



**RESOLUTION 19-399**

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**Resolution Authorizing the Execution of a Settlement Agreement with Fair Share Housing**

WHEREAS, on or about December 30, 2008, the Borough of Princeton (the “Borough”) and the Township of Princeton (the “Township”) petitioned the New Jersey Council on Affordable Housing (“COAH”) for Third Round substantive certification of their respective Third Round Housing Element and Fair Share Plans; and

WHEREAS, before COAH acted upon the Borough’s or Township’s petitions, the Appellate Division invalidated COAH’s revised Third Round Rules in In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J.Super. 462 (App.Div.2010) and, thereafter, in In re Adoption of N.J.A.C. 5:96 and 5:97, 215 N.J. 578 (2013), the New Jersey Supreme Court affirmed, finding that the “growth share methodology” utilized by COAH in its rules was inconsistent with the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. (“FHA”), and requiring COAH to adopt new Third Round rules within five months based upon COAH’s prior round rules and methodologies; and

WHEREAS, on January 1, 2013, the Borough and Township consolidated into the Municipality of Princeton (“Princeton”); and

WHEREAS, COAH failed to adopt new rules as required by the Supreme Court, and on March 10, 2015, the Supreme 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) (“Mount Laurel IV”), in which, inter alia, it: (1) found that COAH had violated its requirement to timely adopt new Third Round regulations; (2) held that, without new Third Round regulations, COAH could not process petitions for substantive certification for the municipalities currently under COAH’s jurisdiction, (3) determined that for municipalities, such as Princeton, that had “participating status” before COAH under COAH’s third round rules, court review of such municipalities’ housing plans would 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, on July 7, 2015, pursuant to the Court’s Mount Laurel IV decision, Princeton instituted a declaratory judgment action in the Superior Court of New Jersey, entitled In the Matter of the Application of the Municipality of Princeton in Mercer County, bearing Docket No. MER-L-1550-15, seeking a judgment of immunity and repose pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and a judicial declaration that Princeton’s housing plan is presumptively valid because it presents a realistic opportunity for providing its fair share of the regional need for low- and moderate- income housing (the “DJ Action”); and

WHEREAS, Fair Share Housing Center (“FSHC”) is an interested party in the DJ Action;  
and

WHEREAS, Princeton and FSHC engaged in good faith negotiations in an effort to resolve the issues and claims raised by FSHC regarding Princeton’s compliance with its affordable housing obligations; and

WHEREAS, initial efforts to reach a settlement were unsuccessful and the Court conducted a methodology trial, resulting in a March 8, 2018 comprehensive opinion and Order issued by the Court establishing Princeton’s third round affordable housing obligations; and

WHEREAS, with Princeton’s obligation established by the Court, Princeton and FSHC successfully re-engaged in settlement negotiations and participated in mediation, and were able to resolve their outstanding issues regarding Princeton’s compliance plan; and

WHEREAS, settlement of the claims brought by FSHC present an opportunity to resolve the various matters pending between the parties, provides certainty regarding Princeton’s ability to satisfy its affordable housing obligations, and will avoid further litigation costs associated with a compliance trial and further proceedings; and

WHEREAS, the terms of the settlement reached with FSHC have been memorialized in a Settlement Agreement dated December \_\_\_\_, 2019, the terms of which the Parties agree are fair and reasonable to low and moderate income households and satisfies Princeton third round affordable housing obligations.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18<sup>th</sup> day of December, 2019, as follows:

1. The preamble to this Resolution is hereby incorporated as if more fully set forth herein.
2. Princeton is hereby authorized to enter into the December 18, 2019 Settlement Agreement with Fair Share Housing Center in resolution of the Mount Laurel Declaratory Judgment Action referenced above, upon the terms and conditions set forth in the Agreement.
3. The Mayor and Clerk are hereby authorized and directed to sign on behalf of Princeton the above-referenced Settlement Agreement, a copy of which is on file in the Municipal Clerk’s Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by the Municipal Attorney in consultation with the Mayor and Administrator.
4. The Mayor, Administrator, Clerk, Attorneys, Planners, and other appropriate officers, employees and professionals, are hereby authorized and directed to

prepare and execute any and all such other documents and undertake any and all such further acts as may be necessary or required to effectuate the above-referenced settlement.

5. This Resolution shall take effect immediately.

Councilperson	Absent	Present	1 <sup>st</sup>	2 <sup>nd</sup>	Yea	Nay	Abstain	Disqualified
Mr. Cohen								
Ms. Crumiller								
Ms. Fraga								
Ms. Niedergang								
Mr. Quinn								
Mr. Williamson								
Mayor Lempert								

I, Delores A. Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held December 18, 2019.

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Delores A. Williams, Municipal Clerk

**ATTACHMENTS:**

- 2019-12-18 Princeton FSHC Sett'l Agmt (Final) (PDF)



Peter J. O'Connor, Esq.  
Kevin D. Walsh, Esq.  
Adam M. Gordon, Esq.  
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December 18, 2019

Kevin A. Van Hise, Esq.  
Mason, Griffin & Pierson, PC  
101 Poor Farm Road  
Princeton, NJ 08540

**Re: In the Matter of the Application of the Municipality of Princeton in Mercer County**  
Docket No. MER-L-1550-15

Dear Mr. Van Hise:

This letter memorializes the terms of an agreement reached between the Municipality of Princeton in Mercer County (hereinafter, "Princeton" or "Petitioner"), the declaratory judgment plaintiff, and Fair Share Housing Center ("FSHC"), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) ("Mount Laurel IV") and, through this settlement, a defendant in this proceeding.

### **Background**

Princeton filed the above-captioned matter with the Superior Court of New Jersey, Law Division, Mercer County, on July 8, 2015 (the "Action") seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Through the declaratory judgment process, Princeton and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

### **Settlement terms**

Princeton and FSHC hereby agree to the following terms:

1. FSHC agrees that Princeton, through the adoption of a Housing Element and Fair Share Plan conforming with the terms of this Agreement (hereafter "the Plan") and through the implementation of the Plan and this Agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. The fair share obligations in this matter are the subject of a court decision issued by the Honorable Mary C. Jacobson on March 8, 2018. Although the court has adjudicated the methodology for determining Third Round fair share obligations, the court has not adjudicated certain issues regarding compliance with that obligation, and the parties, absent entering into this settlement, would have the right to appeal that adjudication. The parties through this Agreement agree to waive any right of appeal of Judge Jacobson's March 8, 2018 decision on methodology and through this Agreement request that the Court approve the compliance mechanisms set forth herein.

3. FSHC and Princeton hereby agree that Princeton's affordable housing obligations are as follows:

Present Need/Rehabilitation Share	80
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	641
Third Round Obligation(1999-2025) (New Construction)	753

- a. The Third Round Obligation includes the Gap present need for new construction to address the affordable housing needs of households formed from 1999-2015, a need that was recognized by the Supreme Court in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017), and the Prospective Need, which is a measure of the affordable housing need anticipated to be generated between July 1, 2015 and June 30, 2025.
- b. The parties, for purposes of this Agreement, have stipulated and agreed to the obligations set forth in Paragraph 3 above, as found and determined by the trial court in the Opinion and Order entered by the Honorable Mary C. Jacobson, A.J.S.C., on March 8, 2018 in the consolidated methodology trial for Princeton (Docket No. MER-L-1550-15) and West Windsor Township (Docket No. MER-L-1561-15).
- c. The parties agree that the provisions of this Agreement represent a fair and reasonable settlement of this litigation pursuant to the standards elucidated by East/West Venture v. Borough of Fort Lee, 286 N.J.Super. 311 (App. Div. 1996) and related case law, recognizing that (1) either or both parties could have appealed the trial court's Methodology determination, raising issues on appeal that could have resulted in a higher or lower fair share obligation, and (2) that other aspects of this settlement resolve additional important issues, beyond the fair share obligation, that are relevant to the East/West Venture analysis of the fairness and reasonableness of the settlement, issues that have not yet been adjudicated by the trial court as of the date of the settlement. Thus, both Princeton and FSHC agree to support this Agreement as fair and reasonable before the trial court, and if an appeal is filed by a third party, upon any appeal to the Appellate Division and/or the Supreme Court.
4. Princeton's rehabilitation obligation is 80 units. Five units have been completed since 2010. Documentation related to these units will be provided during the compliance phase of this proceeding. Princeton will meet the remainder of its obligation through a local rehabilitation program for both rental and for-sale housing administered by the Princeton Affordable Housing Office (Maureen Fullaway) in accordance with COAH's rules. This is sufficient to satisfy the Township's present need / rehabilitation obligation.
- a. Princeton may seek modification of its rehabilitation share obligation by conducting a survey of the municipal housing stock as provided for by N.J.A.C. 5:97-6.2(a) and N.J.A.C. 5:93-5.2(a).
- b. Any such application for a modification of the rehabilitation share obligation shall be subject to the review and approval of the Court on notice to the Special Master and FSHC and be completed during the compliance phase and submitted to the Court, Special Master, and FSHC at least 30 days prior to the Compliance Hearing.

5. Princeton is unique in that as a municipality, it has no COAH-calculated prior round obligation due to the fact that the Municipality of Princeton was created on January 1, 2013 by the consolidation of the former Borough of Princeton and the former Township of Princeton. As such, Princeton’s prior round obligation has been established by the separate obligations of the two former municipalities:

a. Princeton Borough. The prior round obligation of the former Princeton Borough is 323 units.

i. Pursuant to a Judgment of Compliance and Repose entered on October 16, 2002, the Borough addressed its Second Round obligation through the following compliance mechanisms:

Name	Type	Units
Elm Court (Prior Cycle) (Block 1.01, Lot 4.01)	Age-Restricted Rentals. Constructed 1984 – Section 202 Program, by Princeton Community Housing, Inc.	88
Vacant Land Adjustment	(Unmet Need Obligation) 323-100=223	223

ii. The Borough also provided the following units to address its present need in the Prior Round:

Name	Address	Block	Lot	Type	Units
John & Clay Streets	237 & 241 John Street	15.03	49.02, 49.04	Family For- Sale. Completed 1994	5
	92, 94 & 96 Clay Street	15.02	106.02, 106.03, 106.04		
Hamilton Avenue	101, 105, 113, 115, 123 & 127 Hamilton Avenue	33.04	1.17, 1.15, 1.11, 1.10, 1.06, 1.04	Family For- Sale. Completed 1990	6
171 John Street	171 John Street	17.03	71	Family For- Sale. Completed 1992	1
<b>TOTAL:</b>					<b>12</b>

iii. To address its vacant land adjustment of 223 units, and as a court-requirement for its judgment of compliance and repose, the Borough adopted an affordable housing overlay zoning ordinance (Section 17A-202.1, et seq. of the Borough Code). The overlay ordinance requires a twenty-percent (20%) set-aside of affordable housing for development of the land located in the former Borough for a multiple dwelling or joint occupancy building with five or more dwelling units. Princeton has continued to maintain that ordinance post consolidation. The overlay ordinance has produced the following units:

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units
The Princewood	253 Nassau Street	48.01	6	0.517	12 rental units with 1 very-low income family unit.	12	1
Princeton International Properties	291-293 Nassau Street	51.02	46	0.438	7 family rental units with 1 moderate income family rental	7	1
41 Spring Street	41 Spring Street	27.04	18	0.113	Family rental units	22	2
45 Spring Street	45 Spring Street	27.04	20	0.034	Approved in 2018 for 6 residential units with 1 two-bedroom low income unit	6	1
Shirley Court	1, 2, 3, 4 & 5 Shirley Court	24.01	15	0.146	Family For-Sale Completed 2001	6	5
MacLean Street	14, 18 & 22 MacLean Street	17.03	116.0105, 116.0103, 116.0101	0.146	Family For-Sale Completed 2001	6	3
Palmer Sq. Hulfish North	Palmer Square				Court settlement for 100 apartment units with 10 AH units (8 with 20yr controls + 2 COAH compliant units)	100	2
<b>TOTAL:</b>						<b>159</b>	<b>15</b>

iv. Pursuant to COAH's 2008 calculations set forth in N.J.A.C. 5:97, Appendix C, the Borough's recalculated prior round obligation was 311 units.

v. In combination with a 1 unit excess credit from the (former) Township being applied to the unmet need obligation, the current unmet need from the former Borough is as follows:

Total unmet need	223
Less:	
Units from Overlay Ordinance	15
Adjustment from COAH Recalculated Prior Round Obligation	12
Township Prior Round Excess Credit	1
Remaining Unmet Need Calculation from Former Borough	<u>195</u>

vi. Pursuant to Paragraph 5.a.iii above, Section 17A-202.1, et seq. of the Borough Code requires an affordable housing set-aside on projects located in the lands of the former Borough. As part of this settlement agreement, Princeton agrees to amend, or repeal and replace, the existing ordinance

with a new ordinance applicable to the entire consolidated municipality that requires an on-site affordable housing set-aside of 20% for all new multi-family 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: a use variance; a density variance increasing the permissible density at the site; a rezoning permitting multi-family residential housing where not previously permitted; or a new or amended redevelopment plan; or a new or amended rehabilitation plan.

1. This ordinance shall not apply to student housing, defined to mean *“Non-profit housing owned and operated by an accredited academic institution for full-time undergraduate and graduate students who are currently registered and enrolled in a degree-granting program at same academic institution located within the Municipality of Princeton.”*
2. This ordinance shall not give any developer the right to any such rezoning, variance, redevelopment designation or redevelopment or rehabilitation plan approval, or any other such relief, or establish any obligation on the part of the municipality to grant such rezoning, variance, redevelopment designation, redevelopment or rehabilitation plan approval, or such other or further relief.
3. This provision shall not apply to sites zoned for inclusionary residential development or for which an inclusionary residential redevelopment plan has been adopted consistent with the municipality's Court-approved Housing Element and Fair Share Plan adopted in accordance with this Agreement, which sites shall comply with the applicable adopted zoning. No site shall be permitted to be subdivided so as to avoid compliance with this requirement.
4. The ordinance shall be enacted to apply to the entire municipality of Princeton.
  - a. Affordable housing developed in accordance with this ordinance within the boundaries of the former Borough shall be credited to the unmet need obligation of the former Borough.
  - b. Affordable housing developed in accordance with this ordinance within the boundaries of the former Township shall be credited to the consolidated municipality's prospective need for future affordable housing obligations in accordance with then applicable law.

- vii. In addition to maintaining the existing overlay ordinance, Princeton will also enact area specific overlays to incentivize inclusionary and mixed use redevelopment with a required affordable housing set-aside for sites commonly known as:

<b>Name</b>	<b>Address</b>	<b>Block</b>	<b>Lot</b>	<b>Acr.</b>	<b>To New District</b>
Bank of America	370 Nassau Street	32.01	171	1.430	AHO-2
7-Eleven & USPS	257 1/2 Nassau St. Alley & 259 Nassau Street	48.01	16,21	0.839	AHO-1
Jay's Cycle & Nassau East Inc.	249 Nassau Street; 245-247 Nassau Street	48.01	18, 5	1.150	AHO-1
Craft Cleaners	225-227 Nassau Street	47.02	27, 28	0.285	AHO-1
Thompson Realty	195 Nassau Street; 9-11 Charlton Street	47.01	23, 26	0.445	AHO-1
Princeton University	199-201 Nassau Street	47.01	24, 25	0.200	AHO-1
Princeton Proprietary Holdings, LLC	211-213 Nassau Street	47.02	21, 22	0.220	AHO-1
TCO Metals, LLC	215 Nassau Street	47.02	23	0.125	AHO-1
Princeton University	221-223 Nassau Street	47.02	26	0.211	AHO-1
Sunoco Gas	273 Nassau Street (at Murray Place)	51.02	41	0.424	AHO-1
The Jewish Center	457 Nassau Street	56.03	170	4.840	AHO-3
Appari, LLC	217 Nassau Street	47.02	24	0.114	AHO-1
219 Nassau St. LLC	219 Nassau Street	47.02	25	0.121	AHO-1
Craabumch & Co.	229-231 Nassau Street	47.02	29	0.104	AHO-1
Princeton Intl. Properties	360 Nassau Street	32.01	1	0.734	AHO-2
Fleet / BOA	372-374 Nassau Street	32.01	172	0.367	AHO-2
Princeton Intl. Properties	366 Nassau Street	32.01	173, 213	0.281	AHO-2
Shelpuk	364 Nassau Street	32.01	221	0.160	AHO-2
Princeton Intl. Properties	354 Nassau Street	32.01	222	0.354	AHO-2
Pang	238 Nassau Street	30.02	38	0.172	AHO-2
254-258 Nassau Street LLC	254-258 Nassau Street	30.02	78	0.182	AHO-2
252 Nassau Street LLC	252 Nassau Street	30.02	79, 80	0.211	AHO-2
Roussos Family LP	246 Nassau Street	30.02	81	0.149	AHO-2
Roussos Family LP	242 Nassau Street	30.02	82	0.120	AHO-2
Pang	240 Nassau Street	30.02	83	0.170	AHO-2
250 Nassau Street LLC	250 Nassau Street	30.02	87	0.163	AHO-2
248 Nassau Street LLC	248 Nassau Street	30.02	89	0.160	AHO-2
Roussos Family LP	244 Nassau Street	30.02	92	0.089	AHO-2

1. The ordinance implementing the area specific overlays will be in substantially the form as attached hereto as **Exhibit A**, creating three new overlay zoning districts, to be known as AHO-1, AHO-2 and AHO-3.
  2. The AHO-1 and AHO-2 provisions of the proposed ordinance will incorporate the following provisions: (a) 3-story buildings will be permitted; (b) establish or utilize a required parking ratio of 1.3 spaces per dwelling unit; and (c) add a maximum front yard setback requirement.
- viii. With the adoption of the set aside ordinance required by Paragraph 5.a.vi above and the area specific overlays ordinance to be adopted pursuant to Paragraph 5.a.vii above, and the requirement imposed by Paragraph 5.a.ix, the parties agree that the former Borough's unmet need obligation is adequately addressed in accordance with COAH's rules, and in particular, N.J.A.C. 5:93-4.2(f).
- ix. Princeton will continue to encourage and foster new affordable housing opportunities by site specific redevelopment negotiations with developers in the former Borough on sites not specifically identified in this Agreement. Opportunities obtained as a result of such efforts within the boundaries of the former Borough shall be credited first to the former Borough's unmet need obligation, and upon satisfaction of the unmet obligation, any additional credits may be applied to Princeton's future round obligation(s).
- b. Princeton Township. The prior round obligation from the former Princeton Township is 330 units. In accordance with the Township's grant of Substantive Certification from COAH on October 2, 1996, the Township addressed its Second Round obligation through the following compliance mechanisms:

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
CIFA II, LLC	16 Gulick Road	4701	28	0.570	2 Br. Group Home + 2 Bonus completed 1994		2	2	4
Griggs Farm - PCH	Griggs Drive	802	1	26.500	140 Sale & Rental + 70 Bonus, completed 1989		140	70	210
White Farm / Calton Homes / Washington Oaks	Route 206 @ Hutchinson Drive			73.000	60 Family Sale Units, completed 1994	300	60	-	60
7 Leigh Avenue	7 Leigh Avenue	6905	21	0.110	1 Reconstr. Family Sale Unit, compl. 1994		1	-	1

West Drive / Karin Court	Karin Court	11301	1.02	2.633	16 Very low inc. rentals + 11 bonus, compl. 1999	16	11	27	
RCA / Trenton					23 Units	23	-	23	
Substantial Compliance Bonus - 1st to 2nd Round					6 Unit Reduction (Prev. Awarded)	6	-	6	
<b>TOTALS:</b>						<b>300</b>	<b>248</b>	<b>83</b>	<b>331</b>

6. Princeton has implemented or will implement the following mechanisms to address its Third Round New Construction obligation of 753 units:

**Constructed Units**

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
Witherspoon Phase I	57 Witherspoon Street	27.02	76	1.280	Family Rental	24	2	2	4
Witherspoon Phase II	Spring Street	27.01	10, 12, 13, 78	0.558	Family Rental	53	10	10	20
114 Leigh Avenue	114 Leigh Avenue	13.01	4	0.069	Family Sale	5	1	-	1
100-104 Leigh Avenue	100-104 Leigh Avenue	13.01	9.01	0.210	Family Rental	5	5	5	10
135 Bayard Lane	135 Bayard Lane	13.01	1	0.227	Family Rental	4	4	4	8
Harriet Bryan House	310 Elm Road	6501	3.01, 1.01	10.193	Age Restricted	67	67	-	67
Acorn Glen	775 Mt. Lucas Road	2802	3	10.000	Assisted Living	-	5	-	5
52 Leigh Avenue	52 Leigh Avenue	6906	24	0.070	Family Sale	2	2	-	2
159 John Street	159 John Street	17.03	68	0.066	Family Sale	1	1	-	1
190-198 Witherspoon St.	194-198 Witherspoon St.	15.01	25.01	0.296	Family Rental	4	2	2	4
12-14 Vandeventer Ave.	12-14 Vandeventer Ave.	27.04	24	0.270	Family Rental	4	1	1	2
24 North Harrison St.	24 North Harrison Street	34.01	15	0.214	Group Home	-	4	4	8

246 John Street	246 John Street	15.04	76	0.041	Family Rental	1	1	1	2
76-1/2 Linden Inc. / Catholic Ch.	76-1/2 Linden Lane	33.04	104	0.219	Group Home	-	3	-	3
Community Options	24 Dorann Ave.	7308	20	0.230	Group Home	-	4	4	8
Copperwood	300 Bunn Drive	4301	3	9.264	Family Rental	153	12	-	12
Youth Consultation Serv.	9 Hilltop Drive	5401	5	0.570	Group Home	-	4	4	8
Merwick / Stanworth	Bayard Lane @ Stanworth	14.01	2	17.130	Family Rental	325	56	56	112
AvalonBay - Witherspoon Street	100 Albert Way	21.02 & 7101	1.01 & 12.01	10.553	Family Rental	280	56	56	112
255 Nassau Corp / Carnevale	255 Nassau Street	48.01	22	0.861	Family Rental	23	4	4	8
<b>TOTAL CONSTRUCTED UNITS:</b>						951	<b>244</b>	153	<b>397</b>

**Approved - Not Yet Constructed**

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
Princeton Maclean, LLC	30 Maclean Street	17.03	73	0.165	Family Rental	10	2	2	4
Lytle Street (Habitat for Humanity)	31 Lytle Street	15.02	71	0.062	Family Sale	2	2	-	2
<b>TOTAL APPROVED UNITS:</b>						12	<b>4</b>	2	<b>6</b>

**Municipally Sponsored / 100% Affordable Housing Developments**

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H Units	Bonus Credits	Total Credits
Princeton Community Village	Karl Light Boulevard	4401	2	35.706	Family Rental	25	25	-	25
Franklin Avenue & Maple Terrace	Franklin Avenue	21.04	26, 27	2.472	Family Rental	80	80	33	113
RPM - 900 Herrontown Road (SAVE)	900 Herrontown Road	901	21	3.000	Family Rental	65	64	-	64
Thanet Road Senior Project - Avalon Bay	100 Thanet Road	5502	p/o 4	2.500	Age Restricted Rental	80	80	-	80
Group Homes					Group Homes - 4		16	-	16
<b>TOTAL MUNICIPALLY SPONSORED:</b>						<b>250</b>	<b>265</b>	<b>33</b>	<b>298</b>

**Sites To Be ReZoned for Inclusionary Development**

Name	Address	Block	Lot	Acr.	Type	Total Units	A.H. Units	Bonus Credits	Total Credits
Terhune & Harrison	351 Terhune Road	7401	1.02	4.509	Family Inclusionary	60	12	-	12
Princeton Shopping Center (Edens)	301 North Harrison St.	7401	1.01	29.093	Family Inclusionary	200	44	-	44
Thanet Road - Avalon Bay	100 & 101 Thanet Road	5502	4	15.021	Family Rental	221	6	-	6
					Group Homes (5 3-Br Units)		15	-	15
<b>TOTAL INCLUSIONARY DEVELOPMENT:</b>						<b>481</b>	<b>77</b>	<b>-</b>	<b>77</b>

Third Round Compliance Summary

Municipal Obligation – Municipality of Princeton	753
Less:	
Constructed Units	244
Approved – Not Yet Constructed Units	4
Municipally Sponsored / 100% Affordable Housing Dev.	265
Sites to be Re-Zoned for Inclusionary Development	77
Total Bonus Credits	188
Total Third Round Compliance Credits	778
TOTAL Third Round Satisfaction (Excess Credits)	25

7. As set forth in Paragraph 6 above, Princeton will provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning on the following sites:
- a. *“Terhune & Harrison”* (Block 7401, Lot 1). This vacant site will be rezoned to permit a residential density of 22 units/acre of family housing and to remove the age restriction requirement. This is anticipated to result in 60 residential units with a required 20% set-aside.
  - b. *“Princeton Shopping Center.”* (Block 7401, Lot 1.01) Princeton has reached agreement with the property owner to facilitate the development, via a zoning amendment or use of the Redevelopment process, to provide a density of 6.9± units/acre over the 29.1± acre site, for the development of 200 family rental units with a 22% affordable housing set-aside (44 affordable housing family rental units). The ordinance will permit clustering to facilitate the redevelopment of the southern end of the site without significant impact on the existing commercial development (shopping center).
    - i. Princeton acknowledges that the proposed rezoning or redevelopment plan ordinance will incorporate bulk standards permitting a four-story structure within approximately 50’ of adjacent, existing single family residential dwellings. Development criteria will be set forth in the ordinance, including the potential need for structured parking, conceptual plan for units, etc.
    - ii. The development site plan will prioritize pedestrian, bicycle and transit accessibility as well as thoughtful and creative architectural and landscape design. It will reflect good urban design that will result in the complex, and particularly the Harrison Street frontage, becoming more inviting and visually compatible with the surrounding neighborhoods and to the greater Princeton community. The owner has agreed to provide shuttle service to/from the development to downtown Princeton, and will work closely with the Planning Board and municipal staff to design an attractive and economically viable mixed-use development.
    - iii. Written confirmation, by letter agreement or memorandum of understanding, between the property owner and municipality, confirming

the development plan for this site, will be provided prior to the Fairness Hearing.

- c. *Thanet Circle – Avalon Bay, Block 5502, Lot 4.* This is a 15.02± acre parcel currently improved with two office buildings constructed more than 30-years ago, containing a total of 110,000± square feet. The buildings have been predominantly vacant for the past several years and the site is ripe for redevelopment. Princeton has reached agreement with the contract purchaser of the property to utilize the redevelopment process to provide for a 221-unit market rate rental complex, with six family rental affordable apartments (comprised of one (1) 1-Bedroom apartment, three (3) 2-Bedroom apartments and two (2) 3-Bedroom apartments (one of which will be designated as a very-low income unit)), and five (5) 3-Bedroom special needs apartments. In addition, the contract purchaser has agreed to subdivide a 2.5± acre parcel for Princeton to create an 80-unit, municipally sponsored, age-restricted, 100% affordable housing development (detailed in Paragraph 8.d below). During the compliance phase of this matter, at least 30 days prior to the compliance hearing, Princeton will provide an agreement with the developer of this site regarding the donation of land and terms on which the inclusionary family rental development will be developed. The 80-unit senior project is addressed further in Paragraph 8.d below.
  - d. *Northern S-2 Zoning District.* To advance smart growth principles, Princeton will adopt an overlay ordinance to permit as-of-right, residential uses on the second and third floor of existing or new non-residential development at a density of 15-units per acre with a 20-percent set-aside of affordable housing, creating a mixed-use zone providing residences, shopping and services within an existing corridor that is ripe for redevelopment. Affordable housing developed in accordance with this ordinance shall be credited to the consolidated municipality's prospective need for future affordable housing obligations in accordance with then applicable law.
8. As set forth in Paragraph 6 above, Princeton will provide a realistic opportunity for the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:
- a. *"Princeton Community Village."* Princeton will sponsor the creation of 24 new affordable housing units at Princeton Community Village's existing development located off of Bunn Drive which shall include 3 very low income units, 9 low income units, and 12 moderate income units with an affordability average of 52 percent and will comply with the bedroom distribution provided for in N.J.A.C. 5:80-26.3 with each income tier proportionally distributed across each bedroom type. The proposed project will incorporate the construction of a new mid-rise building utilizing NJHMFA alternative financing (not tax credits).
    - i. A zoning ordinance will be adopted during the Compliance Phase providing for the proposed development.
    - ii. Princeton will commit funding from the municipal affordable housing trust fund to subsidize the project construction costs.

- iii. This will not be a tax credit project. Rather, PCH will obtain tax exempt bond financing through NJHMFA.
  - iv. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.
- b. *“Franklin Avenue & Maple Terrace.”* Redevelopment project being done by PCH that will create 80 new affordable family rental units which shall include 11 very low income units, 29 low income units, and 40 moderate income units with an affordability average of 52 percent and will comply with the bedroom distribution provided for in N.J.A.C. 5:80-26.3 with each income tier proportionally distributed across each bedroom type. The project was originally proposed to have 20 local preference units, but the proposal has since been modified by Princeton to eliminate the Princeton preference proposal.
- i. Princeton will adopt a zoning ordinance providing for the proposed development.
  - ii. PCH will seek 9% tax credits. Funding is anticipated in the 2020 funding round.
  - iii. Construction on the project shall begin within three (3) years of the court’s approval of this Agreement following a fairness hearing.
  - iv. Princeton will adopt a resolution committing funding from the municipal affordable housing trust fund. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.
  - v. The parties agree that the existing tenants, at their option, shall be relocated during project construction and returned to the development without need for re-certification.
- c. *“900 Herrontown Road.”* This is a 3-acre vacant site that formerly housed the SAVE animal shelter. The property owner has entered into a contract with RPM Development Group / 900 Herrontown Princeton LP (“RPM”) for RPM to develop a 65-unit affordable housing project (64 restricted units + 1 on-site residential property manager) which shall include 8 very low income units, 24 low income units, and 32 moderate income units with an affordability average of 52 percent and will comply with the bedroom distribution provided for in N.J.A.C. 5:80-26.3 with each income tier proportionally distributed across each bedroom type.
- i. RPM has already submitted an application with NJHMFA seeking 9% tax credits in the 2019 funding round.
  - ii. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among

other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.

- iii. To facilitate the project, Princeton enacted an ordinance creating the AH-3 zoning district, providing for site specific zoning to accommodate the proposed density and bulk requirements necessary to construct the project. The ordinance was adopted on April 8, 2019.
- iv. Pursuant to enactment of the AH-3 zoning ordinance, RPM submitted an application to the Princeton Planning Board seeking preliminary and final major site plan approval. By Resolution No. P1919-741P, adopted on July 18, 2019, RPM's application was granted.

d. *"Thanet Circle Senior."*

- i. As detailed in Paragraph 7.c above, Princeton will acquire a 2.5± acre tract located on Thanet Road for the development of an 80-unit, municipally sponsored, age-restricted, 100% affordable housing development, which shall include 11 very low income units, 29 low income units, and 40 moderate income units with an affordability average of 52 percent.
- ii. The 80-unit senior project will not be a 9% tax credit project. Rather, the municipality intends to fund the project with the use of 4% volume cap tax credits, its affordable housing trust fund, and/or municipal financing of the project.
- iii. The Municipality recognizes that the currently estimated total cost of the project will be approximately \$15-20 million. The Municipality realizes that while outside sources of funds may be available to offset part of these costs, there is no guarantee of receiving such funds. The Municipality shall provide funding through bonding or any other means necessary to the project sufficient to fully fund the project in a timely fashion to allow construction to begin in accordance with the timetable required by Paragraph 8.g of this Agreement, but in any event shall formally authorize and commit funding sufficient to fully fund the project no later than December 31, 2021, deducting only firmly committed funding from outside sources at that time from the total cost necessary to complete the project.
- iv. A project pro forma and required documentation for the project, including an agreement with the developer regarding funding and timing, among other issues required by this paragraph, will be provided at least 30 days prior to the Compliance Hearing.

- e. *"Supportive & Special Needs / Group Homes."* Princeton will commit and sponsor four group home projects that will provide 16 total bedroom / credits. Princeton agrees to provide a site, sponsor, and funding plan for eight bedrooms no later than June 30, 2021 and have those bedrooms ready for occupancy by June 30, 2022 and a site, sponsor, and funding plan for the remaining eight bedrooms no later than June 30, 2024 and have all 16 bedrooms ready for occupancy by June 30, 2025. The plans and other information shall be provided to FSHC on or before the date they are due. Princeton will provide sufficient funding in its Spending Plan to accomplish these projects. Princeton will adopt a resolution committing funding

from the municipal affordable housing trust fund. Required documentation for the project and commitments will be provided at least 30 days prior to the Compliance Hearing.

- f. In accordance with N.J.A.C. 5:93-5.5, Princeton recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments, i.e., Princeton Community Village, Franklin Avenue and Franklin/Maple Terrace, 900 Herrontown Road, Thanet Circle senior housing, and Supportive & Special Needs/Group Homes. The municipality is required to provide a pro forma of both total development costs and sources of funds and documentation of the funding available to the municipality and/or project sponsor, and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. These obligations will be satisfied through the submission of documentation at least 30 days prior to the compliance hearing in this matter.
  - g. In accordance with N.J.A.C. 5:93-5.5, for non-inclusionary developments, a construction or implementation schedule, or timetable, shall be submitted for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The schedule shall provide for construction to begin within two years of court approval of this Agreement, with the exception of the "Franklin Avenue & Maple Terrace" project that, pursuant to Paragraph 8.b above, will begin within three years of court approval of this Agreement, and the group homes that, pursuant to Paragraph 8.e above, will be in accordance with the schedule referenced therein. The municipality shall indicate the entity responsible for undertaking and monitoring the construction and overall development activity. These obligations will be satisfied through the submission of documentation at least 30 days prior to the compliance hearing in this matter.
  - h. Princeton has elected to satisfy a substantial part of its Third Round obligation using municipally-sponsored construction. In addition to the 244 units already constructed, this Agreement requires Princeton to provide a realistic opportunity through zoning for an additional 77 inclusionary units that have not yet been approved or constructed (including the five (5) 3-bedroom supportive housing apartments at Thanet). Through this Agreement, the Municipality commits itself to providing a realistic opportunity, including through its own municipal funds and bonding, for 265 affordable units that have not all been approved and are not already in existence for which other funding sources have not been fully identified and/or may not be available. Princeton acknowledges this substantial financial responsibility and agrees that it will not rely on the substantial financial costs it has assumed as a reason to delay, modify, or otherwise depart from the terms of this Agreement.
9. Princeton agrees to require 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, affordable to households earning 30% or less of area median income, with half of the very low income units being available to families. Of the units identified in this plan, 504 affordable housing units have been developed since 2008, or will be developed in accordance with this Agreement, which leads to a requirement for

66 very low income units. Princeton will comply with this requirement by requiring a minimum of 13% of all affordable units approved in any development, including units required through a set-aside ordinance, whether to address unmet need or not, whether in the former Borough or Township, to be very low income units. The affordable housing ordinance adopted in accordance with this Agreement shall provide that at least 13 percent of all restricted rental units within each bedroom distribution shall be very low-income units (affordable to a household earning 30 percent or less of median income).

Princeton's plan provides for 101 very low income units, which exceeds the 66 unit requirement. More specifically, Princeton represents that the following developments were constructed or approved since July 1, 2008, and include very low income units or shall be required to include very low income units, as follows:

Development/Compliance Mechanism	Total Units	VLI units in existence or to be required
45 Spring Street	1	0
291-293 Nassau Street	1	0
253 Nassau Street	1	0
190-198 Witherspoon	2	0
12-14 Vandeventer	1	0
24 North Harrison Street (Group Home)	4	4
246 John Street	1	0
41 Spring Street	2	0
30 Maclean Street	2	0
24 Dorann Avenue (Group Home)	4	4
Copperwood	12	0
Lytle Street	2	0
9 Hilltop (Group Home)	4	4
255 Nassau Street	4	0
Merwick- Stanworth redevelopment, 135 Bayard Lane and 100-104 Leigh Avenue	65	8
AvalonBay (Avalon Princeton)	56	8
900 Herrontown Road	64	8
Princeton Community Village	25	3
Thanet Circle –Senior 100%	80	11
Group Homes	16	16

Terhune & Harrison	12	2
Shopping Center	44	6
Thanet Circle – Avalon Bay Family and Supportive	21	1 (family); 15 (supportive)
Franklin Avenue & Maple Terrace	80	11
<b>TOTAL:</b>	<b>504</b>	<b>101</b>

10. Princeton shall meet its Third Round Obligation (New Construction) and address the remainder of the former Borough’s unmet need in accordance with the following standards as agreed to by the Parties:

- a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
- b. At least 50 percent of the units addressing the Third Round Obligation and the remainder of the former Borough’s unmet need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households. The affordable housing ordinance adopted in accordance with this Agreement shall provide that at least half of all affordable units within each bedroom distribution shall be low-income units, which shall include at least 13 percent of all restricted rental units within each bedroom distribution as very low-income units (affordable to a household earning 30 percent or less of median income).
- c. At least twenty-five percent of the Third Round Obligation shall be met through rental units, including at least half in rental units available to families.
- d. At least half of the units addressing the Third Round Obligation in total must be available to families.
- e. Princeton agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation. The parties agree in view of the unique circumstances present in this matter that the age-restricted cap of 25%, in accordance with applicable law, shall be calculated for the consolidated municipality for the combined Prior Round and Third Round as follows:

Prior Round Obligation		641
Plus Third Round Obligation	+	753
Less: Former Borough Vacant Land Adjustment	-	223
Former Township RCA	-	23
Total Net Obligation		1,148
Total Age-Restricted Cap	x	0.25
Total Maximum Third Round Age-Restricted Units		287

This Agreement identifies 240 age-restricted credits, which is below the 287-unit Third Round age-restricted cap. Princeton further agrees that no more than 25%

of the unmet need obligation of the Former Borough may be satisfied through age-restricted units.

11. Princeton shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5): Fair Share Housing Center; the New Jersey State Conference of the NAACP; the Latino Action Network; the Trenton, Greater Red Bank, Asbury Park/Neptune, Bayshore, Greater Freehold and Greater Long Branch units of the NAACP; Shiloh Baptist Church; the Supportive Housing Association of New Jersey; and the New Jersey Housing Resource Center. As part of its regional affirmative marketing strategies during its implementation of the affirmative marketing plan, Princeton and/or its administrative agent shall provide notice to those organizations of all available affordable housing units, along with copies of application forms. Princeton also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
12. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. Princeton as part of its HEFSP shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by Princeton annually within 30 days of the publication of determinations of median income by HUD as follows:
  - a. Regional income limits shall be established for the region that Princeton is located within (i.e. Region 4) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the municipality's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
  - b. The income limits attached hereto as **Exhibit B** are the result of applying the percentages set forth in Paragraph 12.a above to HUD's determination of median

income for FY 2019, and shall be utilized until the municipality updates the income limits after HUD has published revised determinations of median income for the next fiscal year.

- c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by Princeton annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
  - d. The resale prices of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region determined pursuant to the process outlined above. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
  - e. The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing tax credits.
  - f. The parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement.
13. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
14. The following terms relate to the compliance phase of this matter and documentation of realistic opportunity in accordance with applicable law:
- a. As an essential term of this Agreement, within one hundred and twenty (120) days of the Court's approval of this Agreement, Princeton shall introduce and adopt an ordinance or ordinances providing for the amendment of Princeton's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this Agreement and the zoning contemplated herein; shall adopt all necessary manuals and resolutions required by applicable law; and shall adopt a Housing Element and Fair Share Plan and Spending Plan in conformance with the terms of this Agreement.
  - b. At least 50 percent of the units addressing the Prior Round Obligation of the former Borough, including the remainder of the former Borough's unmet need, and of the former Township and at least 50 percent of the units addressing the Third Round obligation of Princeton, shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households. During the compliance phase of this matter, at least 30 days prior to the Compliance Hearing, the Municipality shall provide evidence of deed restrictions and, where appropriate, agreements demonstrating compliance with this very

low/low-income requirement in a form that is easily reviewable, including a table of information and page references to relevant documents.

15. The parties agree that if the Legislature and Governor enact an amendment to the Fair Housing Act that would result in a calculation of an obligation for Princeton for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total prospective Third Round need obligation established in this Agreement, Princeton may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, Princeton shall be obligated to adopt a Housing Element and Fair Share Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting or leaving in place any site specific zoning adopted or relied upon in connection with the Plan adopted pursuant to this Agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of Princeton's obligation below that established in this Agreement does not provide a basis for seeking leave to amend this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If Princeton prevails in reducing its prospective need for the Third Round, Princeton may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.
16. Princeton shall prepare a Spending Plan within the period referenced above, subject to the review of FSHC and approval of the Court.
  - a. Princeton reserves the right to seek approval from the Court that the expenditures of funds contemplated under the Spending Plan constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563).
  - b. The Spending Plan shall allocate funds required to demonstrate a realistic opportunity for the municipally-sponsored sites identified in Paragraph 8 above.
  - c. On the first anniversary of the entry of final judgment in this matter, and on every anniversary of that date thereafter through July 1, 2025, Princeton agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
17. On the first anniversary of the entry of final judgment in this matter, and every anniversary thereafter through the end of this Agreement, Princeton agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center,

using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.

18. The Fair Housing Act includes two provisions regarding action to be taken by Princeton during the ten-year period of protection provided in this Agreement. Princeton agrees to comply with those provisions as follows:

- a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, Princeton will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of the Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented.
- b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the entry of final judgment in this matter, and every third year thereafter, Princeton will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein.

19. The parties will request that the Superior Court schedule hearings to review this proposed settlement and to evaluate the municipality's compliance with this Agreement as follows:

- a. This settlement agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Princeton shall present its planner as a witness at this hearing. The parties agree to support this settlement at the fairness hearing. If the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
- b. In the event the Court approves this proposed settlement, the parties will request that the court schedule a compliance hearing 120 days after the fairness hearing. At the compliance hearing, the municipality will present all evidence of creditworthiness of units referenced in this Agreement (including deed restrictions and agreements related to affordability) adopted ordinances, any necessary resolutions and manuals, the Housing Element and Fair Share Plan, and the Spending Plan for review and approval by the Court. As part of the order finding that the municipality has complied with the terms of this agreement and taken all necessary steps required by this Agreement, the parties contemplate the municipality will receive "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025.

20. Princeton agrees to pay FSHC's attorney fees and costs in the amount of seventy-five thousand (\$75,000.00) dollars within thirty (30) days of the Court's approval of this Agreement pursuant to a duly-noticed fairness hearing. FSHC agrees that this payment will fully address any claim of attorney fees and costs that FSHC has made or could have

made against Princeton in relation to this matter from the date of the filing of this action through the entry of a final judgment in this matter in accordance with the process provided for in Paragraph 19 above.

21. If an appeal is filed of the Court's approval or rejection of this Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of this Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful, at which point the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
22. This Agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in the Superior Court, Mercer County.
23. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
24. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
25. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
26. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
27. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
28. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
29. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
30. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.

31. No member, official or employee of Princeton shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement that is prohibited by law, absent the need to invoke the rule of necessity.
32. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
33. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

**TO FSHC:** Kevin D. Walsh, Esq.  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, NJ 08002  
Phone: (856) 665-5444  
Telecopier: (856) 663-8182  
E-mail: kevinwalsh@fairsharehousing.org

**TO PRINCETON:** Kevin A. Van Hise, Esq.  
Mason, Griffin & Pierson, PC  
101 Poor Farm Road  
Princeton, NJ 08540  
Phone: (609) 436-1209  
Telecopier: (609) 683-7978  
Email: k.vanhise@mgplaw.com

**WITH A COPY TO THE MUNICIPAL CLERK:** Delores Williams, RMC  
Municipal Clerk  
Municipality of Princeton  
400 Witherspoon Street  
Princeton, NJ 08540  
Phone: (609) 924-5704  
Telecopier: (609) 688-2031  
Email: dwilliams@princetonnj.gov

Please sign below if these terms are acceptable.

Sincerely,

Kevin D. Walsh, Esq.  
Counsel for Intervenor/Interested Party  
Fair Share Housing Center

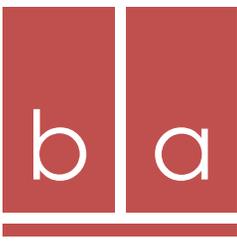
On behalf of the Municipality of Princeton,  
with the authorization  
of the governing body:

\_\_\_\_\_

Dated: \_\_\_\_\_

# **EXHIBIT A**

**Proposed Ordinance  
Creating AHO-1, AHO-2 and AHO-3 Overlay Zones  
[Paragraph 5.a.vii]**



DRAFT

MUNICIPALITY OF PRINCETON, NEW JERSEY  
ORDINANCE NO. 2019 -

Draft: December 18, 2019

**AN ORDINANCE TO AMEND CHAPTER 17A , ARTICLE XI OF THE PRINCETON CODE, ENTITLED “LAND USE” AND THE PRINCETON ZONING MAP, TO CREATE AN “AHO-1 AFFORDABLE HOUSING OVERLAY RESIDENTIAL/BUSINESS ZONE”, AN “AHO-2 AFFORDABLE HOUSING OVERLAY RESIDENTIAL/BUSINESS ZONE”, AND AN “AHO-3 AFFORDABLE HOUSING OVERLAY RESIDENTIAL-3 ZONE AND THE REGULATIONS ASSOCIATED THERETO IN THE MUNICIPALITY OF PRINCETON**

**Section 1.** Chapter 17A, Article XI. ZONING, Section 17A-202 of the Princeton Code entitled “Districts generally Established; Enumerated” is hereby amended to add the following new zone districts to the list of zone districts:

AHO-1 Affordable Housing Overlay-1 Residential/Business District

AHO-2 Affordable Housing Overlay-2 Residential/Business District

AHO-3 Affordable Housing Overlay-3 Residential District

**Section 2.** Chapter 17A, Article XI, Section 17A-203 District Map is hereby amended by the depiction of the below identified properties into the zones as designated herein below on the “Zoning Map, Borough of Princeton”, as amended. These overlay zones supplement the underling zone districts that encompass the properties noted herein.

(a) The following properties are hereby rezoned to include the AHO-1 Affordable Housing Overlay-1 Residential/Business District atop their underlying zone districts:

(1) Block 47.01 Lot 23, 24, 25, & 26 is rezoned to include an AHO-1 Overlay Zone atop their underlying RO Zone;

- (2) Block 47.02 Lots 21 through 29 is rezoned to include an AHO-1 Overlay Zone atop their underlying RO Zone;
  - (3) Block 48.01 Lots 5, 16, 18, & 21 is rezoned to include an AHO-1 Overlay Zone atop their underlying SB Zone;
  - (4) Block 51.02 Lot 41 is rezoned to include an AHO-1 Overlay Zone atop its underlying SB and R-3 Zones.
- (b) The following properties are hereby rezoned to include the AHO-2 Affordable Housing Overlay-2 Residential/Business District atop their underlying zone districts:
- (1) Block 32.01 Lot 1, 171, 172, 173, 213, 221, & 222 is rezoned to include an AHO-2 Overlay Zone atop their underlying NB Zone;
  - (2) Block 30.02 Lots 38, 78 through 83, 87, 89, and 92 is rezoned to include an AHO-2 Overlay Zone atop their underlying NB Zone.
- (c) The following property is hereby rezoned to include the AHO-3 Affordable Housing Overlay-2 Residential District atop its underlying R-2 zone district:
- (1) Block 56.03 Lot 170 is rezoned to include the AHO-3 Overlay Zone atop its underlying R-2 Zone.

**Section 3** Article XI Zoning is amended and supplemented by the insertion in Sec. 17A-228 Uses Permitted as of Right, a new subparagraph “c”, which shall contain the following provisions, and re-lettering of existing subparagraph “c” as subparagraph “d”.

- (d) Affordable housing uses.

The purpose of the various affordable housing zones is to provide a realistic opportunity for the construction of affordable housing pursuant to the New Jersey Fair Housing Act and thereby comply with the Municipality’s constitutional obligation to provide such housing to low-and moderate-income households. Certain affordable housing zones are exclusively residential; other such zones seek to create vibrant mixed-use developments. Affordable housing dwellings in all

affordable housing zones shall be further regulated by the Princeton Affordable Housing Ordinance, applicable state regulations and all Orders of any Court of competent jurisdiction. The AHO-1 and AHO-2 zones identified herein are established to incentivize redevelopment consisting of residential development with an affordable housing set-aside component and including at grade retail and service commercial development to reinforce the Nassau Street retail sales and service corridor development pattern. The AHO-3 Zone identified herein is established to incentivize redevelopment consisting of residential development with an affordable housing set-aside component.

**Section 4** Article XI Zoning is hereby amended and supplemented by the insertion of Section 17A-268.1A Use, Bulk, and Other Development Regulations for the AHO-1 Zone.

- (a) Permitted uses. Within the AH-1 zoning district the following uses shall be permitted.
  - (1) Principal permitted uses. Buildings may be erected or occupied and the tract may be used for multi-family housing with an affordable housing set-aside on the second floor of any building. In this zone, all first-floor occupancy shall be limited to retail sales and services, office and restaurant uses, as well as building mechanical and infrastructure purposes only. “Multi-family housing” is defined as a building containing at least three units, each unit sharing with another unit or units, one or more vertical or horizontal common walls.
  - (2) Accessory uses. Multi-family housing management office, common rooms, communication infrastructure, laundry rooms, maintenance and storage areas, off-street parking and loading areas, street furniture, home occupations, fences and walls, landscape amenities, pedestrian circulation elements, signs, storm water management facilities, open space and other customary uses which are clearly incidental to the principal uses and buildings.
- (b) Minimum tract size. Minimum lot size in the AHO-1 zone shall be 15,000 square feet.
- (c) Mandatory set aside for affordable housing. A minimum of 20 percent of all dwellings shall be deed restricted as affordable housing units.
- (d) Development requirements. Developments within the AHO-1 zone shall comply with the following area and bulk requirements.
  - (1) Minimum yard requirements:
    - (a) Front yard: 0 feet.
    - (b) Side yard: 12 feet.
    - (c) Rear yard: 15 feet.

- (2) Maximum front yard setback: 10 feet.
- (3) Maximum impervious coverage: 90%
- (4) Maximum building height: 3 stories not to exceed 45 feet.
- (5) Parking requirement: 1.3 parking spaces per dwelling unit shall be required. The commercial portion of the development is not required to provide additional off-street parking.
- (6) Minimum landscape buffers to residential zones: 15 feet
- (7) Illumination. Illumination of sites and buildings in this zone shall be regulated pursuant to Section 17A-365.1 Lighting.
- (8) Signage regulations. Signage in this zone shall be regulated pursuant to Section 17A-368 Accessory Signs-Permitted in business districts.

**Section 5** Article XI Zoning is amended and supplemented by the insertion of Section 17A-268.1B Use, bulk, and other development regulations for the AHO-2 Zone.

(a) Permitted Uses. Within the AHO-2 zoning district the following uses shall be permitted.

- (1) Principal permitted uses. Buildings may be erected or occupied and property within the zone may be used for multi-family housing with an affordable housing set-aside on the second and third floors of any building. In this zone, all first-floor occupancy shall be limited to retail sales and services, offices and restaurants, as well as building mechanical and infrastructure purposes only. “Multi-family housing” is defined as a building containing at least three units, each unit sharing with another unit or units, one or more vertical or horizontal common walls.
- (2) Accessory uses. Multi-family housing management office, common rooms, communication infrastructure, laundry rooms, maintenance and storage areas, off-street parking and loading areas, street furniture, home occupations, fences and walls, landscape amenities, pedestrian circulation elements, signs, storm water management facilities, open space and other customary uses which are clearly incidental to the principal uses and buildings.

(b) Minimum tract size. Minimum lot size in the AHO-2 zone shall be 40,000 square feet.

(c) Mandatory set aside for affordable housing. A minimum of 20 percent of all dwellings shall be deed restricted as affordable housing units if said units are offered for sale.

- (d) Development requirements. Developments within the AHO-2 zone shall comply with the following area and bulk requirements.
- (1) Minimum yard requirements:
    - a. Front yard: 0 feet.
    - b. Side yard: 12 feet.
    - c. Rear yard: 15 feet.
  - (2) Maximum front yard setback: 10 feet.
  - (3) Maximum impervious coverage: 80%
  - (4) Maximum building height: 3 stories not to exceed 45 feet.
  - (5) Maximum number of buildings: Multiple buildings per lot are permitted.
  - (6) Minimum landscape buffers to residential zones: 15 feet
  - (7) Parking requirement: 1.3 parking spaces per dwelling unit shall be required. The portion of the development that is commercial shall comply with the commercial parking standards set forth in the municipal ordinances.
  - (8) Illumination. Illumination of sites and buildings in this zone shall be regulated pursuant to Section 17A-365.1 Lighting.
  - (8) Signage regulations. Signage in this zone shall be regulated pursuant to Section 17A-368 Accessory Signs-Permitted in business districts.

**Section 6** Article XI Zoning is amended and supplemented by the insertion of Section 17A-268.1B Use, bulk, and other development regulations for the AHO-3 Zone.

- (a) Permitted Uses. Within the AHO-3 zoning district the following uses shall be permitted.
- (1) Principal permitted uses. Buildings may be erected or occupied and property within the zone may be used for multi-family housing with an affordable housing set-aside. “Multi-family housing” is defined as a building containing at least three units, each unit sharing with another unit or units, one or more vertical or horizontal common walls.
  - (2) Accessory uses. Multi-family housing management office, common rooms, communication infrastructure, laundry rooms, maintenance and storage areas, off-street

parking and loading areas, street furniture, home occupations, fences and walls, landscape amenities, pedestrian circulation elements, signs, storm water management facilities, open space and other customary uses which are clearly incidental to the principal uses and buildings.

- (b) Minimum tract size. Minimum lot size in the AHO-3 zone shall be two acres.
- (c) Mandatory set aside for affordable housing. A minimum of 20 percent of all dwellings shall be deed restricted as affordable housing units.
- (d) Development requirements. Developments within the AHO-3 zone shall comply with the following area and bulk requirements.
  - (1) Minimum yard requirements:
    - Front yard: 15 feet.
    - Side yard: 20 feet.
    - Rear yard: 25 feet.
  - (2) Maximum front yard setback: 10 feet.
  - (3) Maximum Density: 20 dwelling units per acre
  - (4) Maximum impervious coverage: 70%
  - (5) Maximum building height: 3 stories not to exceed 45 feet.
  - (6) Maximum number of buildings: Multiple buildings per lot are permitted.
  - (7) Minimum landscape buffers to residential zones: 15 feet
  - (8) Parking requirement: 1.3 parking spaces per dwelling unit shall be required.
  - (9) Illumination. Illumination of sites and buildings in this zone shall be regulated pursuant to Section 17A-365.1 Lighting.
  - (10) Signage regulations. Signage in this zone shall be regulated pursuant to Section 17A-368 Accessory Signs-Permitted in business districts.

**Section 7.** The properties in the overlay zones identified herein are entitled to be developed pursuant to their underlying zoning districts, and may also be developed pursuant to the overlay zone regulations set forth herein for the overlay zones.

**Section 8.** If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect.

**Section 9** In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance, the provisions hereof shall be determined to govern. All other parts, portions and provisions of the general ordinances are hereby ratified and confirmed, except where inconsistent with the terms hereof.

**Section 10.** The Municipal Clerk is directed to give notice at least ten (10) days prior to a hearing on the adoption of this ordinance to the Mercer County Planning Board and to all other persons entitled thereto pursuant to N.J.S.A. 40:55D-15, and N.J.S.A. 40:55D-63 (if required).

**Section 11.** After introduction, the Municipal Clerk is hereby directed to submit a copy of the within Ordinance to the planning board for its review in accordance with N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The planning board is directed to make and transmit to the governing body, within 35 days after referral, a report including identification of any provisions in the proposed ordinance which are inconsistent with the master plan and recommendations concerning any inconsistencies and any other matter as the board deems appropriate.

**Section 12.** This Ordinance shall be presented to the Mayor for her approval and signature, which approval shall be granted or denied within ten (10) days of receipt of same, pursuant to N.J.S.A. 40:69A-149.7. If the Mayor fails to return this Ordinance with either her approval or objection to same within ten (10) days after it has been presented to her, then this Ordinance shall be deemed approved.

**Section 13.** This Ordinance shall take effect immediately upon (1) adoption; (2) approval by the Mayor pursuant to N.J.S.A. 40:69A-149.7; (3) publication in accordance with the laws of the State of New Jersey; and (4) filing of the final form of adopted ordinance by the Clerk with (a) the Mercer County Planning Board pursuant to N.J.S.A. 40:55D-16, and (b) the Municipal Tax Assessor as required by N.J.S.A. 40:49-2.1.

INTRODUCED: the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

ADOPTED: the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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Liz Lempert, Mayor

ATTEST:

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Delores Williams, RMC Municipal Clerk

# **EXHIBIT B**

**2019 Regional Income Limits Chart  
[Paragraph 12.a]**

## 2019 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on AHPNJ.org

	1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents** Sales***	Regional Asset Limit****
<b>Region 1</b>	Median	\$66,607	\$71,365	\$76,122	\$85,637	\$95,153	\$98,959	\$102,765	\$110,377	\$117,989	\$125,602	
Bergen, Hudson, Passaic and Sussex	Moderate Low	\$53,286	\$57,092	\$60,898	\$68,510	\$76,122	\$79,167	\$82,212	\$88,302	\$94,391	\$100,481	\$183,994
	Very Low	\$33,303	\$35,682	\$38,061	\$42,819	\$47,576	\$49,479	\$51,382	\$55,189	\$58,995	\$62,801	
	Very Low	\$19,982	\$21,409	\$22,837	\$25,691	\$28,546	\$29,688	\$30,829	\$33,113	\$35,397	\$37,680	
<b>Region 2</b>	Median	\$70,537	\$75,576	\$80,614	\$90,691	\$100,767	\$104,798	\$108,829	\$116,890	\$124,952	\$133,013	
Essex, Morris, Union and Warren	Moderate Low	\$56,430	\$60,460	\$64,491	\$72,553	\$80,614	\$83,838	\$87,063	\$93,512	\$99,961	\$106,410	\$193,321
	Very Low	\$35,269	\$37,788	\$40,307	\$45,345	\$50,384	\$52,399	\$54,414	\$58,445	\$62,476	\$66,506	
	Very Low	\$21,161	\$22,673	\$24,184	\$27,207	\$30,230	\$31,439	\$32,649	\$35,067	\$37,485	\$39,904	
<b>Region 3</b>	Median	\$82,810	\$88,725	\$94,640	\$106,470	\$118,300	\$123,032	\$127,764	\$137,228	\$146,692	\$156,156	
Hunterdon, Middlesex and Somerset	Moderate Low	\$66,248	\$70,980	\$75,712	\$85,176	\$94,640	\$98,426	\$102,211	\$109,782	\$117,354	\$124,925	\$225,261
	Very Low	\$41,405	\$44,363	\$47,320	\$53,235	\$59,150	\$61,516	\$63,882	\$68,614	\$73,346	\$78,078	
	Very Low	\$24,843	\$26,618	\$28,392	\$31,941	\$35,490	\$36,910	\$38,329	\$41,168	\$44,008	\$46,847	
<b>Region 4</b>	Median	\$72,165	\$77,319	\$82,474	\$92,783	\$103,092	\$107,216	\$111,340	\$119,587	\$127,834	\$136,082	
Mercer, Monmouth and Ocean	Moderate Low	\$57,732	\$61,855	\$65,979	\$74,226	\$82,474	\$85,773	\$89,072	\$95,670	\$102,268	\$108,865	\$193,919
	Very Low	\$36,082	\$38,660	\$41,237	\$46,392	\$51,546	\$53,608	\$55,670	\$59,794	\$63,917	\$68,041	
	Very Low	\$21,649	\$23,196	\$24,742	\$27,935	\$30,928	\$32,165	\$33,402	\$35,876	\$38,350	\$40,825	
<b>Region 5</b>	Median	\$63,070	\$67,575	\$72,080	\$81,090	\$90,100	\$93,704	\$97,308	\$104,516	\$111,724	\$118,932	
Burlington, Camden and Gloucester	Moderate Low	\$50,456	\$54,060	\$57,664	\$64,872	\$72,080	\$74,963	\$77,846	\$83,613	\$89,379	\$95,146	\$166,981
	Very Low	\$31,535	\$33,788	\$36,040	\$40,545	\$45,050	\$46,852	\$48,654	\$52,258	\$55,862	\$59,466	
	Very Low	\$18,921	\$20,273	\$21,624	\$24,327	\$27,030	\$28,111	\$29,192	\$31,355	\$33,517	\$35,680	
<b>Region 6</b>	Median	\$53,714	\$57,550	\$61,387	\$69,061	\$76,734	\$79,803	\$82,873	\$89,011	\$95,150	\$101,289	
Atlantic, Cape May, Cumberland and Salem	Moderate Low	\$42,971	\$46,040	\$49,110	\$55,248	\$61,387	\$63,843	\$66,298	\$71,209	\$76,120	\$81,031	\$143,713
	Very Low	\$26,857	\$28,775	\$30,694	\$34,530	\$38,367	\$39,902	\$41,436	\$44,506	\$47,575	\$50,644	
	Very Low	\$16,114	\$17,265	\$18,416	\$20,718	\$23,020	\$23,941	\$24,862	\$26,703	\$28,545	\$30,387	

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

\* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

\*\* This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 was 2.2%. The increase for 2019 is 2.6% (Consumer Price Index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, 2017, or 2018 may increase rent by up to the applicable combined percentage including 2019 or 9.0% whichever is less in accordance with N.J.A.C. 5:97-9.3(c). In no case can rent for any particular apartment be increased more than one time per year.

\*\*\* This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

Low income tax credit developments may increase based on the low income tax credit regulations.

\*\*\*\* The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3.

# **EXHIBIT C**

**Resolution Authorizing Settlement Agreement  
by the  
Municipality of Princeton**

**PRINCETON**

**COUNTY OF MERCER**

**STATE OF NEW JERSEY**

**RESOLUTION 2019-\_\_\_**

**RESOLUTION AUTHORIZING THE EXECUTION OF A  
SETTLEMENT AGREEMENT WITH FAIR SHARE HOUSING CENTER**

WHEREAS, on or about December 30, 2008, the Borough of Princeton (the “Borough”) and the Township of Princeton (the “Township”) petitioned the New Jersey Council on Affordable Housing (“COAH”) for Third Round substantive certification of their respective Third Round Housing Element and Fair Share Plans; and

WHEREAS, before COAH acted upon the Borough’s or Township’s petitions, the Appellate Division invalidated COAH’s revised Third Round Rules in In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J.Super. 462 (App.Div.2010) and, thereafter, in In re Adoption of N.J.A.C. 5:96 and 5:97, 215 N.J. 578 (2013), the New Jersey Supreme Court affirmed, finding that the “growth share methodology” utilized by COAH in its rules was inconsistent with the Fair Housing Act, N.J.S.A. 52:27D-301 et seq. (“FHA”), and requiring COAH to adopt new Third Round rules within five months based upon COAH’s prior round rules and methodologies; and

WHEREAS, on January 1, 2013, the Borough and Township consolidated into the Municipality of Princeton (“Princeton”); and

WHEREAS, COAH failed to adopt new rules as required by the Supreme Court, and on March 10, 2015, the Supreme 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) (“Mount Laurel IV”), in which, inter alia, it: (1) found that COAH had violated its requirement to timely adopt new Third Round regulations; (2) held that, without new Third Round regulations, COAH could not process petitions for substantive certification for the municipalities currently under COAH’s jurisdiction, (3) determined that for municipalities, such as Princeton, that had “participating status” before COAH under COAH’s third round rules, court review of such municipalities’ housing plans would 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, on July 7, 2015, pursuant to the Court’s Mount Laurel IV decision, Princeton instituted a declaratory judgment action in the Superior Court of New Jersey, entitled In the Matter of the Application of the Municipality of Princeton in Mercer County, bearing Docket No. MER-L-1550-15, seeking a judgment of immunity and repose pursuant to the Fair

Housing Act, N.J.S.A. 52:27D-301 et seq., and a judicial declaration that Princeton's housing plan is presumptively valid because it presents a realistic opportunity for providing its fair share of the regional need for low- and moderate- income housing (the "DJ Action"); and

WHEREAS, Fair Share Housing Center ("FSHC") is an interested party in the DJ Action; and

WHEREAS, Princeton and FSHC engaged in good faith negotiations in an effort to resolve the issues and claims raised by FSHC regarding Princeton's compliance with its affordable housing obligations; and

WHEREAS, initial efforts to reach a settlement were unsuccessful and the Court conducted a methodology trial, resulting in a March 8, 2018 comprehensive opinion and Order issued by the Court establishing Princeton's third round affordable housing obligations; and

WHEREAS, with Princeton's obligation established by the Court, Princeton and FSHC successfully re-engaged in settlement negotiations and participated in mediation, and were able to resolve their outstanding issues regarding Princeton's compliance plan; and

WHEREAS, settlement of the claims brought by FSHC present an opportunity to resolve the various matters pending between the parties, provides certainty regarding Princeton's ability to satisfy its affordable housing obligations, and will avoid further litigation costs associated with a compliance trial and further proceedings; and

WHEREAS, the terms of the settlement reached with FSHC have been memorialized in a Settlement Agreement dated December \_\_\_\_, 2019, the terms of which the Parties agree are fair and reasonable to low and moderate income households and satisfies Princeton third round affordable housing obligations.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, on this 18<sup>th</sup> day of December, 2019, as follows:

1. The preamble to this Resolution is hereby incorporated as if more fully set forth herein.
2. Princeton is hereby authorized to enter into the December 18, 2019 Settlement Agreement with Fair Share Housing Center in resolution of the Mount Laurel Declaratory Judgment Action referenced above, upon the terms and conditions set forth in the Agreement.
3. The Mayor and Clerk are hereby authorized and directed to sign on behalf of Princeton the above-referenced Settlement Agreement, a copy of which is on file in the Municipal Clerk's Office, or such other substantially similar agreement, the terms and form of which shall have been reviewed and approved by the Municipal Attorney in consultation with the Mayor and Administrator.

4. The Mayor, Administrator, Clerk, Attorneys, Planners, and other appropriate officers, employees and professionals, are hereby authorized and directed to prepare and execute any and all such other documents and undertake any and all such further acts as may be necessary or required to effectuate the above-referenced settlement.
5. This Resolution shall take effect immediately.