

Planning & Real Estate Consultants

MEMORANDUM

To: Township of West Orange Planning Board

From: Paul Grygiel, AICP, PP

Date: November 11, 2020

Re: **Proposed Master Plan Housing Element and Fair Share Plan**

As you are aware, the Township of West Orange has been involved in legal actions pertaining to affordable housing compliance since 2015, when a New Jersey Supreme Court decision changed the landscape related to this topic. Settlement agreements with West Essex Highlands Inc. and Fair Share Housing Center (FSHC) were approved by the Township Council on April 14, 2020 and by the Superior Court of New Jersey, Law Division – Essex County at a Fairness Hearing on July 10, 2020, following years of negotiations. These agreements require the adoption of amendments to the Township's Master Plan and Zoning Ordinance.

The Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., requires that a municipal master plan include a housing element in order for the municipality to exercise the power to zone and regulate land use. Pursuant to the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. West Orange's Housing Element and Fair Share Plan are drawn to achieve the goal of meeting the Borough's obligation to plan and regulate land use to provide for a fair share of the regional need for affordable housing, with the Fair Share Plan outlining the specific compliance mechanisms. The Housing Element and Fair Share Plan must be adopted by the municipal Planning Board after a public hearing is held and endorsed by the governing body prior to their submission to the court.

The proposed Master Plan Housing Element and Fair Share Plan was prepared by Shirley M. Bishop, PP, West Orange's longtime affordable housing planner. These documents include all of the statutorily required information, as well as address all of the terms of the Township's settlement agreement with FSHC. The specific compliance mechanisms include zoning amendments previously reviewed by the Planning Board (e.g. proposed IHO-1 and IHO-2 zones) as well as previously approved and/or constructed affordable housing units. The Appendix includes a summary of the Township's obligations and the compliance mechanisms in the Fair Share Plan.

If the Board has any questions or comments on the above, Ms. Bishop and I would be happy to address them at the November 17th Planning Board special meeting.

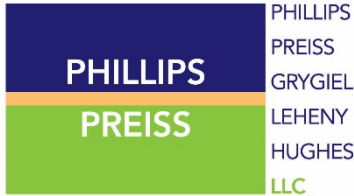
Appendix: Summary of Obligation and Compliance Mechanisms

- A. Rehabilitation Obligation- West Orange has a 305-unit Rehabilitation Obligation. West Orange has contracted with Community Action Services (CAS) to administer an owner and renter rehabilitation program for income eligible households living in housing that has at least one major system in need of repair. Since 2010, West Orange has completed 48 rehabs.
- B. Prior Round Obligation- West Orange has a Prior Round Obligation of 226 units. The following chart depicts the compliance mechanisms:

Name of Development	# of Units	Bonus	Total	Status
Degnan House(age-restricted)	10	0	10	Completed
Federation Plaza (age restricted)	92	0	92	Completed
Wedgewood Avenue (supportive Housing)	2 bedrooms	2	4	Completed
30-32 Kingsley (supportive housing)	8 bedrooms	0	8	Completed
4 Marmon Terrace (supportive housing)	6 bedrooms	6	12	Completed
Merrywood Drive (supportive housing)	5 bedrooms	5	10	Completed
PRISM Redevelopment (family rental)	44	44	88	Phase 1 is completed: Phase 2 is approved w/ developer's agreement in place
Habitat for Humanity (family for-sale)	2	0	2	Completed
Total	169	57	226	

- C. Third Round Obligation- West Orange has a Third Round Obligation of 954 units. However, West Orange undertook a vacant land adjustment (VLA) that determined there was only developable and redevelopable land for 421 units. The 421 is known as the realistic development potential (RDP). The chart below contains the plan to address the 421-unit obligation.

Name of Development	# of Units	Bonus	Total	Status
Federation Plaza (age-restricted)	42	0	42	Completed
Wedgewood Avenue (supportive housing)	2	0	2	Completed
Dogwood Drive (supportive housing)	4	0	4	Completed
Pleasant Valley Way (supportive housing)	6	0	6	Completed
Washington Street (family rental)	3	0	3	Completed
Main Street (family rental)	3	0	3	Completed
158 Main Street (family rental)	3	0	3	Completed
St. Cloud- Prism (supportive rental)	4	0	4	Completed
Forest Avenue (supportive rental)	4	0	4	Completed
Valley Road Residential (supportive rental)	55	55	110	Under Construction
West Essex Highlands (family rental)	100	51	151	Developer's Agreement finalized
Selecto Flash (family rental)	17	0	17	Redevelopment Plan; pending developer's agreement
Executive Drive Block 155, Lot 40.03 (family rental) Rooney Circle: vacant	23	0	23	Redevelopment Plan; pending developer's agreement
Executive Drive Block 155, Lot 40.02 and 42.02 (family rental) 100 and 200 Executive Drive	64	0	64	Planning Board approval; pending developer's agreement
Library Site/West Orange Senior Housing	17 (of 64)	0	17	Planning Board Resolution; awarded tax credits
Total	347	106	453	



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- D. Additional Compliance Mechanisms- As stated above, the RDP of 421 units subtracted from the Third Round Obligation of 954 units, results in an unmet need of 533 units. The unmet need is further reduced by 54 existing age-restricted units at Woodland Valley Senior Homes, the remaining 47 units of credit from the Library site and the 32 surplus units that West Orange has included in addressing the RDP. As a result, the Township's remaining unmet need is 397 units. As per the terms and conditions of the FSHC Settlement Agreement, the Township is utilizing the following mechanisms to address unmet need:
1. K-Mart/Whole Foods Shopping Center (Block 152.01, Lots 1445 and 1445.05) Located at the corner of Eagle Rock and Prospect Avenues, the lot is 32.32 acres and is currently zoned P-C Planned Commercial. West Orange created the IHO-1 Inclusionary Housing Overlay zone permitting commercial/retail on the first floor and up to three stories of residential above. The maximum residential density is 16 dwelling units/acre, and a 20 percent affordable housing set-aside is required. Adopted 10/20/2020.
 2. Mayfair Farms Site (Block 152.01, Lot 1445.01) Located at 481 Eagle Rock Avenue, the lot contains 11.07 acres and is currently zoned B-2 Business. West Orange created the IHO-1 Inclusionary Housing Overlay zone permitting commercial/retail on the first floor and up to three stories of residential above. The maximum residential density is 16 dwelling units/acre, and a 20 percent affordable housing set-aside is required. Adopted 10/20/2020.
 3. Redwood (Block 151, Lot 33) Located at 200 Pleasant Valley Way, the lot contains 5.91 acres and is currently zoned R-2 Single Family Residential. West Orange created the IHO-2 Inclusionary Housing Overlay zone permitting up to 142 total units at 24 dwelling units/acre with a 20 percent affordable housing set-aside on the site. The set-aside may either include 28 on-site affordable units and a payment in lieu of \$59,473.20 or 29 on-site affordable units. Adopted 10/20/2020.