

**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 "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, 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 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, 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 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