

On Monday night May 1st, the Borough Council voted to enter into a settlement agreement with Capodagli Property Company/Meridia to develop 4 stories of residential apartments (92 units) over ground level retail space occupying 3 lots on Main Street near the Comly Road intersection. In addition, the developer was also given approval to move ahead with plans to develop another two properties on the upper portion of Main Street adjacent to Keri Memorial Funeral Home (the project does NOT include the Funeral Home property). This site, which had numerous proposals ranging from 260-140 units of luxury rental apartments was given conceptual approval for 128 units in a building that will have a front elevation of two stories and a rear elevation of 3 stories due to a natural slope in the land. Both projects will be mostly studio and 1BR apartments. There will be a lesser portion of 2BR apartments. The only 3BR apartments will be only those necessary due to the state of New Jersey's affordable housing requirements.

This vote was passed 5-1 by the Council. Council President Gemian has posted on Facebook the statement which he read prior to the vote taken by the Lincoln Park Borough Council on Monday night. His statement explains many of the issues and reasons regarding why the Council took the action they did and why they felt it was in the best interest of the Borough to do so and to do so at this time as it addressed pending litigation, reduction in affordable housing requirements sought by the Fair Share Housing Council, and guaranteed Lincoln Park meeting it's affordable housing obligation until at least 2025. Rather than attempt to re-explain everything, I have included Council President Gemian's remarks at the end of mine.

I would like to take this opportunity to address some of the fears and rumors that I have heard or read on social media posts since the vote took place. I will do my best to cover a broad spectrum of concerns in order to help calm some of the uneasiness that seems to be present in some of the community.

- **Why this developer?** The developer (CPC/Merida) found the property which had been for sale on the open market for some time and came to the town with this proposal. The town did not solicit the developer, or provide any property.
- **Why these properties?** The main component of each project was for sale publically prior to the developer acquiring the rights to the properties. The developer then approached the adjacent property owners as they felt necessary.
- **Were other developers interested?** In the two years that the original proposal was being negotiated on, there have been at least 5 other developers that have contacted the town, either for pieces of property that are currently listed for sale, or to see if the borough had property to be developed. To date none of the other developers have brought anything to the town worth considering.
- **We are very concerned with...**
 - **Traffic and Parking.** From day one, these have probably been my biggest concerns regarding the proposed development. Honestly, my concerns grow with the new Main Street project. That being said, our Planning Board (which will oversee the site plan requirements for both projects) and our town professionals have always done an outstanding job of insuring that these issues are dealt with correctly and appropriately.
 - **School crowding.** This is probably the biggest concern of many of our residents. The type of rentals proposed are targeted towards young

professionals, often commuters, who may be just starting their careers and "empty nesters" that no longer have the need for a large home, but want to stay in the community. In addition, neither proposal includes any playgrounds or other type of child age recreation. The size of the units, the lack of child appropriate facilities and the target renter should all limit the amount of school age children residing in these properties. To put things in perspective, the MOST school children (K-8) from any of the residential multi-unity complexes that have been built in the last 30 years in Lincoln Park is twenty-six (26). The range of school age children at all of these complexes is between 3-26, and these complexes all have recreational facilities (pools, playgrounds, etc.) and many have more bedrooms.

- **Flooding.** Absolutely a huge concern in Lincoln Park. New building regulations are even more stringent than they have been in the past and in Lincoln Park we have some of the strictest in the area. Once again, our professionals will oversee the effects these structures will have on storm water management in town and safeguard that no other area of town is adversely affected. It took a large investment in both time and money to get our CRS rating and we will do nothing to endanger the insurance premium reduction that it provides our residents.
- **What is meant by "affordable housing"?** Affordable housing as such is a term that is used for units that are required by state statute and regulations to be offered at lower than market prices to people who are qualified as low, moderate or very low income. There is a percentage of all new construction that must be "set aside" for this program and each town has a affordable housing requirement. There are strict guidelines as to how much these "affordable" units can be sold/rented for and very strict requirements on who is qualified to purchase/rent these units. The term affordable in this use does not apply to the "market" units.
- **Affordable housing attracts "undesirables".** The income limits for the affordable units are set relative to a community and is not a state or region wide number. In our area a new nurse, a rookie police officer or a teacher just starting out would probably qualify as low or moderate income. In these instances, the provision of affordable housing attracts wonderful people to our community and gives them a start to live here.

I think this covers most of the major concerns I have read people posting or heard voiced. If you have an additional concern which you would like to discuss, please email me at mayorrunfeldt@bolp.org or call my office at (973) 270-2022. I am always happy to discuss this or any other matter with you.

In closing, I would just like to say that I have lived in town for over 45 years. I have been here for every one of the multi-family complexes built since the Beaverbrook Apartments. At the time each of those complexes were proposed (Society Hill, Deer Run, Skyline Village, Pinebrook Village, Hilltop Farms, Hunting Meadows) they all resulted public outcry that the town was losing its charm, its small town feel and schools and streets would be overcrowded. There was coercion to remove the governing body from office, and yes, some people threatened to move. I think it is safe to say 30 years later that we still have our charm and our small town feel. We have great schools where

our children thrive. I am sure that the people that stayed in town rather than move are happy they did so and I know that the people that moved into these new "unsightly" complexes have become tremendous additions to our community and we are now better than we were before. It is my hope and expectation that any new residents we gain through this or future development will continue to enhance our great community further as well.

Dr. David A. Runfeldt
Mayor, Borough of Lincoln Park

Please read the Council President's remarks that follow. I think it will give a very good technical review of what the town was faced with and why the Council took the action they took earlier this week.

May 1st, 2017 Town Council Work Meeting Council President Statement Introduction

I want to provide the residents of Lincoln Park an overview of recent events that led up to tonight's review and consideration of a new proposed settlement among Lincoln Park, Fair Share Housing Center (FSHC) and Capodagli/Meridia, the three parties currently involved in pending litigation.

The current situation involves the complexity of meeting three parties interests: FSHC demands for Affordable Housing Units (AHUs), they believe we are required to address the Borough of Lincoln Park's fulfillment of its AHUs obligations, and the Intervener's (Capodagli/Meridia) assertions to provide for Lincoln Park's FSH requirements under its proposed development.

Background

As many of you know two parcels totaling 4.5 acres of property became available for sale on Main St next to the Keri funeral home. The buyer (Capodagli/Meridia) intends to build rental units on the property.

A proposed development was presented in the spring of 2016 to the mayor/council in excess of 260 units on 6 stories including an underground parking garage. This plan was rejected. After extensive negotiations between the developer and the town, a revised plan reduced to 148 units was submitted to the council for review and disposition. That proposed development was voted down by the council for a variety of reasons but largely due to its density on 4.5 acres.

The developer Capodagli/Meridia is an Intervener in Lincoln Park's Declaratory Judgment action to have the Court set the affordable housing obligation of the Borough, as is FSHC. The purpose of this Developer's intervention is to challenge Lincoln Park's assertion that it is and will be in compliance with its affordable housing requirements albeit stipulated and varied among not less than 3 independent experts on what the number of AHUs should be for Lincoln Park.

The number of AHUs each municipality must provide has been an ongoing issue. For example, for a period from 1999 -2015, known as the "Gap period", no definitive guidance was provided to municipalities on requirements for AHUs.

Major Unexpected Change in Landscape for Affordable Housing Units "Gap Period" However, on January 18, 2017 the New Jersey Supreme Court issued its decision on whether municipalities were required to include an affordable housing obligation related to the period 1999 through 2015 ("Gap Period").

By redefining the term "Present Need" that had been in effect for over three decades, the Supreme Court created a fourth component of a municipality's affordable housing obligation consisting of the "pent-up" demand for affordable housing created over the Gap Period.

The Supreme Court found that indeed a Gap affordable housing obligation accumulated between 1999 and 2015 and that this "pent-up need" must be added to the "prospective need" for the period 2015-2025.

These two period requirements, namely the "pent-up need" and the "prospective need" added together provide for a significantly higher number of required AHUs for municipalities.

Proposed New Settlement & Implications for Lincoln Park

Tonight's meeting presents a new proposed settlement among the three parties that may provide for the following outcomes in three vitally important areas to the Borough of Lincoln Park:

Area: Revitalization of Downtown to attract businesses

** A revised Main St. Project reduced in density to 128 units of which there are 20 AHUs with parking on street level and 4 levels of residence with a 75' set-back*

** A new Downtown property plan with a first floor retail/commercial and housing units and 4 level residence of 92 units with 14 AHUs with allotted parking spaces in the proximity provided by the train station and/or property on George Cobb La.*

Area: Meeting Affordable Housing Obligations under State Statute

** The new proposed settlement, if accepted, provides the town to obtain a Judgment of Compliance and Repose for 10 years satisfying a compromised and reduced allotment of AHUs, which is less than the number, sought by FSHC.*

** The new proposed settlement provides for a total of 34 AHUs at the Main Street and Downtown Projects and allows for the capping of the Borough's affordable housing obligation at 251 AHUs*

Area: Finding alternate sources of revenue to offset lost revenue from buyouts without raising property taxes for residents

** There were 58 buyouts in 1998 and 61 from 2011-2017 or 119 total home buyouts.*

** The total assessment of just 56 homes bought out from 2011 to present is \$12,726,000. The tax dollars lost from 2011-2017 based on an average assessment of \$250,000 for 100 homes was \$3,712,500 lost tax dollars.*

** The new proposed settlement, if accepted, provides for an increase in tax income over a 30 year period to the Borough of Lincoln Park of \$7.8MM*

Based on the strategic and financial opportunities afforded Lincoln Park in the new proposed settlement among Lincoln Park, FSHC and Capodagli/Meridia, I am asking the Town Council for unanimous consent in approving the new proposed settlement. Thank you.