



B U R G I S
ASSOCIATES, INC.

MEMORANDUM

To: Leslie London, Esq.
From: Ed Snieckus, Jr. PP, LLA, ASLA
Subject: Township of Parsippany-Troy Hills Compliance with Third Round Mount Laurel Affordable Housing Obligation
Docket No. MRS-L-1699-15
Mid-Point Review
Date: June 25, 2020
BA#: 3475.01

Introduction

The following memorandum provides a mid-point review for the Affordable Housing programs of the Township of Parsippany-Troy Hills. It outlines the planning and zoning mechanisms required by the Township's settlement agreement with Fair Share Housing Center (FSHC) dated March 19, 2019 and provides updates as to the status of those mechanisms.

It is important to note as noted herein, on April 15, 2020 the Superior Court of New Jersey Honorable Judge Michael Gaus J.S.C. imposed a partial Scarce Resource Restraint regarding the availability, allocation, and usage of water within the Township particularly as it relates to the affordable housing obligations of the Township. This restraint seeks to prioritize potable water to affordable housing projects during the term of the Order. The April court order is a partial order pending further review of the allocations and mechanisms to address the needs to provide potable water to the Township.

Mid-Point Review

The following mid-point review is offered for the Township of Parsippany-Troy Hills:

1. Rehabilitation Program

Item 5: The Township administers and will continue to implement, an ongoing rehabilitation program to income qualified households as funded by a Community Development Block Grant Program (CDBG). In addition, the Township will supplement this program with a municipally operated rehabilitation program that shall be available to rental units, both in accordance with the

requirements in N.J.A.C. 5:97-6.2. This is sufficient to satisfy the Township's present need obligation of 190 units.

Update: The Township adopted its most recent Housing Element and Fair Share Plan (HE&FSP) amended to January 17, 2020. This HE&FSP included an updated Spending Plan which maintained the Township's *is a designated entitlement community within the Community Development Block Grant Program (CDBG) of the Department of Housing and Urban Development (HUD). Parsippany-Troy Hills has administered a rehabilitation program funded through CDBG since 1977.*

The Township shall continue its on-going continuing rehabilitation program, funded through this program, to inform residents of the availability of rehabilitation funds, eligibility criteria, and assist in the processing of forms and provide funds for rehabilitation. In the event that CDBG grant monies become unavailable, the Township shall provide, either from its own resources or the development fee ordinance currently in effect, the funding necessary for rehabilitation pursuant to COAH rules and regulations for the remaining units.

In the HEFSP records were included where the Township rehabilitated 39 units since 2010. Since the adoption of this plan reporting, no additional units to report that have completed rehabilitation.

2. Components to Address RDP

Item 7.: The municipality, as calculated in Exhibit. A, has a realistic development potential (RDP) of 859 units:

Update: Pursuant to the Settlement Agreement as a result of further refinement to the HE&FSP prior to the final adoption, the Township RDP was reduced to 845 units. To address this RDP, the township applied prior credits and related bonuses to address this need and included the rezoning and promotion of several programs as follows and as noted in the attached appendix:

Components	Affordable Units
<i>Inclusionary Sites</i>	
Stanberry Parsippany LLC. Site	67
Mack Cali Sites	82
Westmount Plaza Site	63
750 Edwards Road LLC	23
887 Edwards Road	24
Weichert	19
SJP MC VI Site	65
<i>Alternate Living Arrangements</i>	
Community Options: @ Normandy Drive	4
Community Options: 3 sites	18
Advancing Opportunities, Inc.: 2 sites	8
Avidd Community Services of NJ: Minnehaha Blvd.	4
Avidd Community Services of NJ: Circle Drive	4
<i>Affordable Programs</i>	
Market to Affordable Program	35
Accessory Apartment Program	10
Total	426

The Township has adopted all the required ordinances and plans for the above referenced sites and mechanisms to address the need. These are described in greater detail as follows.

Inclusionary Development Sites

a. Stanberry Site

Update: The Redevelopment Plan for the subject site has been adopted and a redevelopment agreement with the designated developer has been approved. The Redevelopment Plan as amended (Resolution 2018-22), established the TC-1 Town Center Redevelopment Area Zone District. The TC-1 District permits up to 40 units to the acre or a maximum number of 441 units and requires a 15 percent (15%) set aside for rental and a twenty percent (20%) set aside for-sale units for very-low, low- and moderate-income units.

To date, the redeveloper has made an application to the Planning Board for site plan review. The Township is currently under a Scarce Resource restraint order for water service within the Parsippany water system service area which remains under review as to water allocation. The Stanberry site is not in the same service area therefor it is not impacted by this order and further judgement.

b. Mack Cali Sites.

Update: The Township has adopted by Ordinance No. 2019:47 for Block 202, Lot 3.2 establishing the AHD-3A Affordable Housing District and Ordinance No. 2019:48 for Block 202, Lot 3.12. establishing the AHD-3B Affordable Housing District.

The AHD-3A District permits multifamily uses at a maximum number of 172 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

The AHD-3B District permits multifamily uses at a maximum number of 238 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted for either site, an application is anticipated in the near future. These two lots are in the Scarce Resource Restraint order service area and so therefore will be subject to the outcome of this judgement. This site remains a principal site to address the Township's RDP it is anticipated this site will be included in the final judgement of the Court as to priority for water supply, therefore, the site continues to represent a realistic opportunity as identified in the HE&FSP.

c. Westmount Plaza Site

Update: The Township has adopted by Ordinance No. 2019:46 for Block 698, Lot 15.2-S01 establishing the AHD-MU Affordable Housing District.

The AHD-MU District permits multifamily uses at a maximum number of 313 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted for the site, an application is anticipated in the near future. The lot is in the Scarce Resource Restraint order service area and so therefore will be subject to the outcome of this judgement. This site remains a principal site to address the Township's RDP it is anticipated this site will be included in the final judgement of the Court as to priority for water supply, therefore, the site continues to represent a realistic opportunity as identified in the HE&FSP.

d. 750 Edwards Road LLC Site

Update: The Township has adopted by Ordinance No. 2019:49 for Block 766, Lots 6,7,8 & 9 establishing the AHD-4 Affordable Housing District.

The AHD-4 District permits multifamily uses at a maximum number of 114 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted for the site, an application is anticipated in the near future. The lots are in the Scarce Resource Restraint order service area and so therefore will be subject to the outcome of this judgement. This site remains a principal site to address the Township's RDP it is anticipated this site will be included in the final judgement of the Court as to priority for water supply, therefore, the site continues to represent a realistic opportunity as identified in the HE&FSP.

e. 887 Edwards Road Site

Update: The Township has adopted by Ordinance No. 2019:50 for Block 767, Lot 36 establishing the AHD-5 Affordable Housing District.

The AHD-5 District permits multifamily uses at a maximum number of 24 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted for the site, an application is anticipated in the near future. The lot is in the Scarce Resource Restraint order service area and so therefore will be subject to the outcome of this judgement. This site remains a principal site to address the Township's RDP it is anticipated this site will be included in the final judgement of the Court as to priority for water supply, therefore, the site continues to represent a realistic opportunity as identified in the HE&FSP.

f. Weichert Site

Update: The Township has adopted by Ordinance No. 2019:51 for Block 200, Lot 8 establishing the AHD-6 Affordable Housing District.

The AHD-6 District permits multifamily uses at a maximum number of 91 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted for the site, an application is anticipated in the near future. This lot is not in the Scarce Resource Restraint order service area and so therefore it not be subject to the outcome of this judgement. This site continues to represent a realistic opportunity as identified in the HE&FSP.

g. SJP MC VI Site

Update: The Township has adopted by Ordinance No. 2019:52 for Block 136, Lot 44 & 76 establishing the AHD-7 Affordable Housing District.

The AHD-7 District permits multifamily uses at a maximum number of 325 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

The Planning Board has reviewed and approved the site plan for the site as identified in resolution dated April 24, 2020 in accordance with the ordinance adopted for the property. The lot is in the Scarce Resource Restraint order service area although has a prior water allocation permit which is not impacted by the court order so the project can proceed and therefor remains a realistic site to address affordable housing.

Alternative Living Arrangement Sites

a. Community Options @ Normandy Drive Site

Update: Community Options has acquired and developed an alternative living group home arrangement on Normandy Drive at Block 741, Lot 58 with 4 bedrooms with the assistance of funding from the Township's Affordable Housing Trust Fund.

b. Community Options Future Sites

Update: Community Options has submitted a letter of interest to acquire additional alternative living group homes in the Township for a total of 18 bedrooms ((3) 4 bedrooms and (2) 3 bedrooms). The Township will assist with funding for these homes from the Township's Affordable Housing Trust Fund.

c. Advancing Opportunities, Inc. Future Sites

Update: Advancing Opportunities has submitted a letter of interest to acquire additional alternative living group homes in the Township for a total of 8 bedrooms The Township will assist with funding for these two homes from the Township's Affordable Housing Trust Fund.

d. Avidd Community Services of NJ: Minnehaha Blvd.

Update: Avidd Community Services recently opened this alternative living group home on Minnehaha Boulevard at Block 598, Lot 12 in the Township with a total of 4 bedrooms The Township had assisted in the funding this project from the Township's Affordable Housing Trust Fund.

e. Avidd Community Services of NJ: Circle Drive.

Update: Avidd Community Services recently opened this alternative living group home on Circle Drive at Block 30, Lot 3.02 in the Township with a total of 4 bedrooms The Township had assisted in the funding this project from the Township's Affordable Housing Trust Fund.

Affordable Housing Programs

a. Market to Affordable Program

Update: The Township created a Market to Affordable Program Manual dated September 27, 2019. The manual "*describes the basic content and operation of the M2A program elements, examines program purpose and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations, funding allocations and/or procedures*". The programs implementation is ongoing which along with its Administrative Agent, will market the M2A program to property owners and landlords and work with owners of existing market rate rental units to reduce the rent of one or more units in a rental property or properties to an affordable level. Landlords will be offered a subsidy in exchange for deed restricting specific units in a development so that the households renting the unit(s) will be paying an affordable rent as determined under this Program for a period of at least 30 years. Such a program will be administered in accordance with applicable regulations and the Affordable Program Manual. Funding for this program has been set up through the Spending Plan of the Affordable Housing Trust Fund.

b. Accessory Apartment Program

Update: The Township has amended its zoning ordinance to create an accessory apartment program as provided for by Ordinance No. 2019:61 wherein Section 430-50 Conditional Uses permits "affordable accessory apartments as defined in § 430-8, in the R-1 District only". Additionally, funding for this program has been set up through the Spending Plan of the Affordable Housing Trust Fund.

3. Overlay Zoning

Item 8: *The RDP of 857, subtracted from the Third Round obligation of 1,314 units, results in an unmet need of 457 units, which shall be addressed through the following mechanisms:*

- a. *Brookside (B 412, L 15) - 61 of the 191 units in the age-restricted rental development are credited to the municipality's Third Round unmet need.*
- b. *Vail Manor Senior (B 455, L 2&3) - All 35 units of the age-restricted rental development are credited to the municipality's Third Round unmet need.*
- c. *Overlay zoning on designated sites, as described in Exh. B to this Agreement.*

Update: Pursuant to this requirement, the Township has adopted ordinances for the above referenced sites. These are described in greater detail as follows.

- a. North Beverwyck Road Site (OVL-1 Zone). The OVL-1 Overlay District was adopted by Ordinance No. 2019:53 for Block 607, Lot 1. The OVL-1 District establishes a maximum density of eighteen (18) units per acre. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted as of yet, the site continues to represent a realistic opportunity because of its density and its proximity to the Township's downtown of Lake Hiawatha.

- b. Mara and North Beverwyck Road Site (OVL-2 Zone). The OVL-2 Overlay District was adopted by Ordinance No. 2019:54 for Block 497, Lots 6 and 7. The OVL-2 District establishes a maximum density of eighteen (18) units per acre. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted as of yet, the site continues to represent a realistic opportunity because of its density and its proximity to the Township's downtown of Lake Hiawatha.

- c. Lanidex Development-Parsippany Road Site (OVL-3 Zone). The OVL-3 Overlay District was adopted by Ordinance No. 2019:55 for Block 392, Lot 1&2. The OVL-3 District establishes a maximum of 600 units. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

An application for development has been submitted to the Planning Board on December 20, 2019 and is under review. The site continues to represent a realistic opportunity due to its density and its proximity to the Township's downtown of Lake Parsippany.

- d. Continental Rd. Pine View Site (OVL-4 Zone). The OVL-4 Overlay District was adopted by Ordinance No. 2019:56 for Block 15.12, Lot 1. The OVL-4 District establishes a maximum density of eighteen (18) units per acre. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted yet, the site continues to represent a realistic opportunity because of its density and its proximity to regional roadways and commercial services.

- e. Mount Arlington Center Site (OVL-5 Zone). The OVL-5 Overlay District was adopted by Ordinance No. 2019:57 for Block 698, Lot 15.2. The OVL-5 District establishes a maximum density of ten (10) units per acre in a mixed-use type of development. The district also establishes that a minimum of twenty percent (20%) of the total number of units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent.

While no application for development has been submitted yet, the site continues to represent a realistic opportunity because of its density and its proximity to regional roadways and commercial services.

- f. GSK Site (OVL-6 Zone). The OVL-6 Overlay District was adopted by Ordinance No. 2019:58 for Block 181, Lot 19. The OVL-6 District establishes a maximum density of 250 age restricted units and 120 assisted living residences. The district also establishes that a minimum of twenty percent (20%) of the total number of age restricted units shall be set-aside for very-low, low- and moderate-income units if they are for sale or rent. The assisted living residence shall provide at least a minimum of ten percent (10%) of the total number of units shall be set-aside for very-low, low- and moderate-income units.

While no application for development has been submitted yet, the site continues to represent a realistic opportunity because of its density and its proximity to regional roadways and commercial services.

4. Set-Aside Ordinance

Item 8.c.: The municipality agrees to adopt an ordinance that provides that an affordable housing set-aside of 20% shall be required for all new multi-family and single family attached or townhouse residential developments of five (5) or more additional units that are developed at a density of six (6) or more units per acre, which developments become permissible through either a use variance, a

density variance increasing the permissible density at the site, a rezoning permitting multifamily residential housing where not previously permitted or a new or amended redevelopment plan or a new or amended rehabilitation plan. This does not give any developer the right to any such rezoning, variance, redevelopment designation or redevelopment plan approval or other relief, or establish any obligation on the part of the municipality to grant such rezoning, variance, redevelopment designation or redevelopment plan approval or other relief.

Update: Pursuant to this requirement, the Township adopted a mandatory affordable housing set-aside ordinance (Ord. No. 2019:63). Specifically, Chapter XLXX Section 430-436 establishes that any development application proposing five (5) or more new dwelling units shall be required to set aside twenty percent (20%) of said lots or units that are for-sale or rent for affordable housing.

Section 430-436 B(1) further establishes that "Any multifamily or single-family attached residential development, including the residential portion of a mixed-use project, that is approved to contain five or more new dwelling units as a result of a subdivision or site plan approval, rezoning, use variance, redevelopment plan or rehabilitation plan approved by the Township or a Township land use board shall be required to set aside a minimum percentage of units for affordable housing."

Finally, Section 430-436 B(4) establishes that "this requirement does not create any entitlement for a property owner or applicant for subdivision or site plan approval, a zoning amendment, use variance, or adoption of a redevelopment plan or rehabilitation plan in areas in need of redevelopment or rehabilitation, or for approval of any particular proposed project."

5. Very-Low Income Units

Item 12: *The Township agrees to require at least 13% of all units referenced in this Agreement, excepting those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very low income units, with half of the very low income units being available to families. The municipality will comply with those requirements through the adoption of an ordinance requiring 13% of all units in inclusionary developments, including on sites that are required by this Agreement to be rezoned with overlay zoning".*

Update: This requirement has been satisfied for all the aforementioned ordinances.

6. Housing Element and Fair Share Plan

Item 17: *As an essential term of this Agreement, within one-hundred-and-twenty (120) days of Court's approval of this Agreement, the Township shall introduce an ordinance or ordinances providing for the amendment of the Township's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this Agreement and the zoning contemplated herein and*

adopt a Housing Element and Fair Share Plan and Spending Plan in conformance with the terms of this Agreement.

Update: The following is noted:

- a. The Township adopted its Housing Element and Fair Share Plan on January 27, 2020 (Amended).
- b. Town Center Redevelopment Area Zone District (TC-1) was adopted by Resolution No. 2018-22 for Block 200 Lots 1.2 and 1.03.
- c. The AHD-3A and AHD-3B Affordable Housing District adopted by Ordinance No. 2019:47 for Block 202, Lot 3.2 establishing the and Ordinance No. 2019:48 for Block 202, Lot 3.12.
- d. The AHD-MU Affordable Housing District by Ordinance No. 2019:46 for Block 698, Lot 15.2-S01.
- e. The AHD-4 Affordable Housing District by Ordinance No. 2019:49 for Block 766, Lots 6,7,8 & 9.
- f. The AHD-5 Affordable Housing District by Ordinance No. 2019:50 for Block 767, Lot 36.
- g. The AHD-6 Affordable Housing District by Ordinance No. 2019:51 for Block 200, Lot 8
- h. The AHD-7 Affordable Housing District by Ordinance No. 2019:52 for Block 136, Lot 44 & 76
- i. The OVL-1 Overlay District was adopted by Ordinance No. 2019:53 for Block 607, Lot 1.
- j. The OVL-2 Overlay District was adopted by Ordinance No. 2019:54 for Block 497, Lots 6 and 7.
- k. The OVL-3 Overlay District was adopted by Ordinance No. 2019:55 for Block 392, Lot 1&2.
- l. The OVL-4 Overlay District was adopted by Ordinance No. 2019:56 for Block 15.12, Lot 1.
- m. The OVL-5 Overlay District was adopted by Ordinance No. 2019:57 for Block 698, Lot 15.2.
- n. The OVL-6 Overlay District was adopted by Ordinance No. 2019:58 for Block 181, Lot 19.
- o. The Township amended the development fee ordinance as required by Ordinance No. 2019:59.
- p. The Township adopted an affordable housing ordinance by Ordinance No. 2019:60.
- q. The Township adopted an accessory apartment ordinance by Ordinance No. 2019:61
- r. The Township
- s. The Township adopted a mandatory affordable housing set-aside ordinance by Ordinance No. 2019:63.

7. Fair Share Plan

Item 19: The Township shall prepare a Spending Plan within the period referenced above for the adoption of ordinances, subject to the review of FSHC and approval of the Court.

Update: A Spending Plan was included in the adopted Housing Element and Fair Share Plan and dated September 27, 2019.

In accordance with the settlement agreement, the posting of this information invites any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these Issues.

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