

MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM
BETWEEN THE TOWNSHIP OF FRANKLIN AND ALR FRANKLIN PROPERTY 1, LLC,
ALR FRANKLIN PROPERTY 2, LLC, AND ALR FRANKLIN PROPERTY 3, LLC

In the Matter of the Application of the Township of Franklin, County of Gloucester
Docket No. GLO-L-68-25

WHEREAS, the Township of Franklin (the “Township” or “Franklin”) having filed a resolution of participation (“Resolution”) in the Affordable Housing Dispute Resolution Program (the “Program”) and a declaratory judgment action pursuant to the New Jersey Fair Housing Act N.J.S.A. 52:27D-391 et seq. (the “FHA”) on January 16, 2025; and

WHEREAS, the Court entered an order on May 5, 2025, setting the Township’s Fourth Round fair share obligations at a Present Need of 48 units and a Prospective Need of 243 units, which the Township appealed, and ordering the Township to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Township filed its HEFSP with the Affordable Housing Dispute Resolution Program (“Program”) on June 18, 2025; and

WHEREAS, Fair Share Housing Center (“FSHC”) filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 25, 2025; and

WHEREAS, the challenge filed by FSHC shall be resolved in a separate mediation agreement between the Township and FSHC; and

WHEREAS, ALR Franklin Property 1 LLC (“ALR Franklin 1”) is the contract purchaser of the approximately 256-acre tract located at 1457 Fries Mill Road and designated as Block 1902, Lot 1 on the Township tax maps (“Fries Mill Road Tract”); and

WHEREAS, ALR Franklin Property 2 LLC (“ALR Franklin 2”) is the contract purchaser of the approximately 97.17-acre tract located at 535 Oak Avenue (“Oak Avenue Tract”) designated as the following lots and blocks on the Township tax maps:

Block 4401, Lots 19-22; Block 4402, Lot 1; Block 4403, Lot 1; Block 4404, Lot 1; Block 4405, Lot 1; Block 4410, Lot 1; Block 4411, Lot 1; Block 4412, Lot 1; Block 4413, Lot 1; Block 4414, Lot 1; Block 4415, Lot 1; Block 4416, Lot 1; Block 4417, Lot 1; Block 4418, Lot 1; Block 4419, Lot 1; Block 4426, Lot 1; Block 4427, Lot 1; Block 4428, Lot 1; Block 4429, Lot 1; Block 4430, Lot 1; Block 4431, Lot 1; Block 4432, Lot 1; Block 4433, Lot 1; Block 4434, Lot 1; Block 4435, Lot 1; Block 4436, Lot 1; Block 4442, Lot 5; Block 4443, Lot 1; Block 4444, Lot 1; Block 4445, Lot 1; Block 4447, Lot 1; Block 4501, Lot 1; Block 4502, Lot 8; and

WHEREAS, ALR Franklin Property 3 LLC (“ALR Franklin 3),” is the contract purchaser of the approximately 355-acre tract located at 997 Pennsylvania Avenue and designated as Block 1401, Lots 58, 63 & 68.24 on the Township tax maps (the “Pennsylvania Avenue Tract”); and

WHEREAS, ALR Franklin 1, ALR Franklin 2, and ALR Franklin 3 are collectively referred to as, the “ALR Franklin Entities;” and

WHEREAS, the Fries Mill Road Tract, the Oak Avenue Tract, and the Pennsylvania Avenue Tract are collectively referred to as the “ALR Franklin Properties;” and

WHEREAS, the ALR Franklin Entities filed a challenge to the HEFSP with respect to the ALR Franklin Properties pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) on August 29, 2025 (“ALR Franklin Challenge”); and

WHEREAS, the Township and the ALR Franklin Entities have agreed to amicably resolve the issues set forth in the ALR Franklin Challenge through this Mediation Agreement, and present this agreement for review by the Program and referral to the Mount Laurel/County level housing

judge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, which if approved will result in a compliance certification in favor of the Township for its Fourth Round Mount Laurel Obligation pursuant to the FHA;

THEREFORE, the Township and the ALR Franklin Entities (collectively referred to as the “Parties” and individually as “Party”) each agree:

1. The prefatory statements, recitals and representations set forth above are incorporated herein by reference, as if fully set forth herein and shall constitute a part of this Mediation Agreement.
2. The Township shall amend the HEFSP to provide for an inclusionary development on the Fries Mill Road Tract (“Fries Mill Road Inclusionary Development”) that is substantially consistent with the concept plan attached hereto and made a part hereof as Exhibit A, and that incorporates the following requirements:
 - a. Total unit yield of 1,535 units, including a twenty (20%) percent affordable housing set-aside (i.e., 1,228 market-rate units and 307 affordable units).
 - b. Market rate units shall be a combination of single-family homes, townhomes, and multifamily/condominium flats, at the sole discretion of ALR Franklin 1 and does not materially deviate from the concept plan in Exhibit A without further review and approval by the Township, which approval shall not be unreasonably withheld.
 - c. Affordable units shall be a combination of townhomes and multifamily/condominium flats, at the sole discretion of ALR Franklin 1 and does not materially deviate from the concept plan in Exhibit A without further

review and approval by the Township, which approval shall not be unreasonably withheld.

- d. No more than 77 units of the 307 total affordable units in the project, or 25% of the total number affordable units if the total unit yield of the project is lower than 1,535 units, shall be family rental units.
 - e. Open space set aside requirement of approximately 45%, which may include wetlands, wetlands buffers, stormwater improvements, septic fields, and other items up to the maximum permitted for such items, as set forth in the ordinance. Open space shall also include active recreation and other means of open space not related to project infrastructure, as set forth in the implementing ordinance.
 - f. Income breakdown and bedroom distribution of all affordable units complies with UHAC.
 - g. Such ordinance shall be drafted such that bulk zoning requirements and open space requirements shall permit a maximum unit yield as set forth above. Ultimate yield is subject to the application of developer and the site plan approval process, but may not exceed 1,535 total units.
3. In order to implement the HEFSP for the Fries Mill Road Inclusionary Development, the Township shall enact a zoning ordinance (“Fries Mill Road Inclusionary Development Ordinance”) that is substantially consistent with the form of ordinance attached hereto and made a part hereof as **Exhibit B**.
 4. The Township shall amend the HEFSP to provide for an inclusionary development on the Oak Avenue Tract (“Oak Avenue Inclusionary Development”) that is substantially consistent with the concept plan attached hereto and made a part hereof as **Exhibit C**¹

consistent with the concept plan attached hereto and made a part hereof as **Exhibit C**¹, and that incorporates the following requirements:

- a. Total unit yield of 582 units, including a twenty (20%) percent affordable housing set-aside (i.e., 464 market-rate units and 118 affordable units).
- b. Market rate units shall be a combination of single-family homes, townhomes, and multifamily/condominium flats, at the sole discretion of ALR Franklin 2 but does not materially deviate from the concept plan in Exhibit C without further review and approval by the Township, which approval shall not be unreasonably withheld.
- c. Affordable units shall be a combination of townhomes and multifamily/condominium flats, at the sole discretion of ALR Franklin 2, but does not materially deviate from the concept plan in Exhibit C without further review and approval by the Township, which approval shall not be unreasonably withheld.
- d. No more than 30 units of the 118 affordable units in the project, or 25% of the total number of affordable units if the total unit yield of the project is lower than 582 units, shall be family rental units.
- e. Open space set aside requirement of approximately 25%, which may include wetlands, wetlands buffers, stormwater improvements, septic fields, and other items up to the maximum permitted for such items, as set forth in the ordinance. Open space shall also include active recreation and other means of open space not related to project infrastructure, as set forth in the implementing ordinance.

¹ The concept plans are not binding land development approvals. All development shall remain subject to subdivision, site plan, and other approvals required by the Municipal Land Use Law.

- f. Income breakdown and bedroom distribution of all affordable units complies with UHAC.
 - g. Such ordinance shall be drafted such that bulk zoning requirements and open space requirements shall permit a total unit yield as set forth above.
- 5. In order to implement the HEFSP for the Oak Avenue Inclusionary Development, the Township shall enact a zoning ordinance (“Oak Avenue Inclusionary Development Ordinance”) that is substantially consistent with the form of ordinance attached hereto and made a part hereof as **Exhibit D**.
- 6. The Township shall amend the HEFSP to provide for an inclusionary development on the Pennsylvania Avenue Tract (“Pennsylvania Avenue Inclusionary Development,” that is substantially consistent with the concept plan attached hereto and made a part hereof as **Exhibit E**, and that incorporates the following requirements:
 - a. Total unit yield of 2,000 units, including a twenty (20%) percent affordable housing set-aside (i.e., 1,600 market-rate units and 400 affordable units).
 - b. Market rate units shall be a combination of single-family homes, townhomes, and multifamily/condominium flats, at the sole discretion of ALR Franklin 3, but does not materially differ from the concept plan in Exhibit E without further review and approval by the Township, which approval shall not be unreasonably withheld.
 - c. Affordable units shall be a combination of townhomes and multifamily/condominium flats, at the sole discretion of ALR Franklin 3, but does not materially differ from the concept plan in Exhibit E without further

review and approval by the Township, which approval shall not be unreasonably withheld.

- d. No more than 100 units of the 400 total affordable units in the project, or 25% of the total number of affordable units if the total unit yield of the project is lower than 2,000 units shall be rental units.
 - e. Open space requirement of approximately 50%, which may include wetlands, wetlands buffers, stormwater improvements, septic fields, and other items up to the maximum for such items, as set forth in the ordinance. Open space shall also include active recreation and other means of open space not related to project infrastructure, as set forth in the implementing ordinance.
 - f. Income breakdown and bedroom distribution of all affordable units complies with UHAC.
7. Such ordinance shall be drafted such that bulk zoning requirements and open space requirements shall permit a total unit yield as set forth above. In order to implement the HEFSP for the Pennsylvania Avenue Inclusionary Development, the Township shall enact a zoning ordinance (“Pennsylvania Avenue Inclusionary Development Ordinance”) that is substantially consistent with the form of ordinance attached hereto and made a part hereof as **Exhibit F**.
8. Consistent with the FHA and N.J.A.C. 5:94-8.1, the Township shall waive any municipal ordinance provisions that constitute unnecessary “cost generating features” and constitute “development standards that are not essential to protect the public welfare” as permitted by applicable law.

9. As part of the ALR Franklin Entities' applications for site plan approval shall include detailed explanation of how the homeowners' association will maintain any on-site stormwater, basins, septic, and other infrastructure, which will remain the HOA's sole responsibility. Developer shall also acknowledge that any HOA fees, special assessments or any other costs are not the responsibility of the Township and Developer understands all implications of those costs relative to affordability controls and restrictions. Nothing in this Agreement shall obligate the Township, in perpetuity, to utilize its own funds, trust fund or otherwise, for any costs or HOA fees associated with this project whatsoever and in perpetuity. This shall specifically include maintenance of stormwater basins, which shall be the developer's sole responsibility. The Township shall not have any responsibility now or in the future for the maintenance or repair of any infrastructure, or be responsible financially for the affordable units' fair share of that maintenance, but shall be fully funded and subsidized by applicable HOA fees and/or other financial safeguards provided by the developer.
10. Pursuant to N.J.A.C. 5:93-4.3(c)1-4, and the Township's Mediation Agreement with the FSHC of even date herewith, the Township shall cooperate with the ALR Franklin Entities, and act in good faith and with continuity of purposes, to assist the ALR Franklin Inclusionary Developments on the ALR Franklin Properties in facilitating the provision of public water and sewer to the ALR Franklin Properties. Such cooperation shall be consistent with the municipal requirements set forth in N.J.A.C. 5:93-4.3, including, as necessary, the Township endorsing or being a co-applicant with respect to:

- i. Any applications to the New Jersey Department of Environmental Protection (“NJDEP”) or its agent to provide infrastructure for the ALR Franklin Properties;
- ii. Any applications for the inclusion of the ALR Franklin Properties in any appropriate sewer service area or wastewater management plan;
- iii. Any applications made to any State (including but not limited to the NJDEP), county, local or other body politic or utility authority necessary in order to provide public sewer and water service; and
- iv. Any other reasonable steps necessary or required to facilitate the provision of public water and sewer.

Nothing in the foregoing shall require the Township to expend funds to obtain, or assist in obtaining, the required approvals. The Township reserves the right to request that the ALR Entities establish an escrow account to fund any expenses of municipal professionals to draft or review any documentation necessary to comply with the requirements of this Section. The ALR Franklin Entities shall be responsible for the design, permitting, construction and extension of all water and sewer infrastructure improvements that are directly necessitated by the ALR Franklin Inclusionary Developments. The ALR Franklin Entities shall also be responsible the cost of such water and sewer infrastructure improvements, subject to the payment of the pro-rata share of the cost of such improvements by other private parties. Nothing in this Agreement, however, shall obligate the Township to guarantee or ensure the issuance of any permit or approval by any governmental agency or utility authority, and does not

create a cause of action to compel the Township to bear the responsibility and expense for providing water or sewer infrastructure for the projects set forth in this Agreement now or in the future. The Township specifically does not commit any funding for infrastructure pursuant to N.J.S.A. 52:27D-311(n). This includes the maintenance of, and all costs associated with, any on-site package treatment facility.

11. Subject to any existing agreements or court orders, including but not limited to the “Redevelopment Agreement for the Route Forty Food Center” dated June 11, 2013 (and any amendments thereto), should public water and/or sewer become available to the Township, it shall be required, pursuant to N.J.A.C. 5:93-4.3(c)1, to reserve and set aside the water and/or sewer capacity, when it becomes available, for low and moderate income housing, including the ALR Franklin Inclusionary Developments, on a priority basis until it has satisfied its fair share obligations. “Sewer capacity” and “water capacity” shall be as those terms are defined in N.J.A.C. 5:97-1.4.
12. Subject to applicable law, the ALR Franklin Entities shall be responsible for all on-site and off-site improvements directly necessitated by the ALR Franklin Inclusionary Developments, and otherwise constituting the ALR Franklin Entities’ pro-rata share of such improvements, including but not limited to, road improvements, utilities, stormwater management, and environmental mitigation. Nothing in this Agreement, however, shall be construed to create an obligation on behalf of the Township for the costs and construction of any on-site or off-site improvements contemplated by this paragraph now or in the future.
13. Pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, the Parties recognize that the Program and/or County level housing judge must still review

this agreement and the resulting HEFSP and implementing ordinances and resolutions for compliance with the FHA prior to issuing a compliance certification, as follows:

- a. The Parties shall present this Mediation Agreement to the Program Member for review upon full execution by the Parties.
- b. The Program Member shall review the Agreement and if satisfied with compliance with the FHA shall refer this matter to the Mount Laurel/County level housing judge for review and entry of certification of compliance, conditioned on adoption of all implementing ordinances and resolutions.
- c. The Township shall adopt all implementing ordinances and resolutions no later than April 29, 2026, and shall file a copy of the adopted ordinances and resolutions on eCourts. These deadlines are subject to any decision of a Court of competent jurisdiction and shall be extended accordingly in compliance with any stay issued by a court of competent jurisdiction as applicable to the Township.

14. All Parties agree to implement the terms of this Mediation Agreement. If the Program, Mount Laurel/County level housing judge, or any appellate court rejects this Mediation Agreement, the Parties reserve their right to rescind any action taken in anticipation of the Program's approval and return to status quo ante. All Parties shall have an obligation to fulfill the intent and purpose of this Mediation Agreement, unless to do so would be inconsistent with the final, unappealable adjudication of any Program or court ruling or judgment or other applicable law. The Parties acknowledge and agree that the concept plans attached hereto as Exhibits A, C, and E, respectively, have not been fully

engineered, and are subject to change. The terms of this Mediation Agreement may be enforced through an enforcement motion in this declaratory judgment or a separate action before the Program or the Superior Court, Law Division.

15. The parties agree that if a decision of a court of competent jurisdiction, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of a Fourth Round Prospective Need Obligation of the Township that would be lower than the obligation established in this Agreement, the Township may seek to amend any orders entered in this matter to reduce its fair share obligation accordingly. No reduction to the housing obligation shall alter ALR's rights to pursue the development of its inclusionary developments as outlined in this agreement.
16. Nothing contained herein shall be deemed to limit or waive the jurisdiction of the Planning Board or Board of Adjustment to review and act upon any future development applications in accordance with the Municipal Land Use Law.
17. All development contemplated herein shall remain subject to all applicable federal, state, and local environmental regulations, including but not limited to wetlands, flood hazard, and stormwater management requirements.
18. Nothing herein shall constitute an admission by the Township regarding the validity of any challenge filed by the ALR Franklin Entities.
19. This Agreement may be executed in counterparts, all of which together shall constitute the same Agreement, and any exhibits or schedules attached hereto shall be hereby made a part of this Agreement. This Agreement shall not be modified, amended or altered in any way except by a writing signed by each of the Parties. Each Party acknowledges that

each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each signatory is the proper person and possesses the authority to sign the Agreement, and that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties, therefore, the presumption of resolving ambiguities against the drafter shall not apply. 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. No member, official or employee of the Township shall have any direct or indirect interest in this Agreement, as determined pursuant to the Local Government Ethics Law and Matter of Borough of Englewood Cliffs, 473 N.J. Super. 189 (Super. Ct. App. Div. 2022), nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

On behalf of the Township of Franklin:

On behalf of ALR Franklin Property 1 LLC:

Date:

Date:

On behalf of ALR Franklin Property 2 LLC:

On behalf of ALR Franklin Property 3 LLC:

Date:

Date: