



COMMUNITY IMPACT STATEMENT

PROJECT: LAWRENCE SHOPPING CENTER MULTIFAMILY HOUSING DEVELOPMENT

BLOCK: 2001 LOT(S): 3, 60-66, AND 68

July 9, 2020



RPM

DEVELOPMENT GROUP

COMMUNITY DESCRIPTION

Lawrence Township is located in Mercer County in New Jersey and is 22.063 square miles. It is located between Philadelphia and New York City and near Interstate 95/295 and U.S. Route 1. The Township, founded in 1697, is known for its private school, Lawrenceville School. Other attractions include the Port Mercer Canal House, Terhune Orchards, Colonial Lake and Park, and the Lawrence Hopewell Trail. According to the 2010 Census, the population of Lawrence Township was 33,472. The latest 2018 American Community Survey, 5-Year Estimates, estimated that the population of the Township decreased to 32,794.

PURPOSE OF COMMUNITY IMPACT STATEMENT

The purpose of this statement is to analyze the impact of the proposed development on the Township's existing facilities and services.

PROJECT SUMMARY DESCRIPTION

The proposed development is located at 2495 Brunswick Pike, Lawrence, NJ consisting of Block 2001 and Lots 3, 60-66, and 68. The project by RPM Development seeks to construct seventy (70) multifamily housing units on a vacant lot behind the Lawrence Shopping Center. The housing units will be 100% affordable and compliant with Lawrence Township's Fair Share Settlement.

The development at Lawrence Shopping Center will be a series of newly constructed LEED-certified building(s). The development consists of 6 twin-style two-story 'houses' along Texas Avenue with 3 story multi-family buildings behind. Located in the vacant parcel behind the shopping center, this project will have a total of seventy (70) residential apartments. Designed to function as a true community, the project will transform an overgrown, underutilized lot into LEED-certified, modern buildings with attractive plantings and parking. Neighborhood services and shopping, employment opportunities, public transportation, medical facilities, public schools, and recreational facilities are all located within one-half mile of the project. This development will further the objectives of the Township of Lawrence and affordable housing obligations with a sustainably constructed building.

Residential apartments will serve a mix of tenants within the affordable units – designed to meet and exceed the UHAC/Fair Share requirements. This development will be financed through the LIHTC program which requires that maximum rents not exceed 60% of area median income.

The unit mix consists of (8) eight (1) one-bedroom units, (37) Thirty-seven (2) two-bedroom units and (25) twenty-five three (3) bedroom units – (69) sixty-nine of which are serving households making less than 60% of Area Median Income ("AMI"), of these, nine (9) units will be built to serve residents earning less than 30% of area median income. One of the 3-bedroom units will not be income-restricted and reserved for the on-site superintendent. This is designed to be UHAC/Fair Share compliant so that the Township can maximize the benefits of the development. Five of the units are required by the NJHMFA to be set aside for individuals or families who are homeless. It is anticipated that RPM will work with a service provider based in Mercer County to fill these units.



RPM

DEVELOPMENT GROUP

Each apartment will have a spacious layout finished with sustainable building materials and ENERGY STAR appliances. Additional project amenities include the community space, a landscaped area, a large laundry room on each residential floor, and on-site parking. A range of social services will empower the residents. The services include but are not limited to, job training and financial literacy seminars, health screenings and vaccinations, personal finance management, and health and wellness activities. In addition to the social services available to all residents, the tenants will have full access to an on-site Resident Services Coordinator, who will provide intensive case management services and encourage independent living and self-sufficiency. Proceeds from the syndication of 9% Low-Income Housing Tax Credits, a permanent mortgage from the New Jersey Housing Mortgage & Finance Agency (HMFA), Lawrence affordable housing trust funds, a loan from the Federal Home Loan Bank of New York and deferred developer fee will be the sources used to finance this project.

POPULATION IMPACT

BUILT ENVIRONMENT IMPACT

The project site is currently a vacant, underutilized lot located behind the Lawrence Shopping Center. It is conveniently located near Route 1, near public transit, parks, retail, and other amenities. As the lot is currently vacant, the addition of a thoughtfully designed, environmentally sustainable building will be a benefit to community residents by beautifying a vacant lot and providing affordable housing to area families.

The site proposed for the Lawrence Shopping Center project is applying for a zoning variance to allow multifamily housing. That application is currently pending with the Township.

As the proposed development will have a mix of one- to three-bedroom units, the residents may be a mix of singles, couples, and families. Currently, the population of Lawrence Township is 33,472 and there are 12,524 households. The 65 and older population makes up 13.8% of the total Lawrence population and children under the age of 18 accounts for 20.0% of the total population.

An analysis to estimate the population generated from the new development was completed using demographic multipliers from Rutgers Edward J. Bloustein School of Planning and Public Policy, *Who Lives in New Jersey Housing?*, 2018. Based on the analysis, it is expected that the proposed development will bring 191 residents with school-age children accounting for 31 residents. The residents may account for a 0.57% increase in population in Lawrence Township and the number of new households may account for a 0.01% increase in total households.



PROJECT COMPONENT

	Total	1 BR	2 BR	3 BR
Total Affordable Units	70	8	37	25
Total Resident Parking Space	79			

TOTAL ESTIMATED RESIDENTS

	Total	1 BR	2BR	3 BR
Resident Multiplier		1.351	2.463	3.573
Public School Age Children Multiplier		0.37	0.277	0.703
Estimated Residents by Unit Type	191	11	91	89
Estimated Public School Age Children by Unit Type	31	3	10	18

SCHOOL IMPACT

Lawrence High School, Lawrence Middle School, and Slackwood Elementary School are all within one mile of the proposed development. The estimated project number of school-age children growth is 31 students, approximately a 0.01% increase in the under 18 population for Lawrence Township. It should be noted that according to the 2018 ACS 5-year estimates, the under 18 population in Lawrence Township decreased from the 2010 census from 6,692 persons to 5,952 persons.

The impact of 31 new students into the public school system would be minimal based on a 0.01% increase in the under 18 population from the 2010 census. When considering that there has been an estimated 11% decrease in the under 18 population from the 2010 census, the schools should be able to absorb the new students without any effect on the school facilities or teaching staff.

According to the Lawrence Township Public School system, total enrollments in the school system have decreased from 4,060 in 2012 to 3,826 in 2019. As the number of enrollments is expected to continue to



RPM

DEVELOPMENT GROUP

decline in 2020, it can be expected that the public school facilities can absorb a 31 student increase in student population over the next 10 years and no additional facilities will be necessary.

The proposed 2020-2021 budget broken down to a per-student cost is approximately \$19,800. Considering the existing school infrastructure previously served a larger student population, the facilities should be adequate to absorb 31 additional students and the cost of new students would be minimal.

COMMUNITY FACILITIES IMPACT

The project is located in a smart growth area and is currently located within a sewer service area. There are numerous recreational facilities in the Township including five (5) baseball fields, a football field, three (3) soccer fields, and a lacrosse field. There are also eleven (11) township parks and one (1) library. As new residents may only account for a 0.57% increase in population, it is reasonable to assume that the new residents will have minimal to no impact on existing community facilities.

FISCAL IMPACT

The development at Lawrence will offer a range of affordable units to residents. The project has seventy (70) units to serve residents who earn less than 60% AMI. The 60% AMI¹ rents will be approximately \$1,047 for a one-bedroom unit, \$1,245 for a two-bedroom unit, and \$1,428 for a three-bedroom unit. Twenty-eight of the units will be reserved for families earning less than 50% AMI. Rents for these units will be \$848, \$1,006, and \$1,152 for one, two, and three-bedroom units respectively. The development will have nine (9) apartments for very low-income residents; those making 30% or less of the AMI. Rents in these low-income units will range from \$303 for a one-bedroom apartment to \$671 for a three-bedroom. The superintendent's three-bedroom unit will be rent-free. The project's total anticipated annual net rent is \$901,188. Despite a portfolio vacancy rate of just 2-3%, RPM is required to underwrite this development with a vacancy factor of 7%. The rents are scheduled to grow at 2% per year.

The new development at Lawrence is projected to incur approximately \$504,965 in expenses per year. This includes administrative expenses, employee's salaries, maintenance, repairs, common area utilities, management fee, taxes, and insurance. Total projected expenses of approximately \$7,213 per unit are congruent with the RPM Portfolio of similar projects. The project expenses have been scheduled to grow at 3% per year.

The difference between the expenses to operate the buildings and the income the buildings generate will be used to support the largest NJHMFA first mortgage it can. In this case that is anticipated to be about \$4,200,000.

Included in the expense calculation is the tax payment to the Township of Lawrence. The tax abatement rate proposed, 6.28% of the rental revenue for the development, is the standard rate awarded to

¹ Rents listed in this section are net rents – meaning the NJHMFA mandated utility allowance has been removed from the Gross Rent amount.



RPM

DEVELOPMENT GROUP

projects seeking funding under the state's Qualified Allocation Plan for Low Income Housing Tax Credits. The development as designed is projected to produce \$52,121 in PILOT revenue in the first year. Other than the portion of the PILOT that may be collected by the county, the PILOT revenue may be used as the Township sees fit.



RPM

DEVELOPMENT GROUP

DEMOGRAPHIC MULTIPLIER TABLES

Rutgers Edward J. Bloustein School of Planning and Public Policy, *Who Lives in New Jersey Housing?, The Profile of Occupants of Residential Development in New Jersey, November 2018*

TABLE II-B-1 STATEWIDE NEW JERSEY
TOTAL PERSONS AND PERSONS BY AGE (continued) (All housing units, from 2012-2016 ACS)

STRUCTURE TYPE/ BEDROOMS VALUE/TENURE	TOTAL PERSONS	AGE								
		0-4	5-17	18-34	35-44	45-54	55-64	65-74	75+	
5-49 Units (Own), 0-1 BR										
All Values	1,410	0.047	0.042	0.260	0.261	0.237	0.235	0.185	0.142	
First Tercile Below \$125,000	1,442	0.060	0.057	0.256	0.250	0.261	0.222	0.191	0.144	
Second Tercile \$125,000 to \$208,000	1,404	0.056	0.032	0.243	0.236	0.288	0.220	0.193	0.135	
Third Tercile Above \$208,000	1,388	0.028	0.038	0.278	0.291	0.173	0.259	0.174	0.146	
5-49 Units (Own), 2 BR										
All Values	1,820	0.102	0.138	0.344	0.315	0.252	0.256	0.236	0.177	
First Tercile Below \$170,000	1,789	0.084	0.180	0.350	0.266	0.287	0.251	0.197	0.176	
Second Tercile \$170,000 to \$260,000	1,831	0.113	0.132	0.363	0.362	0.238	0.275	0.213	0.134	
Third Tercile Above \$260,000	1,837	0.110	0.105	0.320	0.314	0.232	0.243	0.294	0.219	
5-49 Units (Own), 3 BR										
All Values	2,545	0.183	0.388	0.526	0.376	0.379	0.375	0.205	0.112	
First Tercile Below \$191,000	2,903	0.196	0.571	0.711	0.240	0.458	0.456	0.188	0.084	
Second Tercile \$191,000 to \$354,000	2,250	0.179	0.257	0.456	0.521	0.278	0.258	0.168	0.134	
Third Tercile Above \$354,000	2,490	0.175	0.342	0.420	0.365	0.402	0.412	0.256	0.118	
5-49 Units (Rent), 0-1 BR										
All Values	1,645	0.101	0.105	0.545	0.235	0.219	0.218	0.127	0.095	
First Tercile Below \$99,000	1,460	0.069	0.075	0.346	0.163	0.235	0.245	0.172	0.154	
Second Tercile \$99,000 to \$127,000	1,735	0.135	0.126	0.573	0.265	0.228	0.224	0.120	0.063	
Third Tercile Above \$127,000	1,734	0.098	0.112	0.710	0.276	0.193	0.185	0.091	0.070	
5-49 Units (Rent), 2 BR										
All Values	2,718	0.246	0.503	0.839	0.409	0.323	0.228	0.099	0.072	
First Tercile Below \$122,000	2,701	0.277	0.550	0.729	0.378	0.308	0.243	0.126	0.090	
Second Tercile \$122,000 to \$164,000	2,856	0.239	0.558	0.901	0.401	0.363	0.233	0.097	0.063	
Third Tercile Above \$164,000	2,598	0.223	0.402	0.882	0.447	0.296	0.209	0.074	0.064	
5-49 Units (Rent), 3 BR										
All Values	3,863	0.367	1.079	1.151	0.517	0.414	0.206	0.078	0.052	
First Tercile Below \$119,000	3,751	0.388	1.159	1.059	0.440	0.371	0.201	0.081	0.052	
Second Tercile \$119,000 to \$167,000	4,134	0.363	1.167	1.174	0.574	0.501	0.218	0.082	0.054	
Third Tercile Above \$167,000	3,716	0.350	0.921	1.215	0.536	0.375	0.199	0.071	0.049	
50+ Units (Own), 0-1 BR										
All Values	1,390	0.037	0.021	0.224	0.235	0.169	0.206	0.168	0.331	
First Tercile Below \$152,000	1,353	0.055	0.022	0.167	0.199	0.148	0.233	0.196	0.332	
Second Tercile \$152,000 to \$271,000	1,408	0.028	0.039	0.149	0.200	0.229	0.222	0.163	0.378	
Third Tercile Above \$271,000	1,406	0.030	0.004	0.345	0.298	0.128	0.168	0.148	0.285	
50+ Units (Own), 2 BR										
All Values	1,875	0.113	0.087	0.295	0.323	0.209	0.270	0.236	0.342	
First Tercile Below \$253,000	1,769	0.055	0.107	0.220	0.276	0.220	0.311	0.225	0.353	
Second Tercile \$253,000 to \$418,000	1,732	0.079	0.068	0.211	0.234	0.181	0.249	0.285	0.426	
Third Tercile Above \$418,000	2,107	0.198	0.087	0.442	0.450	0.227	0.254	0.198	0.250	
50+ Units (Own), 3 BR										
All Values	2,378	0.208	0.228	0.252	0.390	0.261	0.362	0.358	0.319	
First Tercile Below \$354,000	2,697	0.242	0.401	0.343	0.394	0.354	0.343	0.332	0.287	
Second Tercile \$354,000 to \$608,000	2,407	0.160	0.171	0.198	0.294	0.356	0.421	0.423	0.383	
Third Tercile Above \$608,000	2,127	0.234	0.167	0.244	0.486	0.100	0.315	0.308	0.274	
50+ Units (Rent), 0-1 BR										
All Values	1,351	0.045	0.041	0.308	0.134	0.126	0.173	0.210	0.313	
First Tercile Below \$59,000	1,135	0.016	0.008	0.057	0.025	0.075	0.174	0.324	0.457	
Second Tercile \$59,000 to \$126,000	1,410	0.057	0.068	0.278	0.140	0.157	0.217	0.226	0.265	
Third Tercile Above \$126,000	1,506	0.064	0.047	0.586	0.235	0.146	0.129	0.080	0.219	



TABLE II-B-1 STATEWIDE NEW JERSEY
TOTAL PERSONS AND PERSONS BY AGE (continued) (All housing units, from 2012-2016 ACS)

STRUCTURE TYPE/ BEDROOMS VALUE/TENURE	TOTAL PERSONS	AGE							
		0-4	5-17	18-34	35-44	45-54	55-64	65-74	75+
50+ Units (Rent), 2 BR									
All Values	2.463	0.222	0.317	0.742	0.390	0.260	0.216	0.142	0.174
First Tercile	2.577	0.265	0.434	0.626	0.291	0.306	0.259	0.184	0.212
Second Tercile	2.439	0.184	0.333	0.699	0.365	0.285	0.274	0.157	0.143
Third Tercile	2.375	0.220	0.188	0.898	0.513	0.189	0.115	0.086	0.168
50+ Units (Rent), 3 BR									
All Values	3.573	0.330	0.773	1.188	0.497	0.386	0.199	0.133	0.067
First Tercile	3.305	0.321	1.005	0.948	0.409	0.305	0.118	0.183	0.017
Second Tercile	3.995	0.380	1.023	1.020	0.620	0.517	0.188	0.098	0.149
Third Tercile	3.407	0.288	0.308	1.579	0.457	0.332	0.286	0.122	0.035

TABLE II-B-3 STATEWIDE NEW JERSEY
PUBLIC SCHOOL CHILDREN (PSC) (continued) (All housing units, from 2012-2016 ACS)

STRUCTURE TYPE/ BEDROOMS VALUE/TENURE	TOTAL PSC	PUBLIC SCHOOL GRADE		
		Elementary (K-5)	Junior High School (6-8)	High School (9-12)
50+ Units (Rent), 0-1 BR				
All Values	0.037	0.022	0.009	0.007
First Tercile	0.007	0.005	0.001	0.002
Second Tercile	0.065	0.041	0.013	0.010
Third Tercile	0.040	0.019	0.012	0.009
50+ Units (Rent), 2 BR				
All Values	0.277	0.136	0.063	0.078
First Tercile	0.402	0.192	0.095	0.116
Second Tercile	0.283	0.132	0.054	0.097
Third Tercile	0.148	0.086	0.041	0.022
50+ Units (Rent), 3 BR				
All Values	0.703	0.282	0.212	0.209
First Tercile	0.949	0.375	0.242	0.333
Second Tercile	0.920	0.391	0.298	0.231
Third Tercile	0.258	0.089	0.099	0.071