

# Post Office Plaza Redevelopment Area + Affordable Housing Town Hall Meeting

April 18, 2022: Updated



Borough of Chatham, *New Jersey*  
Incorporated 1897

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# Meeting Overview

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

# Affordable Housing in Chatham Borough

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

# The Obligation



# Satisfying the Obligation

## Creditworthy Mechanisms

### Inclusionary Zoning

### Municipally Sponsored

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

### Other

- Extension of Credits



# Inclusionary Housing

What?

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

Why?

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

Benefits

- Developer subsidizes
- Integrated affordable housing
- Potential revenue source

Challenges

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

# Municipally Sponsored: Market-to-Affordable

What?

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

Why?

To utilize existing housing stock for affordable housing

Benefits

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

Challenges

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

# Municipally Sponsored: 100% Affordable Housing



# Municipally Sponsored: Supportive and Special Needs

What?

Residential units for individuals with special needs or need specific support

Why?

Fulfills community need

## Benefits

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

## Challenges

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

# PO Plaza Redevelopment Plan

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



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

# PO Plaza Redevelopment Plan



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

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

# Redevelopment Plan Parcels



# Redevelopment Area Options: Decision Criteria



Affordable Housing: Mandatory\*



Architecture: Height/Mass



Public Amenity Space



Public Parking



Financial Obligation



Economic Benefits

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



## Affordable Housing: Mandatory

# Settlement Agreement + PO Plaza Redevelopment Area

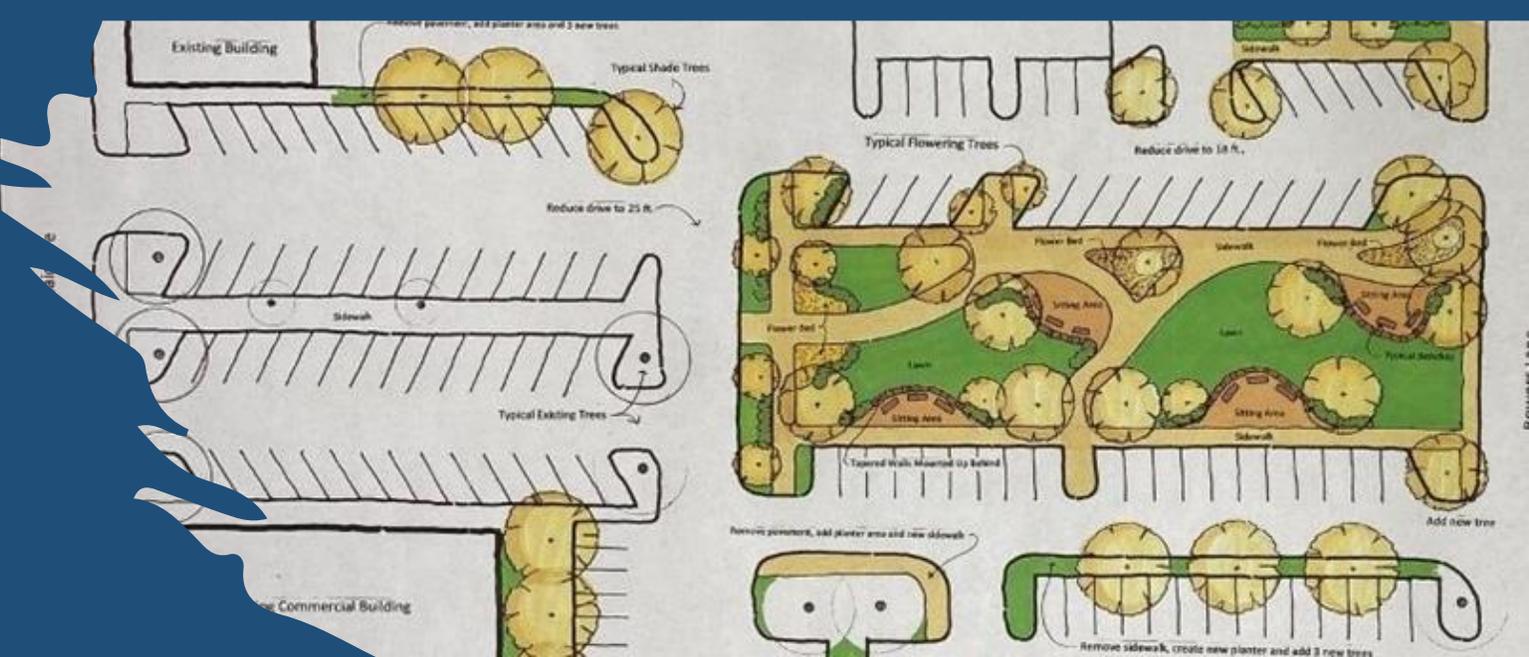
15 total units (credits)

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

# Post Office Parcel Use

## “Ken’s Glen”

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



# Post Office Parcel Use

“100% 65 Unit AH Project”

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



# Market to Affordable Program

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## ✓ Criteria:

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

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



# Redevelopment Plan Options

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



# Redevelopment Options: OPTION 1 (KRE 1.0)

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



# Prior Zoning Districts + KRE 1.0



# Redevelopment Options: OPTION 2 (KRE 2.0)

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



# Prior Zoning Districts + KRE 2.0



# Redevelopment Options: OPTION 3 (100% AH)

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

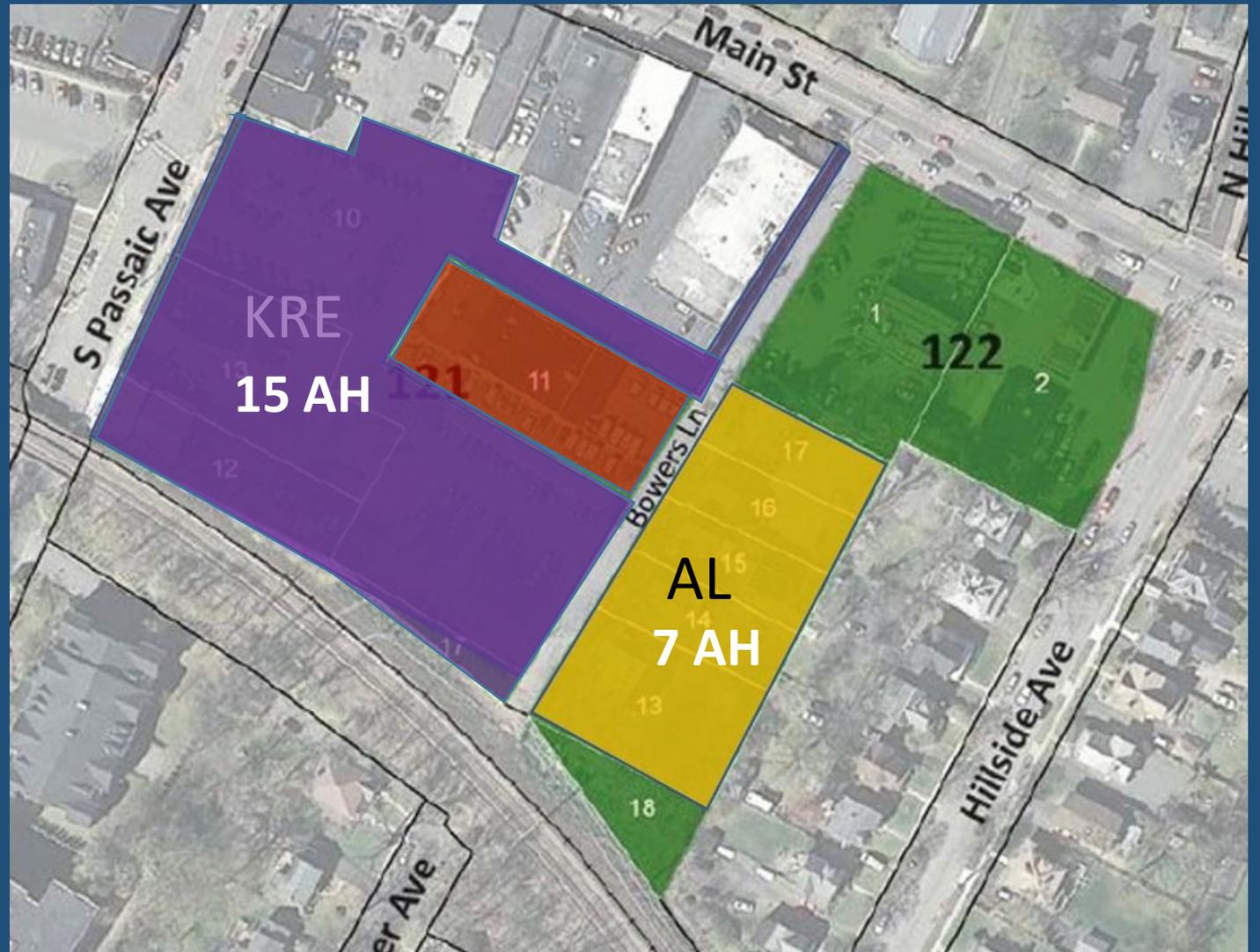


# Prior Zoning Districts + 100% AH



# Redevelopment Options: OPTION 4 (KRE + Assisted Living)

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



# Prior Zoning Districts + KRE/Assisted Living



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

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



# Prior Zoning Districts + AH/Assisted Living



**Post Office Plaza Redevelopment Area : Options Matrix Table**  
**April 18, 2022: Updated**

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

# Next Steps

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

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