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RIVERDALE - Council and developer reach agreement

(by Leslie Scott - Staff Writer - November 26, 2008)

RIVERDALE - Progress on the Alexan Riverdale 424-unit apartment complex to be built on Riverdale Road continues.

During their Nov. 17 meeting, the mayor and council passed a resolution approving the development agreement between the borough and Riverdale Road Development LLC of Morristown, a company set up by the Atlanta-based Trammel Crow Residential (TCR), which originally brought this application to the municipality.

This development agreement specifies that the project must be completed in accordance with all local, state and federal laws.

During the meeting, TCR attorney Tom Murphy said the signed agreement was needed in order to secure funds from the bank to complete this project.

"We are trying to now go into the construction phase of the project. In order to secure the financing, lenders ask us exactly how much money we are going to spend and that is exactly how much money they are willing to loan," said Murphy.

A portion of the cost of this project will cover the borough's state Council on Affordable Housing (COAH) obligation, which calls for a certain number of affordable housing units.

The project is to be completed in two phases. The first would construct 212 units on one side of the road and the second phase would construct as many units on the opposite side. The developer's agreement regarding the COAH obligations is outlined for the first phase of the project.

During the meeting, Councilman Joseph Falkoski explained that under current COAH rules, 40 units would be required for this project.

In this first phase, 12 units will be designated as affordable units and the company will pay for the construction of eight units in the amount of \$100,000 each.

During the meeting Mayor William Budesheim explained that to satisfy the first half of this affordable housing obligation, the borough could purchase group homes, with these funds, which would be operated by another party for those with special needs. The group homes would be established in existing residences.

This plan however is not definitive.

"This is just one suggestive way. There are other ways out there," said Borough Attorney Bob Oostdyk.

"The positive about this whole project is all of the units will be onsite, so we are not creating any more housing in town. And if we do use this money to buy the group homes, we are not adding any housing and we are getting a lot more credits than building a single unit. If this does work, we will have satisfied all of the requirements for that side of the project with essentially no new housing," said Budesheim.

The state is currently working on the third round of rules for COAH. If this is finalized before phase two of the TCR project is approved, the COAH obligations for this project could change.

The mayor and council said they would make any adjustments to satisfy the borough's affordable housing obligation when the development agreement for the second phase is completed.

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