2016
Declaration of Intent to issue Tax Exempt Bonds	January 2017
LIHTC Application	May 2017
Final Site Plan Approval	May 2017
Construction Closing	June 2017
Begin Marketing / Leasing	February 2018
Construction Completion	August 2018
Complete Leasing	November 2018

**APPENDIX L - HIGH POINT/CHENEY/KUSHNER/HAGERTY –  
RESOLUTION OF APPROVAL**

**CRANBURY TOWNSHIP PLANNING BOARD  
COUNTY OF MIDDLESEX  
STATE OF NEW JERSEY**

**RESOLUTION OF MEMORIALIZATION**

**RESOLUTION MEMORIALIZING GRANT OF PRELIMINARY AND FINAL MAJOR  
SUBDIVISION APPROVAL, PRELIMINARY AND FINAL MAJOR SITE PLAN  
APPROVAL (PHASE 1), AND PRELIMINARY MAJOR SITE PLAN APPROVAL  
(PHASE 2) WITH SITE PLAN ORDINANCE EXCEPTIONS (WAIVERS) AND  
REDEVELOPMENT PLAN DEVIATIONS TO HIGHPOINT DEVELOPMENT, LLC**

**High Point Redevelopment Area  
(Cheney/Hagerty/Kushner Tract)**

**BLOCK 19, LOTS 2, 3, & 4  
BLOCK 20.16, LOTS 7, 8, 9, 10 & 20  
(Old Trenton Road, Old Cranbury Road, and South Main Street)**

**APPLICATION NUMBER PB 267-15**

**WHEREAS**, High Point Development, LLC (“High Point” or “applicant”) is the contract purchaser of property located on Old Trenton Road, Old Cranbury Road, and South Main Street and designated on the Cranbury Township tax maps as Block 19, Lots 2, 3, and 4, and Block 20.16, Lots 7, 8, 9, 10 and 20 (“subject property”); and

**WHEREAS**, the subject property comprises the High Point Redevelopment Area pursuant to a certain redevelopment plan entitled “Redevelopment Plan for the Cheney/Hagerty/Kushner Tract in the Township of Cranbury, New Jersey” and adopted by the Township Committee of the Township of Cranbury (“Township”) on October 26, 2015 by Ordinance # 10-18-15 (“Redevelopment Plan”); and

**WHEREAS**, High Point has applied to the Cranbury Township Planning Board (“Board”) for preliminary and final major subdivision approval, preliminary and final major site plan approval (Phase 1), and preliminary major site plan approval (Phase 2), together with

exceptions and redevelopment plan deviations, to develop the subject property with 54 townhouse units, a ±4.7-acre open space lot, three private roads, and associated stormwater management, parking, lighting, landscaping, and other improvements (Phase 1), and a 3.5-acre mixed-use lot containing a pharmacy, bank, retail space, and apartments (Phase 2); and

**WHEREAS**, in support of its application, High Point submitted and the Board reviewed the following materials:

- Application, checklists, and attachments submitted November 2, 2015
- Site plan set entitled “Preliminary and Final Major Subdivision, Preliminary and Final Major Site Plan – Phase 1 and Preliminary Site Plan – Phase 2 for Proposed Residential (Phase 1) and Mixed Use Development (Phase 2), Block 20.16 Lots 7-10 & 20, Block 19, Lots 2-4, Tax Map Sheet No. 3 and 3.04 (Dated June 2003), Township of Cranbury, Middlesex County, New Jersey,” prepared by Bowman Consulting Group, Ltd., dated November 2, 2015, consisting of eighteen sheets
- Subdivision plan entitled “Final Plat Major Subdivision for Proposed Residential and Mixed Use Development, Block 20.16 Lots 7-10 & 20, Block 19, Lots 2-4, Tax Map Sheet No. 3 and 3.04 (Dated June 2003), Township of Cranbury, Middlesex County, New Jersey,” prepared by Bowman Consulting Group, Ltd., dated October 29, 2015, consisting of one sheet
- Plan entitled “Boundary & Topographic Survey, High Point Development, LLC, Block 20.16 – Lots 7, 8, 9, 10 & 20, Block 19 – Lots 2, 3, & 4, Township of Cranbury, Middlesex County, New Jersey,” prepared by Omland Engineering Associates, Inc., dated April 14, 2015, consisting of one sheet
- Plan entitled “Preliminary Plan for Proposed Mixed Use Test Pit Location Plan, South Main Street, Old Trenton Road & Old Cranbury Road, Block 20.16 Lots 7-10 & 20, Block 19, Lots 2-4, Township of Cranbury, Middlesex County, New Jersey,” prepared by Bowman Consulting Group, Ltd., dated August 26, 2015, consisting of one sheet
- Plan set prepared by Bowman Consulting Group, Ltd. consisting of the following seven sheets:
  - Colored rendering entitled “Proposed Mixed Use Redevelopment Concept Plan,” dated September 3, 2015

- Color aerial photograph entitled “Aerial Map Exhibit,” dated November 19, 2015 (marked as Exhibit A-1 during the public hearing)
- Plan entitled “Fire Truck Circulation Plan,” dated November 19, 2015 (marked as Exhibit A-4 during the public hearing)
- Plan entitled “Delivery Truck, Garbage Truck & Drive Thru Lane Circulation Plan,” dated November 19, 2015 (marked as Exhibit A-3 during the public hearing)
- Colored rendering entitled “Proposed Supplemental Buffer Planting, 4 Season’s [sic] Development Along Old Cranbury Road,” dated November 17, 2015 (marked as Exhibit A-7 during the public hearing)
- Colored rendering of existing and proposed buffer for Lot 10.04 entitled “Typical Lot Planting - Recommendations,” dated November 17, 2015 (marked as Exhibit A-6 during the public hearing)
- Colored rendering of existing and proposed buffer for Lot 8 entitled “Typical Lot Planting - Recommendations,” dated November 17, 2015 (marked as Exhibit A-5 during the public hearing)
- Architectural plans entitled “Proposed Townhome Project for High Point Development, Cranbury, NJ,” prepared by Zampolin and Associates Architects, dated November 2, 2015, consisting of ten sheets of townhome floor plans and elevations
- Architectural plans entitled “Proposed Townhome Project for High Point Development, Cranbury, NJ,” prepared by Zampolin and Associates Architects, dated November 23, 2015, consisting of townhome floor plans and elevations (sheets A1 through A12), retail center floor plans and elevations (sheets R1 through R4), bank floor plans and elevations (sheets R5 and R6), and pharmacy floor plans and elevations (sheets R7 and R8)
- Report entitled “Stormwater Management Report for Proposed Residential and Mixed Use Development, Block 20.16 Lots 7-10 & 20, Block 19, Lots 2-4, Township of Cranbury, Middlesex County, NJ,” prepared by Bowman Consulting Group, Ltd., dated November 2, 2015
- Report entitled “Environmental Impact Statement, Proposed Residential and Mixed Use Development, Block 20.16 Lots 7-10 & 20, Block 19, Lots 2-4, Township of Cranbury, Middlesex County, NJ,” prepared by Bowman Consulting Group, Ltd., dated November 2, 2015

- Letter report entitled “Report on Subsurface Soil and Groundwater Investigation, Proposed Stormwater Basins, Old Cranbury Road & Old Trenton Road; Cranbury, NJ,” prepared by Carlin Simpson & Associates, dated September 22, 2015
- Traffic impact analysis prepared by McDonough & Rea Associates, Inc., dated September 24, 2015

and

**WHEREAS**, the Board also reviewed and considered the following reports from its professional consultants and Township boards and agencies:

- Planning reports from Board planning consultants Richard Preiss, PP and Elizabeth Leheny, AICP, PP (Phillips Preiss Grygiel, LLC) dated November 19, 2015 and December 6, 2015
- Engineering report from Board engineering consultant David J. Hoder, PE, PP, CME (Hoder Associates Consulting Engineers) dated November 16, 2015
- Traffic report from Board traffic consultant A. Andrew Feranda, PE, PTOE, CME (Shropshire Associates, LLC) dated November 16, 2015
- Cranbury Volunteer Fire Company report from Cranbury Volunteer Fire Company Plan Review Committee dated November 18, 2015
- Cranbury Environmental Commission draft letter/email report from CEC Chair Barbara Rogers dated December 8, 2015

and

**WHEREAS**, the application was duly noticed in accordance with the requirements of the Municipal Land Use Law (“MLUL”) and the Cranbury Township Land Development Ordinance (“LDO”) (Chapter 150 of the Code of the Township of Cranbury), and the Board held a public hearing on the application on December 10 and 15, 2015; and

**WHEREAS**, the applicant was represented by Frank J. Petrino, Esquire of Eckert Seamans Cherin & Mellott, LLC; and

**WHEREAS**, the following witnesses were sworn in and testified during the hearing:

*Applicant's witnesses*

- Paul Schneier
- Robert Geiger
- Sean Delany, PE, PP, CME
- Robert Zampolin, AIA
- Peggy Steinhauser, LLA
- Jay S. Troutman, Jr., PE

*Board's witnesses/consultants*

- Elizabeth Leheny, AICP, PP
- David J. Hoder, PE, PP, CME
- A. Andrew Feranda, PE, PTOE, CME

and

**WHEREAS**, during the hearing, the following exhibits were marked and entered into

evidence:

*Applicant's exhibits:*

Exhibit A-1:	Aerial Map Exhibit prepared by Bowman Engineering Consultants, dated November 19, 2015
Exhibit A-2:	Proposed Mixed Use Color Rendering Exhibit prepared by Bowman Engineering Consultants, dated November 18, 2015
Exhibit A-3:	Delivery Truck, Garbage Truck & Drive Thru Lane Circulation Plan prepared by Bowman Engineering Consultants, dated November 19, 2015
Exhibit A-4:	Fire Truck Circulation Plan prepared by Bowman Engineering Consultants, dated November 19, 2015
Exhibit A-5:	Typical Lot Planting – Recommendations (Lot 8) prepared by Bowman Engineering Consultants, dated November 17, 2015
Exhibit A-6:	Typical Lot Planting – Recommendations (Lot 10.04) prepared by Bowman Engineering Consultants, dated November 17, 2015
Exhibit A-7:	Proposed Supplemental Buffer Planting, 4 Season's [sic] Development Along Old Cranbury Road prepared by Bowman Engineering Consultants, dated November 17, 2015
Exhibit A-8:	Inspiration Board prepared by Zampolin and Associates Architects, consisting of color photographs of existing homes in Cranbury
Exhibit A-9:	Architectural drawings A-1 through A-6 prepared by Zampolin and Associates Architects, dated November 23, 2015
Exhibit A-10:	Architectural drawings A-7 through A-12 prepared by Zampolin

	and Associates Architects, dated November 23, 2015
Exhibit A-11:	Architectural drawings R-1 through R-4 prepared by Zampolin and Associates Architects, dated November __, 2015
Exhibit A-12:	Architectural drawings R-5 through R-8 prepared by Zampolin and Associates Architects, dated November __, 2015
Exhibit A-13 :	Colored rendering prepared at time of redevelopment plan showing view of proposed retail development from South Main Street
Exhibit A-14 :	Colored rendering of “front” townhouse building façades facing Old Cranbury Road
Exhibit A-15 :	Colored rendering of “rear” townhouse building façades facing into the site
Exhibit A-16 :	Six-page information packet assembled by Frank J. Petrino entitled “High Point” dated December 15, 2015 consisting of definitions, notes, and articles related to lending requirements and condominiums

*Exhibits from the public:*

Exhibit P-1:	Modified colored renderings of applicant’s concept plan to show alternate locations for entrance to the residential development, labeled Figures 1 through 7
Exhibit P-2:	Letter dated December 10, 2015 from Edward and Nancy Kietlinski with six attachments

and

**WHEREAS**, the following interested parties and members of the public asked questions

and offered comments:

- B. Larson (Cranbury Township Shade Tree Commission)
- J. Battles
- J. Elias
- K. Lehr
- J. Divine
- F. Macaro
- P. Novick
- L. Kettlekamp
- C. Stack
- B. Dreyling
- E. Kietlinski
- P. Fletcher

- R. Kramer
- J. Netzheiser
- J. Kulpa
- S. Shakun
- B. Calabrese

and

**WHEREAS**, the members of the Board voting on this resolution attended the meetings at which the application was heard and/or listened to the verbatim recordings of said meetings, and voted in favor of the actions memorialized herein; and

**WHEREAS**, the Board, having reviewed all of the application materials and submissions and having heard the testimony and evidence introduced during the public hearing, is granting approval in reliance upon the representations and statements made in said materials and during the public hearing; and

**WHEREAS**, the Board, after carefully considering all of the evidence and testimony presented, makes the following findings:

JURISDICTION

1. The Board entertained jurisdiction over the application pursuant to *N.J.S.A. 40:55D-25a* and sections VII.A and VII.E of the Redevelopment Plan.

NOTICE

2. The applicant complied with the notification and publication requirements of the MLUL and Cranbury Township LDO.

OVERVIEW OF APPLICANT'S PROPOSAL.

3. The subject property consists of eight separate tax lots, designated as Block 19, Lots 2 through 4 and Block 20.16, Lots 7 through 10 and 20 on the Cranbury Township tax maps. It comprises ±12.705 acres and is bounded by Old Trenton Road on the north side, South Main Street on the east side, Old Cranbury Road on the west side, and residential development on the south side. It is bisected from south to north by Old Hightstown Road, which ends in a cul-de-sac in the northeastern corner of the property. The property contains a number of

residential and nonresidential improvements, all or most of which are vacant, as well as vacant land and second-stage growth forest. (See sheet 3 of 18 of site plan set).

4. The property is situated in the High Point Redevelopment Area, and is subject to the requirements of a redevelopment plan entitled "Redevelopment Plan for the Cheney/Hagerty/Kushner Tract in the Township of Cranbury, New Jersey," which was adopted by the Cranbury Township Committee on October 26, 2015 ("Plan" or "Redevelopment Plan"). The Plan replaces any prior zoning that might have applied to the subject property, and expressly states that any development of the subject property shall be governed by the provisions of the Plan except where specific provisions of the LDO are expressly indicated as being applicable or where zoning or site plan and subdivision issues are not addressed in the Plan. (See sections VI.A and VII.A).
5. The applicant proposes to redevelop the property with a two-phase residential and mixed-use development. (See generally sheets 4 and 5 of site plan set).

*Phase I -- Residential Sub-District*

- a. The residential development will be located in the southern two-thirds of the site (9.230 acres total) and will consist of 54 three-bedroom townhouses grouped in 11 buildings consisting of either four or six units, plus a 4.7-acre open space park area.
- b. It will be served by public utilities and an on-site stormwater management collection system, including a wet pond/detention basin with fountain at the entrance to the residential development. Within the side of the basin facing Old Cranbury Road will be a retaining wall. There will also be an identification sign that will either be a standalone sign or incorporated into the retaining wall.
- c. The development will be accessed via a full-movement driveway on the northbound side of Old Cranbury Road, approximately 170 feet south of Labaw Drive, consisting of a single boulevard type driveway (Road "A") with a twelve-foot wide curbed median containing an unmanned gatehouse, and fifteen-foot wide entrance and exit lanes. This entrance will connect to a U-shaped internal roadway (Road "B") transected by a short third roadway (Road "C") running east-west between the two branches of the "U". The development will also contain sidewalks along the Old Cranbury Road and South Main Street frontages and within the subdivision, connecting internal sidewalks with the frontage sidewalks and tying into the mixed-use development to the north and to the existing sidewalk system in the surrounding area.
- d. Vehicular access to the townhouse units will be solely from the internal roadway. Each unit will have a 22' x 19' driveway and a two-car garage, providing two off-street parking spaces per unit. Thirty-seven additional perpendicular parking spaces will be provided along Road B for visitors and overflow parking, including two handicap parking spaces, for a total of 145 spaces, fifteen more than are required pursuant to the Redevelopment Plan and Residential Site Improvement Standards (RSIS).

- e. The applicant's architectural plans show in detail the proposed elevations and floor plans for each of the townhouse unit types. Although the units along Old Cranbury Road and South Main Street will have their primary point of access from the interior of the site, the elevations facing Old Cranbury Road and South Main Street will look and function like front elevations, with covered deck areas (porches) of approximately thirteen feet and entrances. Other features include angled bays, covered porticos over the rear entrances, extensive trim work and soffit work along the eaves, gable elements in the front elevations, cantilevered elements in the rear elevations, garage doors with windows designed to look like carriage doors, crown molding, and shutters sized and designed to look like real shutters. Materials will include brick and HardiPlank or similar cementaceous siding.<sup>1</sup> Unit sizes will vary from ±3,000 to ±3,600 square feet. Each unit will have external air conditioning units, which the applicant's architect testified will be placed in alcoves or side yards for the end units, and behind the covered decks of the inner units, and will be further screened through landscaping. It is critical to the Board that any external mechanicals be well hidden from public view, whether through landscaping or other means, and not become a primary visual element. Lastly, consistent with the requirements of the Redevelopment Plan (see p. 15, footnote 6), the units will *not* have basements: they will either contain a crawl space, contain a maximum 200-square foot unfinished area at the foot of the stairs for mechanicals, or will be built on a slab.
  
- f. Sheet 10 of the site plan set shows the comprehensive landscaping proposed by the applicant, which includes shade trees along South Main Street and Old Trenton Road, as well as along internal roads within the development. Plantings will also be provided along the southern boundary of the site, between the residential and mixed-used developments, and adjacent to the proposed wet pond/extended detention basin. The existing deciduous trees along Old Cranbury Road will be retained, as will some of the mature trees on the property (the applicant as a condition of this approval agreed to identify which ones).
  
- g. Solid waste (trash and recyclables) will be addressed through individual bins wheeled to the curb by the homeowners for pickup. No dumpsters or other common receptacles are proposed.

*Phase 2 Mixed-Use Sub-District*

- h. The mixed-use phase of the development will be located in the northern third of the site (3.475 acres) and as currently proposed will consist of a three buildings: a 12,000 square-

---

<sup>1</sup> The Board notes that during his testimony, the applicant's architect also referred to the use of "high gauge vinyl siding," which the Redevelopment Plan does not allow and which the Board is therefore not approving.

foot pharmacy<sup>2</sup> with drive-up window and pass-by lane, a 5,000 square foot bank<sup>3</sup> with three drive-through lanes and a pass-by lane, and a 12,250 square-foot building containing retail space on the ground floor and twelve apartments on the second floor, of which seven will be affordable to low and moderate income households.

- i. All three buildings will front on Old Trenton Road and will be two stories or less.
- j. In compliance with the requirements of the State's Uniform Housing Affordability Controls (UHAC), the seven affordable units will consist of two 3-bedroom units ( $\pm 1000$  to 1100 square feet in area), four 2-bedroom units ( $\pm 760$  to 800 square feet in area), and one 1-bedroom unit ( $\pm 700$  square feet in area). The remaining market-rate units will each contain two bedrooms and will be approximately 1000 square feet in area.
- k. Two driveways are proposed for the mixed use: a thirty-foot wide full-movement driveway along northbound Old Cranbury Road, approximately 250 feet south of the intersection with Old Trenton Road, and a right-in right-out driveway along southbound South Main Street, approximately 250 feet south of its signalized intersection with Old Trenton Road. The driveway connecting these two access points will be used for access to the mixed use parking, drive through lanes, and loading areas, all as shown in more detail on the site plan set. Sidewalks will be provided along the Old Trenton Road, South Main Street and Old Cranbury Road frontages. Two internal sidewalks will connect the mixed-use development to the residential development to the south.
- l. An outdoor plaza area and expanded sidewalk will be provided in the northeast corner of the development with additional outdoor space for the retail building tenants along the northern façade of the building, subject to the applicant's acquisition of the County-owned property at the corner of Old Trenton Road and South Main Street.
- m. One hundred and twenty-six off-street 9' x 18' parking spaces will be provided behind and alongside the retail buildings, including a handicap space between the pharmacy and bank buildings. The Board notes that five handicap spaces are required to satisfy the requirements of the Americans with Disabilities Act; the applicant shall therefore provide four additional handicap spaces as a condition of this approval.
- n. All drive aisles will be twenty-four feet wide, except for the main aisle, which will be thirty feet wide.

---

<sup>2</sup> The applicant indicated that this use could change if the applicant is unable to secure a pharmacy tenant. This approval addresses the applicant's current proposal as presented to the Board; any future changes in the proposed uses shall require further Planning Board review.

<sup>3</sup> The applicant indicated that banks are becoming smaller, and the bank building could in the end contain retail space in addition to a bank, or, if the applicant is unable to secure a bank tenant, the use could change altogether. As stated in footnote 2 above, this approval addresses the applicant's current proposal as presented to the Board, and any future changes in the proposed uses shall require further Planning Board review.

- o. Two loading zones are proposed, one south of the pharmacy and the other across the main driveway from the retail building.
  - p. The parking areas will be landscaped using a combination of trees and shrubs, as shown in more detail on sheet 10 of the site plan set.
  - q. The applicant proposes to provide screened and landscaped exterior trash enclosures for solid waste and recyclables, the details of which will be supplied as part of the application for Phase 2 final site plan approval, once tenants have been secured and their specific needs determined.
  - r. The applicant anticipates that there will be one large truck delivery per week and a handful of smaller deliveries for the pharmacy, and small delivery vehicles only for the bank and retail spaces.
6. For both phases, an interconnecting network of sidewalks will be provided, as well as landscaping and lighting throughout the entire property (see generally sheets 5 and 10). Two emergency access roads consisting of grass pavers or similar stabilizing material will also be provided between the residential development and the mixed-use development. No other vehicular connection between the two sites will be provided.
7. As depicted on its plans, the applicant proposes to make improvements along Old Trenton Road, South Main Street, and Old Cranbury Road. The Old Trenton Road improvements will include right-of-way dedication to Middlesex County, road widening, restriping, and signage. A left-turn lane will be provided at the intersection of Old Trenton Road and Old Cranbury Road for westbound left-turns waiting to turn onto southbound Old Cranbury Road. Eastbound left and right-turn lanes will be extended to store more vehicles at the signalized intersection with South Main Street. The South Main Street improvements will include road widening, restriping and signage. The Old Cranbury Road improvements will include restriping and signage. The applicant's engineer testified that with these improvements, all intersections will operate at Level of Service C or better.
8. The entire development will be served by public utilities, including water and sewer. The applicant's engineer testified that there are existing water mains in all three abutting roadways, a sewer main in Old Trenton Road, and overhead utility lines along South Main Street and Old Trenton Road. The sewer line in Old Trenton Road conveys flows to an existing pump station, which has been designed and sized to accommodate the development's flows.
9. The development for both phases will maintain existing drainage patterns on the site. Stormwater will be collected on site and directed into the wet pond at the entrance to the residential development, which has been designed to meet the recharge, water quality, and water quantity requirements of the New Jersey Department of Environmental Protection's stormwater management rules. The basin in turn will discharge into an existing drainage system on South Main Street. The basin will contain four-foot wide safety ledges above and

below the surface, plus a fence around the basin. An access road will be provided to the basin for maintenance purposes.

10. The details regarding the exterior lighting are shown on sheet 11 of the applicant's site plan set. The applicant proposes to use the same PSE&G "Town and Country" fixture as was used in the adjacent Four Seasons development, mounted on fourteen-foot high direct-buried fiberglass poles and containing 150-watt high pressure sodium lamps.

ADDITIONAL ISSUES:

11. *Subdivision/creation of fee simple lots for each townhouse unit:* Rather than establish a condominium form of ownership for the townhouse units, the applicant instead proposes to create a separate tax lot for each unit, for financing and other reasons. The applicant's attorney noted that the Planning Board lacks the authority to dictate the form of ownership of any given property (condominium versus fee simple). The Board agrees; by creating separate tax lots for each unit, however, the applicant has inadvertently triggered the need for deviations from the Redevelopment Plan's lot frontage, side yard setback, and building coverage requirements. For the following reasons, the Board finds that the deviations needed to create individual tax lots for each townhouse unit can be appropriately be granted:

- a. The bulk requirements for the Phase 1 townhouse development were established based on the overall tract to be developed, and but for the fact that lot lines are being drawn around each individual unit, the development as a whole complies with the Redevelopment Plan's requirements.
  - b. If the lot lines around the units were removed and the units turned into condominiums, the layout would remain exactly the same. In other words, the creation of the individual lots for each unit has no effect on the overall, otherwise conforming layout.
  - c. All of the units will continue to conform to the Redevelopment Plan's front yard setback requirements.
  - d. Because the overall plan and layout would remain the same if the lot lines were removed and the form of proposed ownership changed from fee simple to condominium, the Board cannot find any detriment to the public good or impairment of the purpose and intent of the Redevelopment Plan's requirements that would result from approving the requested deviations.
  - e. To the extent that any variances are needed from the requirements of N.J.S.A. 40:55D-35, same are hereby granted.
12. *Access to residential development:* One of the dominant topics during the hearing was the location of the entrance to the townhouse development. Many of the neighboring residents, especially those with homes opposite the proposed entrance, urged the Board and the applicant to relocate the entrance, by either shifting it further south or placing it opposite

Labaw Drive. Many also urged the Board and the applicant to add a second entrance and exit onto South Main Street. The Board is sympathetic to the concerns that were raised, but for the following reasons concludes that in the final analysis, the applicant's proposal is preferable to the alternatives that were suggested:

- a. The applicant indicated that it opted to place the entrance by the detention basin and sign in order to create an identification feature into the site; by shifting the entrance northward to align with Labaw Drive, that feature would be lost.
- b. RSIS allows driveways to be offset from one another provided a minimum of 150 feet is maintained; here, the entrance in its proposed location will be approximately 170 feet south of Labaw Drive, well in excess of the RSIS requirements.
- c. The off-set entrance will discourage cut-through traffic through the Four Seasons development
- d. Both the applicant's traffic engineer and the Board's traffic engineer testified that it is preferable to place entrances and exits on a local road (Old Cranbury Road) rather than a county road (South Main Street). They explained that county roads are designed and intended to carry through traffic, whereas local roads are designed and intended to carry local traffic. It is therefore better from a traffic engineering perspective to put access points on a lower hierarchy road when one is available, such as is the case here.
- e. Of the three roads on which the development fronts, Old Cranbury Road has the least amount of traffic; in addition, the speed limit on Old Cranbury Road is twenty-five miles per hour, whereas the speed limit on South Main Street is forty miles per hour.
- f. Both traffic engineers concurred that with the proposed roadway and intersection improvements, there is sufficient capacity to accommodate all of the development's traffic on Old Cranbury Road; moreover, because of the boulevard entrance, no secondary access point is needed for emergency vehicles.
- g. The Board's traffic engineer testified that although it is appropriate to provide a secondary access point to South Main Street for the Phase 2 commercial portion of the development, such a secondary access point is neither necessary nor desirable for the Phase 1 residential portion. He confirmed that the proposed access on Old Cranbury Road meets all design requirements and can accommodate the traffic on the Phase 1 portion of the site.<sup>4</sup>

13. *Supplementation of Four Seasons landscape buffer on Old Cranbury Road.* In order to mitigate glare from headlights exiting the property onto Old Cranbury Road, the applicant

---

<sup>4</sup> A suggestion was also made to use the proposed Phase 2 entrance and exit on South Main Street to provide secondary access to the townhouse development. For the reasons set forth on the record by various Board members during the December 15, 2015 hearing, this suggestion was rejected.

will supplement the existing landscaping buffer along the backs of the houses across Old Cranbury Road from the development, either through fencing or additional plantings or both. (See Exhibits A-5 and A-6 for the applicant's proposed supplemental landscaping and Exhibit A-7 for the full area to be supplemented). The applicant agreed to work with the Four Seasons Homeowners Association as well as in the individual property owners in developing the final details for this additional buffering.

14. *Fire and emergency vehicle circulation.* The applicant submitted turning templates showing that garbage trucks, WB-50 trucks, and fire trucks will be able to circulate throughout the mixed-use and the residential development (see Exhibits A-3 and A-4). The applicant's engineer noted that for purposes of these templates, the applicant used a model with a longer wheel base than Cranbury Township's largest fire truck.
15. *Street trees.* The Cranbury Volunteer Fire Company as part of its comments requested that no street trees be planted along Road C or along the same side of the streets as the houses on the inside circle. Cranbury's Shade Tree Committee opposed this request. The applicant indicated that the trees it proposes to plant are taller and narrower than what used to be planted, and should not interfere with the Fire Company's equipment. The Board requested that the applicant work with the Volunteer Fire Company and Shade Tree Committee to finalize the species to be planted.
16. *Removal of islands.* The Fire Company also requested that the islands on Road A and in the parking areas be removed. The applicant demonstrated to the Board's satisfaction, however, that the proposed islands will not prevent Cranbury's fire trucks and emergency vehicles from circulating on the site (see Exhibit A-4). The Board therefore finds that the islands do not need to be removed.
17. *Pedestrian circulation.* Overall, the Board is satisfied that the proposed pedestrian connections and crosswalks are appropriate. The Board did, however, request during the public hearing that the applicant add a crosswalk at Labaw Drive, to which the applicant agreed. In response to comments from the public, the Board also requested that the applicant add a pedestrian connection from Old Cranbury Road to South Main Street in the center of the Phase 1 site, consistent with the requirements of the Redevelopment Plan regarding pedestrian connectivity.
18. *Use of phase 2/mixed-use property pending final approval and construction.* The applicant indicated that it intends to begin demolition on the entire site right away, but will not construct the Phase 2 improvements until tenants have been secured. In between demolition and the start of construction, the Phase 2 portion of the site will be graded, stabilized and planted, except that subject to the approval of the Freehold Soil Conservation District, dirt may be stockpiled on a portion of the Phase 2 site. Following the demolition and pending construction of the Phase 2 improvements, the site will consist of stabilized dirt with grass and other vegetation, but no concrete or other paved surface.

19. *Emergency vehicle connections between Residential and Mixed-Use Sub-Districts.* The applicant does not intend to construct the emergency vehicle connections between the two phases of the development until Phase 2. Pending their completion, emergency vehicles will access the interior of the townhouse development through the entrance on Old Cranbury Road, and will access the townhouses fronting on South Main Street directly from South Main. The applicant's engineer confirmed that the boulevard entrance is designed for emergency as well as regular vehicular access and will be sufficient to meet the needs of the Phase 1 residential development. For Phase 2, the two emergency-only access driveways shall be added between the residential and commercial developments as shown on the plans.
20. *Remediation.* The applicant testified that environmental testing on the site has uncovered three areas of concern, which will be remediated under the supervision of a Licensed Site Remediation Professional (LSRP) and in accordance with all applicable State requirements. The applicant further confirmed that at the conclusion of the remediation, the LSRP will be issuing a site-wide unrestricted use Response Action Outcome (RAO), rather than a site-specific RAO.
21. *Phasing of affordable units.* The UHAC regulations stipulate that once twenty-five percent of the market-rate units in an inclusionary development have been completed, a percentage of the affordable units must be constructed, and all affordable units must be completed by the time ninety percent of the market-rate units are constructed. Here, however, the affordable housing units are not interspersed within the townhouse development, but will instead be constructed over the retail space to be developed during Phase 2. Therefore, in order to comply with the UHAC phasing requirements, the applicant would have to build one hundred percent of the affordable units by the time twenty-five percent of the market-rate units in the townhouse development have been completed, which seems impracticable. The applicant proposes instead to modify the UHAC phase-in schedule such that one hundred percent of the affordable units will be completed by the time seventy-five percent of the market-rate units are constructed. The Board takes no issue with this proposal, and indeed sees the sense in adjusting the schedule as proposed by the applicant, but lacks the authority to either approve or deny the request. Waivers from UHAC requirements can only be approved by the (currently non-functional) Council on Affordable Housing, or, in lieu thereof, the courts, and the decision whether to request such a waiver in the first place lies within the discretion of Cranbury's governing body. The applicant will therefore have to direct its proposal to the Cranbury Township Committee; if the Township Committee agrees to request a waiver to modify the phase-in schedule, and if the court approves the request, then the applicant may construct the affordable units on such schedule as has been agreed to and approved. Otherwise, the applicant as a condition of this approval shall conform in all respects to the requirements of UHAC.
22. *Ownership and maintenance of sewer system.* Although the internal streets in the townhouse development will be private, the applicant proposes a public sewer system (i.e., a system owned and maintained by the Township, not the applicant), with appropriate access and maintenance easements granted to the Township. The Board's engineer, on the other hand, recommended that the system be private. The applicant agreed to private storm sewers, but

took the position that because it will be paying connection fees and user rates for the sanitary sewers, those should be public. The Board finds in the final analysis, this is a decision best made by the Township Committee in conjunction with the Township Engineer, through the provisions of the developer's agreement the applicant will be required to enter into as a condition of this approval.

23. *Miscellaneous.*

- a. All common elements in the residential development, including the open space/park area, will be maintained by a homeowner's association.
- b. The Board's traffic engineer requested that the applicant provide a turning analysis for the exit from the bank's drive-through lanes. The applicant agreed to provide this analysis as part of its application for Phase 2 final site plan approval.
- c. The Board's engineer also suggested that the applicant provide a sidewalk connection along the south side of the main driveway from South Main Street to Old Cranbury Road. The applicant, however, felt that such a sidewalk would be redundant. The Board finds that the plan will work without the suggested connection.
- d. With the exception of the identification sign at the boulevard entrance to the townhouse development (see finding 5.b above), the applicant did not provide any detailed information regarding its proposed signage, indicating that such information will be supplied instead in conjunction with its application for Phase 2 final site plan approval.

SITE PLAN EXCEPTIONS AND REDEVELOPMENT PLAN DEVIATIONS

24. *Deviations.* The only deviations from the requirements of the Redevelopment Plan are those triggered by the placement of the townhouse units on individual fee simple lots, discussed in paragraph 11 above. The applicant's proposal otherwise conforms in all respects to the provisions of the Redevelopment Plan.

25. *Exceptions.* In addition to the deviations identified above, the applicant also seeks a number of site plan exceptions.

The following exceptions are hereby granted:

- a. Section 150-41E.4.b requires sidewalks on both sides of a street, whereas the applicant proposes a sidewalk on the east side of the west drive but not on the east drive. The applicant indicated that including sidewalks on both sides would place the sidewalks along driveways, which is undesirable; eliminating these sidewalks would also keep them away from first floor bedrooms and from the most heavily traveled areas. The Board finds that this exception can be granted.

- b. Section 150-48A.2 requires freestanding lights to be located and protected so as to avoid being easily damaged by vehicles, and further requires pathways, sidewalks and trails to be lit with bollard lights. To comply with the first part of this requirement, the applicant proposes direct-bury light poles, which is acceptable. The applicant prefers not to provide any bollards, however, given the residential nature of the development, and proposes instead to add a light pole at sidewalk intersections if needed for safety. The Board agrees with the applicant's proposal.
- c. Section 150-57D.1 requires developers to select their ornamental trees from the list of species kept on file in the Township Clerk's office, whereas only seven of the eleven species selected by the applicant appear on that list. Given the overall appropriateness of the applicant's proposed landscaping plan, the Board takes no issue with granting a partial waiver from this requirement.
- d. Section 150-56F.2c requires that vines and climbing plants be considered for large expanses of wall, whereas no vines or climbing plants are included in the applicant's landscaping plan. To the extent a waiver from this requirement is required, same is granted.
- e. Section 150-61E.9 states that storm drainpipes running longitudinally along streets shall not be located under curbing, whereas here, there are numerous instances on the applicant's plans where storm piping is located underneath curbing. The Board's engineer advised the Board that this would be acceptable only if both the streets and the storm sewers were private. The Board therefore finds that the requested exception can be granted, provided, however, that the storm sewers and drains as well as the streets shall be owned and maintained by the applicant or homeowners association, not the Township. (See finding 22 above regarding ownership and maintenance of the sewer system).
- f. Section 150-61G.2.b states that no soil disturbance shall be permitted and no earth shall be moved on or off a site, whereas here, the applicant may need to remove up to 8600 cubic yards of soil from the site. The Board on the advice of its engineer finds that this exception can be granted, provided that the applicant obtains a soil removal permit, and provided further that the applicant shall not use any Township roads to haul the soil, only collector roads or State highways. Soil shall be transported and disposed of in accordance with applicable federal, State and local waste disposal regulations.

The following exceptions are hereby denied:

- g. Section 150-41H.2.c requires that pedestrian crossings be indicated by such techniques as changed pavement materials or textures, whereas the applicant wishes to provide ordinary striping only. The Board finds that the applicant should comply with the stated requirement.

OTHER

26. *Conformance to Redevelopment Plan.* Except for the deviations and exceptions identified above and in the reports submitted by the Board's consultants, all of which are hereby granted, the applicant's plans for both phases conform to the requirements of the Redevelopment Plan and any applicable RSIS or LDO provisions.
27. *Compliance with conditions in board consultants' reports.* The applicant agreed to comply with all of the conditions recommended by the Board's professionals, except as otherwise specifically noted on the record and in this resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Cranbury Township Planning Board, in Middlesex County, New Jersey, that the application by High Point Development, LLC for preliminary and final major subdivision approval, preliminary and final major site plan approval (Phase 1), and preliminary major site plan approval (Phase 2) with site plan ordinance exceptions and Redevelopment Plan deviations for the Cheney/Hagerty/Kushner redevelopment area be and is hereby **GRANTED**, subject to the following conditions:

*General*

1. The Redevelopment Plan calls for Old Hightstown Road to be vacated, and the applicant's proposed development of the site depends on such vacation. The applicant shall therefore request that the Cranbury Township Committee adopt an ordinance vacating Old Hightstown Road. If Township Committee does not adopt such an ordinance, then the approvals granted herein shall become moot and the applicant shall be required to seek new or amended approvals.
2. Following the completion of demolition and prior to the start of Phase 2 construction, the applicant shall grade and stabilize the mixed-used portion of the site with grass or other vegetation.
3. In lieu of installing a fence around the detention basin, the applicant shall post a performance guarantee in an amount sufficient to cover the cost of its construction, and shall install said fence at such time as the Township's professionals and/or the applicant deem it to be necessary and advisable, provided, however, that if no decision to install has been made prior to the issuance of the final certificate of occupancy for the Phase 1 townhouse development, the bond shall be released.

*Traffic, parking and circulation*

4. The applicant shall request that the Township recommend to Middlesex County that parking and deliveries be prohibited along the site's Old Trenton Road and South Main Street frontages.
5. The applicant shall add a crosswalk and corresponding pedestrian crossing warning signs W11-2 and W-16-7P across Old Cranbury Road in the vicinity of Labaw Drive.
6. Subject to the approval of Middlesex County, the applicant shall adjust the transitions between the westbound left-turn lane at Old Cranbury Road and the eastbound left-turn lane at Old Trenton Road to allow for a left-turn storage lane for eastbound traffic turning left into the office development to the north of Old Trenton Road opposite the site.
7. As a condition of Phase 2 preliminary site plan approval, and in accordance with the requirements of the Redevelopment Plan, the applicant shall acquire the County-owned property shown on the applicant's plans at the corner of Old Trenton Road and South Main Street. The Board encourages the Township to assist the applicant in this endeavor as needed.
8. All pavement markings, including stop bars, crosswalk lines, gore stripes in centerline transition areas and pavement arrows shall be thermoplastic with glass beads for greater visibility, and a note to this effect shall be added to the plans and included with the respective construction details.
9. The applicant shall use changed pavement materials or texture to indicate pedestrian crossings, in conformance with LDO section 150-41H.2.c.
10. The applicant shall create a pedestrian connection from Old Cranbury Road to South Main Street at either the southern end of the residential property or toward the center of the residential property, the final location of which shall be determined by a group consisting of representatives of the applicant, the Planning Board, and the Four Seasons Homeowners Association.
11. The details regarding the applicant's proposed signage and the final dumpster locations and turning movements for Phase 2 shall be addressed as part of the applicant's Phase 2 final site plan application.

*Engineering*

12. All streets and storm sewers in the development shall be privately owned and maintained.
13. The final decision regarding the ownership and maintenance of the sanitary sewers (private v. Township) shall be made by the Township Committee.

14. The applicant shall obtain a soil removal permit to remove any soil from the site, and shall use only State highways or County collector roads to haul any soil from or to the site.

*Landscaping*

15. The applicant shall identify all mature trees on the property to be retained.
16. The applicant shall plant street trees throughout the site as shown on its plans, but shall work with the Cranbury Township Shade Tree Commission and the Cranbury Township Volunteer Fire Company to finalize the species trees to be planted.
17. The applicant shall work with the individual homeowners across from the residential development on Old Cranbury Road as well as with the Four Seasons Homeowners Association to supplement the existing landscape buffer, either through additional vegetation or fencing or both, and shall re-evaluate the buffers at the conclusion of the construction of Phase 1 of the development and make such adjustments as may be needed to ensure that the buffer continues to function effectively as a screen. Maintenance of the materials installed by the applicant in the area shall be assumed by the Association upon reduction of the applicant's performance bond to thirty percent.
18. The applicant shall correct all inconsistencies between the Landscape Plan and the Landscape Table (e.g., labels POL and IGC are shown on the Landscape Plan but have not been included on the Landscape Plan).

*Architecture*

19. The proposed shutters in both the residential and the mixed-use components of the development shall either be fully functional or shall be sized and designed to create the appearance of being fully functional.
20. All vents in the residential development shall be painted black and 'nested' in unobtrusive locations.
21. None of the townhouse units shall have basements except for a maximum 200-square foot unfinished area at the foot of the stairs for mechanicals.
22. All buildings on the site shall be constructed to conform to the architectural drawings presented to and approved by the Board, and as more particularly described in finding 5.e above.
23. The applicant shall revise the architectural plans for the residential development to clearly identify the front, rear and side elevations, which designations shall comply with the definitions for front and rear façades contained in the Redevelopment Plan's design standards (e.g., elevations facing Old Cranbury Road and South Main Street shall be identified as front elevations).

*Affordable Housing*

24. The bedroom distribution mix for the affordable housing units shall conform to UHAC requirements (one 1-bedroom apartment, four 2-bedroom apartments, and two 3-bedroom apartments).
25. Deed restrictions for the affordable housing units shall conform to UHAC requirements and shall be subject to the review and approval of the Board Attorney and/or Township Attorney.
26. The applicant shall comply with all applicable State and local affordable housing requirements, unless specifically modified herein.

*Compliance with professional reports*

27. Unless expressly modified or stated otherwise herein or during the public hearing, the applicant shall comply with all conditions and recommendations set forth in David Hoder's November 16, 2015 memorandum.
28. In addition to any other conditions already set forth herein, the applicant shall comply with all conditions and recommendations set forth in Andrew Feranda's November 16, 2015 report EXCEPT for comment 2.D on page 4 (provision of sidewalk on south side of the main driveway connecting South Main Street to Old Cranbury Road).
29. The applicant shall comply with all of the conditions set forth in the Cranbury Township Volunteer Fire Company's November 18, 2015 report EXCEPT for the removal of the islands on Road A and in the parking areas, and the removal of street trees along Road C or along the same side of the streets as the houses on the inside circle.

*Compliance with local and State regulations*

30. Except as expressly modified herein, the applicant will comply with all State and local rules and regulations applicable to the proposed development.
31. Except for those items as to which the Board has herein expressly granted the applicant exceptions or deviations, the applicant shall comply with all applicable provisions of the Redevelopment Plan and the Township site plan ordinance.

*Other*

32. The applicant shall review all metes and bounds descriptions for the site and shall correct any survey discrepancies or other inaccuracies.
33. All references on the applicant's plans and surveys to "Cranbury Road" shall be changed to "Old Cranbury Road."

34. The applicant shall correct all inconsistencies between the Zoning Schedule and the plans with regard to the proposed park/open space lot (e.g., 26,200 square feet versus 26,000 square feet).
35. The applicant shall submit a construction staging and hauling plan to the Board Engineer, which plan shall be submitted for the review and approval of the Board Engineer working in consultation with the Construction Department and representatives of the Planning Board, and which shall become part of the approved site plan set.
36. The applicant shall enter into a developer's agreement with the Township memorializing the conditions set forth herein, which at a minimum shall address the applicant's affordable housing obligations, the ownership and maintenance of the sanitary sewers and storm sewers, and the applicant's fair share off-site contributions, sewer contributions, and connection fees, and the applicant shall provide sanitary sewer flows from which to calculate the fair share and connection fees.
37. Any proposed easements or rights-of-way to be conveyed to the Township shall be subject to the prior review and approval of the Board Engineer and the Board Attorney and/or Township Attorney.
38. If the applicant intends to perfect the subdivision approval by deed, the applicant will submit a copy of the deed(s) for review and approval to the Planning Board Engineer and the Planning Board Attorney. Said deed(s) will not be recorded until approved and a notation made thereon by the Board Secretary confirming this approval. If the applicant intends to perfect the subdivision approval by filed plan, the applicant will add a note to the subdivision plan indicating the same, as well as add the signature block and certifications for the appropriate County officials, the Township Engineer, and the Township Clerk, in accordance with the requirements of the map filing law.
39. In accordance with *N.J.S.A. 40:55D-53c*, the applicant shall post performance guarantees and engineering inspection escrows with the Township of Cranbury for the proposed on-site improvements in the amounts determined by the Board Engineer and/or the Township Engineer. The form and substance of the performance guarantee shall be subject to the review and approval of the Township Attorney.
40. Prior to the start of construction, the applicant will provide the Township Engineer with shop drawings and submittals stamped "approved" by the applicant's design engineer, showing at a minimum the storm sewer inlets, manholes, castings, and survey cut sheets.
41. Upon completion of the construction and prior to the release of the above-referenced performance guarantee, the applicant shall provide to the Township Engineer a signed and sealed as-built survey prepared by a land surveyor licensed in the State of New Jersey, in both paper and CAD format.

42. The relief granted herein is conditioned upon the applicant obtaining approvals, revised or amended approvals, waivers, or letters of no interest from all applicable outside agencies, including, but not limited to:
  - a. New Jersey Department of Environmental Protection (sewer and water connections)
  - b. Delaware & Raritan Canal Commission
  - c. Middlesex County Planning Board
  - d. Freehold Soil Conservation District
  - e. Cranbury Volunteer Fire Company
  - f. Cranbury Township Committee/Middlesex County Superior Court (deviation from UHAC phasing requirements)
43. The applicant shall comply with any other condition(s) agreed to during the hearing on this application, if omitted from this resolution.
44. The applicant shall pay all outstanding application fees and plan review fees attendant to this application within 60 days of the date of the adoption of this resolution.
45. All real estate taxes and assessments for the property will be brought current prior to the signing of the plans.
46. This approval will not be deemed satisfied and the final plan(s) will not be signed until such time as the Board Engineer certifies in writing and the Administrative Officer finds that all conditions of approval have been satisfied.

\*\*\*\*\*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**ROsLL CALL ON THE APPLICATION, December 15, 2015:**

Yes: 7    No: 0    Absent: 2    Recused: 0    Abstain: 0    Not Voting: 0

J. Cooke:	Absent	G. Johnson:	Yes
J. Gallagher:	Yes	A. Kehrt:	Yes
S. Goetz:	Yes	B. Schilling:	Yes
T. Harvey:	Yes	J. Stewart:	Absent
A. Hasselbach:	Yes		

This resolution adopted February 4, 2016 memorializes the actions of the Cranbury Township Planning Board at a meeting held on December 15, 2015. The date of the decision memorialized herein shall be December 15, 2015, except that the date of the adoption of this memorializing resolution shall be the date of decision for purposes of (1) mailing a copy of this decision to the applicant within ten days of the date of decision; (2) filing a copy of this decision with the Administrative Officer; and (3) publishing a notice of this decision.

**ROLL CALL ON THE RESOLUTION, February 4, 2016**

Yes: 6    No: 0    Absent: 1    Recused: 0    Abstain: 0    Not Voting: 2

K. Callahan:	Not voting	G. Johnson:	Yes
J. Gallagher:	Yes	A. Kehrt:	Yes
S. Goetz:	Yes	B. Schilling:	Yes
T. Harvey:	Absent	J. Stewart:	Not voting
A. Hasselbach:	Yes		

I hereby certify that the foregoing is a true copy of a resolution duly adopted by the Cranbury Township Planning Board at a meeting held on February 4, 2016.



Handwritten signature of Josette C. Kratz in blue ink.

Josette C. Kratz, Board Secretary

## APPENDIX M - SPENDING PLAN



**SPENDING PLAN OF THE AMENDED THIRD ROUND HOUSING ELEMENT AND FAIR SHARE PLAN  
Adopted April 7, 2016**

**Introduction**

Cranbury Township has prepared an amended Third Round Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (“COAH”) (N.J.A.C. 5:93-1 et seq). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH on May 6, 1992 and adopted by the municipality on October 26, 1992. The ordinance, which has since been amended, established Cranbury Township’s affordable housing trust fund for which this spending plan is prepared.

As of February 2016, Cranbury Township has collected \$3,528,033.83 and expended \$3,495,365.95, resulting in a balance of \$32,667.88. All development fees, payments-in-lieu of construction, funds from the sale of units with extinguished controls and interest generated by the funds are deposited at PNC Bank in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16 as described in the sections that follow.

**1. Revenues for Certification Period**

To calculate a projection of revenue anticipated during the period of Third Round Judgment of Repose, Cranbury Township considered the following:

- (a) Development fees:
  - 1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals
  - 2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy
  - 3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments-in-lieu (PIL) of construction from developers as follows:

Proposed Toll Brothers/Protinick \$3,000,000

(c) Other funding sources: \$0

Cranbury Township is not anticipating collecting money from other funding sources at this time. Funds from other sources, include, but are not limited to the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, and proceeds from the sale of affordable units. All monies in the Affordable Housing Trust fund are anticipated to come from development fees, payments in lieu of construction and interest.

(d) Projected interest:

Based on the current average interest rate and previous amounts collected, Cranbury Township anticipates collecting \$69,200 in interest through 2025.

Table SP-1 indicates the anticipated revenue to be generated from development impact fees and interest. Cranbury Township projects a subtotal of \$9,258,182 to be collected between January 1, 2016 and December 31, 2025, including interest, to be used for affordable housing purposes under the assumptions presented after the table, which is primarily an extrapolation of past trends. The total, after adding the money currently in the account, is projected to be \$9,290,849.

**2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

The following procedural sequence for the collection and distribution of development fee revenues shall be followed:

**Collection of Development Fee Revenues**

Collection of development fee revenues shall be consistent with Cranbury Township's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

**Distribution of Development Fee Revenues**

The Planning Board adopts and forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body resolution in accordance with the Court approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

Table SP-1. Projected Revenues-Housing Trust Fund – 2016 through 2025

Year Source of Funds	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2025 Total
Projected Residential Development	STARTING BALANCE \$32,6735 (12/31/15)	\$18.5k	\$185k									
Projected Non-Residential Development		\$600K	\$6m									
Payment in Lieu		-	-	-	\$750K	\$750K	\$750K	\$750K	-	-	-	-
Interest		\$6.92k	\$69.2K									
<b>Total</b>	\$32.6K	\$625K	\$625K	\$1.38m	\$1.38m	\$1.38m	\$1.38m	\$625K	\$625K	\$625K	\$625K	\$9.30m

Projected residential development is based on the Township planner's estimate of 20 new homes being constructed over the next 10 years. This estimate does not include affordable housing sites in the Township's Plan including the Toll Brothers/Protinick site, the High Point/Cheney/Kushner/Hagerty site, the Applewood Court/Route 130D site and the Ingerman/Paul's Auto (100% affordable sites) as they will be producing affordable housing/in-lieu-payments and may not be charged a residential development fee. Projected non-residential development is based on the Township Planner's estimate of 6 million sq. ft. of warehouse construction through 2025. The 6 million sq. ft. was multiplied by \$40.02 (the Township's per sq. ft. equalized assessed value for warehouse use). This estimate of \$240,148,879 in new construction was then multiplied by 0.025 (2.5% non-residential development fee). Considering that the Township expects close to 3.5 million sq. ft. to come online in the next few months, the resulting estimate should be considered conservative. Interest calculations are based on deposits as indicated via bank statements, averaged and extrapolated through 2025. The Township expects a \$3 million payment-in-lieu relating to the development of the Toll Brothers/Protinick site. This payment is anticipated to be made in 4 equal payments based on construction milestones.

**3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS**

The Township of Cranbury may use the funds in the trust fund for any of the below listed items, pursuant to *N.J.A.C. 5:93-8.16(a)* and (c):

- New construction of affordable housing units and related development costs; in the case of inclusionary developments, eligible costs shall be pro-rated based on the proportion of affordable housing units included in the development
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites; in the case of inclusionary developments, costs shall be pro-rated based on the proportion of affordable housing units included in the development
- Acquisition and/or improvement of land to be used for affordable housing
- Accessory apartment or market-to-affordable programs
- Green building strategies designed to save money for low and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units
- Maintenance and repair of affordable housing units
- Repayment of municipal bonds issued to finance low and moderate income housing activity
- Affordability assistance to very low, low and moderate income buyers and renters of affordable housing units to lower the cost of homeownership, subsidize closing costs, or to reduce the capitalized basis of the rent payments
- Affordability assistance to create very low-income and low-income units
- Any other activity as specified herein.

At least 30% of collected development fees, excluding expenditures made from the affordable housing trust fund shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the Fair Share Plan and to create very-low income units. Additionally, no more than 20% of the revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program. At the present time, the share of allowed administrative expenses has not yet been exceeded in Cranbury. Adding up the previously collected and projected revenue, the Township would be permitted to

spend an additional \$1,692,273 in administrative expenses. The Township has garnered additional costs in crafting its housing plan at the beginning of the anticipated Judgment of Repose period. However, once a Judgment of Repose has been granted, the administrative costs will be substantially reduced. Thus, the administrative costs are front loaded but should even out as collections grow.

If funding should fall short of the amount necessary, Cranbury will seek grants, low cost loans or use general revenues and use its bonding capacity to meet such shortfall.

### Specific Projects

#### Rehabilitation program:

The Township will fund the ten unit program with an average hard cost of \$10,000 per unit and expected total per unit cost of rehabilitation of \$20,000 including soft costs for rehabilitation program administration. As such the total cost of the program may be \$200,000 (10 units x \$20,000). Cranbury will utilize Middlesex County's housing rehabilitation program to satisfy its ten (10) unit rehabilitation obligation. The Middlesex County Department of Housing, Community Development and Social Services administer two programs which utilize federal Community Development Block Grant ("CDBG") and HOME Investment Partnership funds. The Township will participate with the County, institute a local program if necessary and will provide any funding from the affordable housing trust fund necessary to supplement the cost to satisfy the rehabilitation obligation.

#### Municipally-Sponsored New Construction (100% Affordable Housing Sites):

1. Applewood Court/Route 130D site (32 units) = \$3,675,000
2. Ingerman/Paul's Auto (90 units) = \$4,875,000

#### **4. AFFORDABILITY ASSISTANCE (N.J.A.C. 5:93-8.16(c))**

The following table indicates the minimum amount anticipated being available for affordability assistance to low- and moderate-income households, including very-low income households.

**Table SP-2. Projected Minimum Affordability Assistance Requirement.**

Development fees collected July 17, 2008 to February 29,2016		\$112,758
Development fees projected 2016-2025	+	\$6,188,982
Interest earned July 17, 2008 to February 29,2016		\$ 3,720
Interest projected 2016-2025	+	\$69,200
<b>Total</b>	<b>=</b>	<b>\$6,374,660</b>
30 percent requirement	x 0.30 =	\$1,912,398
Less affordability assistance expenditures through February 29,2016	-	\$0
Projected minimum affordability assistance requirement	=	\$1,912,398
Projected minimum very low-income affordability assistance requirement	÷ 3 =	\$637,466

Cranbury Township will dedicate at minimum \$1,912,398 from the affordable housing trust fund to render units more affordable, including \$637,466 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

- Down-payment assistance
- Rental assistance
- Security deposit assistance
- Low interest loans
- Assistance with homeowners association or condominium fees and special assessments; and/or
- Assisting in the creation of very-low income units.

5. ADMINISTRATIVE EXPENSES (N.J.A.C. 5:93-8.16(E))

**Table SP-3. Projected Allowed Administrative Expense.**

Development fees/interest collected through February 29, 2016		\$3,528,034
Payment-in-lieu of construction through July 17, 2008		\$0
Development fees projected 2016-2025		\$6,188,982
Interest projected 2016-2025	+	\$69,200
<b>Total</b>	=	<b>\$9,786,216</b>
20 percent maximum permitted administrative expenses	x 0.20 =	\$1,957,243
Less administrative expenditures through February 29, 2016	-	\$264,970
Projected allowed administrative expenditures	=	\$1,692,273

Cranbury will not expend for administrative purposes in excess of the formula in Table SP-3.

Cranbury Township projects that \$1,692,273 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Township Attorney, Engineer, and Planner fees related to Third Round Judgment of Repose
- Rehabilitation administration fees
- Administration fees related to the Municipally-Sponsored New Construction Programs

6. EXPENDITURE SCHEDULE

Cranbury Township intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. In developing this spending plan, it is important to note that the Township has committed or will commit the expenditure of funds in the municipal trust fund within four (4) years of the date of collection or within four (4) years after the Township receives a Judgment of Repose per the Appellate Division decision, whichever is later. The expenditure schedule is summarized as follows (assuming a Judgment of Repose in 2016):

Table SP-4 - Projected Expenditure Schedule 2016 through 2025.

Program	Units/ Bedrooms	2016 2017	2018 2019	2020 2021	2022 2023	2024 2025	Total
Rehabilitation Program, if Necessary	10	\$40k	\$40k	\$40k	\$40k	\$40k	\$200k
Affordability Assistance for the Creation of Very-Low Units/New Construction	122	\$8.55m	-	-	-	-	\$8.55m
Homeowner/Tenant Affordability Assistance		\$30k	\$30k	\$30k	\$30k	\$30k	\$150k
<i>Total Programs</i>		\$8.62m	\$70k	\$70k	\$70k	\$70k	\$8.65m
Administration		\$78.2k	\$78.2k	\$78.2k	\$78.2k	\$78.2k	\$391k
<b>TOTAL</b>	<b>132</b>	<b>\$8.70m</b>	<b>\$148.2k</b>	<b>\$148.2k</b>	<b>\$148.2k</b>	<b>\$148.2k</b>	<b>\$9.29m</b>

**7. EXCESS OR SHORTFALL OF FUNDS**

If funding should fall short of the amount necessary, Cranbury will seek grants, low cost loans or use general revenues and its bonding capacity to meet such shortfall. In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to produce additional affordable housing as outlined in Section 3.

**8. SUMMARY**

Cranbury Township intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93-8.16 and consistent with the housing programs outlined in the Township's Housing Element and Fair Share Plan.

Cranbury Township has a balance of \$32,667.88 as of December 31, 2015 and anticipates an additional \$9,258,182 in revenues before the expiration of Judgment of Repose for a total of \$9,290,849. The municipality will dedicate all available funds towards rehabilitation and municipally sponsored new construction (including affordability assistance to create very-low income units). A small amount is anticipated for administration and any shortfall of funds will be addressed through the use of outside funding sources or through bonding and/or appropriations as may be allowed by law.

**Spending Plan Summary**

<b>Revenues</b>	
Balance as of December 31, 2015	\$32,668
Projected Revenue from December 31, 2015 through 2025	
1. Development fees	+ \$6,188,982
2. Payments in lieu of construction	+ \$3,000,000
3. Other funds	+ \$0
Interest	+ \$69,200
<i>Total Projected Revenue</i>	<i>= \$9,290,850</i>
<b>Expenditures</b>	
Funds Used for Rehabilitation	- \$200,000
Affordability Assistance For The Creation of Very-Low Units/New Construction	- \$8,550,000
Homeowner/Tenant Affordability Assistance	- \$150,000
Administration	- \$390,850
Excess Funds for Additional Housing Activity	= \$0
<i>Total Projected Expenditures</i>	<i>= \$9,290,850</i>

