# APPENDIX A

## **Appendix Table 1: Obligation**

Prior Round (1986-1999)

766

Third Round (1999-2025)

1000

**Rehab/ Present Need** 

171

# Appendix Table 2: Prior Round Plan (1986-1999)

	# Affordable Units	Rental	Owner	Senior	occupied	family rental bonus	total bonus	total credits	# relative to obligation	Obligation
Prior Cycle (pre-1986)										
The Lena and David T. Wilentz Senior Residence (fka, "Central Jersey Home for the Aged")*	100	100		100	100			100		
Society Hill I*	26		26		26			26		
SUBTOTAL	126	100	26	100	126	0	0	126		
Prior Rounds (1986-1999)										
Beacon Hill	73		73		73			73		
Countryside Apartments	48	48			48	40	40	88		
Habitat for Humanity	1		1		1			1		
Quailbrook East	27		27		27			27		
Society Hill II	56		56		56			56		<u> </u>
Society Hill III	64		64		64			64		<u> </u>
Society Hill VI	72		72		72			72		
Whitehall Gardens	100	100			100	100	100	200		
Wynnfield	79		79		79			79		
Franklin/ Perth Amboy RCA	29				29			29		
Special Needs Housing	48	48			48			48		
SUBTOTAL	597	196	372	0	597	140	140	737		
TOTAL	723	296	398					863	97	766
required #		160								
required family rental #		196								
rental bonus max.						160				

# Appendix Table 3: Third Round Plan (1999-2025)

	Affordable Units	Rental	Owner	Very Low	Senior	occupied	approved	redevelop ment bonus	family rental bonus	very low income bonus	total bonus	total credits	# relative to obligation	Obligation
Third Round (1999-2025)														
Prior Round Surplus												97		
Avalon at Somerset	58	58		35		58				35	35	93		
Berry Street Commons	92	92		10		92		30			30	122		
Cedar Manor	28	28				28			28		28	56		
Florez Townhomes	5		5				5					5		
Franklin Commons	65	65		7		65		21			21	86		
Habitat for Humanity "I" and II"	16		16			16						16		
Habitat for Humanity "III"	6		6				6					6		
Hidden Brook at Franklin/ Presbyterian Homes	85	85			85	85						85		
Independence Crossing (count 46 senior and 5 very low) of 63 unit development	51	51		5	46	51				5	5	56		
Leewood	105		105			21	84	34			34	139		
Parkside Senior	69	69		20	69	69				5	5	74		
Parkside Family	68	68		30		68		22			22	90		
Somerset Park (include 50 unit rental bonus)	84	84				84			50		50	134		
Summerfields at Franklin	150	150		24	50		150					150		
Voorhees Station	61	61		8		61		20			20	81		
Supportive/ Special Needs Housing	58	58		6		55	3					58		
TOTAL	1001	869	132	145	250	753	248	127	78	45	250	1348	348	1000
required rental #		250		130								٦.		
provided rental #		869		145								bonus cap		
required family rental #		125									250	bonus propose	ed	
provided family rental #		556												
required family units total														
provided family units total											1			
# of very low eligle units in excess for bonus						1				45				
permitted senior units proposed senior units					250 250									

# Appendix Table 4: Rehab/ Present Need Plan

Obligation	Completed	Remaining	Per Year
171	109	62	7

## **Appendix Table 5: Supportive/ Special Needs Housing**

Name	Block/ Lot	Address	Prior Round (pre 2000)	Third Round (2000 and beyond)	Date of Application for Tax Exemption
ADTI Housing Corp.	419/10	106 Charles St		4	11/1/2011
Allies, Inc.	375/ 9	121 Drake Rd		5	9/13/2004
Allisa Care/ Caring Inc.	323/ 10	18 Bloomfield Av		5	11/3/2008
Alternatives - 37 Johnson Road	342/4	37 Johnson Rd		3	
Alternatives, Inc. I	542/ 22	558-560 Madison Av	11		10/5/1998
Cedar Grove Development Inc.	424.02/ 15	30 Cedar Grove Ln		3	10/31/2001
Center for Family Support	422/7	71 Wilson Rd	5		11/1/1998
Center for Great Expectations	424.01/39.06	19B Dellwood Lane		8	6/5/2008
CIBC Foundation Inc. c/o Hall Gwendd	362/ 59	60 MacAfree Rd		3	11/1/2014
Community Options Enterprises Inc	342/ 10	5 Orchid Ct		3	11/1/2013
Community Options	335/ 22	6 Fulton Rd	3		1/1/1997
Developmental Disabilities Assn.	337/ 21	7 Evans Ct	5		11/1/1982
Developmental Disabilities Assn.	100/ 1.01	130 Codington Av	3		10/14/1999
Devereux New Jersey	401/ 17	12 Hughes Rd		4	11/1/2007
Enable, Inc I	342/ 35	22 Lebed Dr		4	10/31/2001
Enable, Inc II	388/ 15	1260 Easton Av		4	10/10/2006
Matheny Group Home I	424.02/31	26 Lakeside Dr		6	10/4/2001
Matheny Group Home II	448/ 1.13	2 Walnut Ave	5		1/9/1997
NJ Assoc. of Deaf/ Blind Inc.	409/ 18	251 Berger St	4		7/29/1992
Phoenix Corp.	429/ 15	75 Fourteenth St		3	9/21/2006
Reformed Church of Highland Park Aff Hsg Corp	357/ 8	1 Flower Rd		3	11/1/2014
Somerset ARC	34.01/ 17	75 Claremont Rd	4		9/29/1986
Somerset ARC	84.03/20	37 Buffa Dr	5		11/1/1984
Somerset ARC	15/ 3.02	7 Honeyman St	3		10/23/1987
			48	58	

# APPENDIX B

## NEW JERSEY LOW AND MODERATE INCOME

## HOUSING OBLIGATIONS FOR 1999-2025

## CALCULATED USING THE

## NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY

April 16, 2015



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### EW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY

### INTRODUCTION

Under New Jersey's <u>Mount Laurel</u> Doctrine on exclusionary zoning and affordable housing, <sup>1</sup> and the state Fair Housing Act enacted in 1985, <sup>2</sup> all New Jersey municipalities and State agencies with land use authority have a constitutional obligation to create a realistic opportunity for development of their fair share of the regional need for housing affordable to low and moderate income households.<sup>3</sup> On March 10, 2015, the New Jersey Supreme Court, in <u>In</u> re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing (\_) ("In re N.J.A.C. 5:96 & 5:97"), ruled unanimously on the correct method for calculation of Third Round, post-1999 constitutional housing obligations:

"... as we said in <u>In re Adoption of N.J.A.C. 5:96 & 5:97</u>, supra, previous methodologies employed in the First and Second Round Rules should be used to establish present and prospective statewide and regional affordable housing need. 215 <u>N.J.</u> at 620. The parties should demonstrate to the court computations of housing need and municipal obligations based on those methodologies." (slip opinion, p. 41)

<sup>&</sup>lt;sup>1</sup> <u>So. Burlington Cty. N.A.A.C.P., et al. v. Mount Laurel Tp., et al., 67 N.J. 151 (1975) (Mount Laurel I), So. Burlington Cty. N.A.A.C.P. v. Mount Laurel Tp. 92 N.J. 158 (1983) (Mount Laurel II), and subsequent decisions, including <u>Hills v.</u> <u>Bernards Township</u>, 103 <u>N.J.</u> 1 (1986), <u>Toll Bros. v. West Windsor Township et al.</u>, 173 <u>N.J.</u> 502 (2002), and <u>In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing</u>, 215 <u>N.J.</u> 578 (2013).</u>

<sup>&</sup>lt;sup>2</sup> <u>N.J.S.A.</u> 52:27D-301 et seq.

<sup>&</sup>lt;sup>3</sup> The Fair Housing Act defines low and moderate income households as households with gross household incomes, respectively, of 50% or less and between 50%-80% of the regional household median income, adjusted for household size. <u>N.J.S.A.</u> 52:27D-304c. and d. "Affordable" means that the cost of housing (gross rents including utilities or mortgage payment, insurances, property taxes, and homeowner fees) is less than 30% of gross monthly income adjusted for household size for rental housing and 28% of gross monthly income for ownership units. <u>N.J.A.C.</u> 5:80-26.6 and -26.12. The terms "affordable housing" and "low and moderate income housing" are used synonymously in this report.

This report presents the methodology for calculating regional housing needs and municipal housing obligations in accordance with the Supreme Court's decision. An accompanying Appendix A presents the data, calculations, and allocations for the state's housing regions and all 565 municipalities in a multi-tab Excel workbook-based model, using this methodology.<sup>4</sup>

The Supreme Court had previously affirmed, in 2013, the 2010 remedy order by the Appellate Division that had ordered the New Jersey Council on Affordable Housing ("COAH") to determine "prospective need" for the Third Round (post-1999) using a fair share housing methodology based on the methodology used by COAH in its First Round (1987-1993) and Second Round (1993-1999) and "the most up-to-date available data."<sup>5</sup> The First Round and the Second Round are collectively referred to as the "Prior Round."

Under <u>Mount Laurel</u> and the Fair Housing Act, low and moderate income housing need (both present need and prospective need) and associated fair share obligations now have three components: (a) Present Need, (b) Prior Round obligation (1987-1999),<sup>6</sup> and (c) Prospective Need (post-1999).<sup>7</sup> This report presents the methodology for calculating all three components and allocating regional prospective housing needs to municipalities, and then calculating the Net Prospective Need component of each municipality's fair share housing obligation. It also provides the results of these calculations for all municipalities in Appendix A, calculating their

<sup>&</sup>lt;sup>4</sup> Fair Share Housing Center submitted an earlier, July 2014 version of this report, and its Appendix A Excel workbook, to COAH in August 2014 and to the Supreme Court in October 2014 with its Motion to Enforce Litigant's Rights. That version of the report and Excel workbook were prepared based in part on the Second Round methodology in a report prepared by Art Bernard, PP of Art Bernard and Associates, LLC, of Lambertville, NJ., for the New Jersey Builders Association, as applied in <u>Mount Laurel</u> litigation in the Borough of Morris Plains.

<sup>&</sup>lt;sup>5</sup> 416 <u>N.J. Super.</u> 462 (2010).

<sup>&</sup>lt;sup>6</sup> The Prior Round obligation was initially the cumulative prospective need for 1987-1999, as defined and calculated by COAH in 1994 in its Second Round Rules, N.J.A.C. 5:93 Appendix A

<sup>&</sup>lt;sup>7</sup> In 1994, in the first <u>Mount Laurel</u> case to be fully tried since <u>Mount Laurel II</u>, decided the year before, Judge Serpentelli established and explained a method of fair share housing allocation and applied it to a municipality. <u>AMG</u> <u>Realty Company v. Township of Warren</u>, 207 N.J. Super. 388 (1984). <u>AMG</u> begins by explaining how the methodology was developed, including the role of planners for various parties, including Court-appointed masters and experts, in reaching a consensus methodology. Enactment of the Fair Housing Act in 1985 codified major components of the methodology. <u>N.J.S.A.</u> 52:27D-301 et seq. COAH First Round Rules detailed the methodology in 1986. N.J.A.C. 5:92. COAH Second Round Rules refined the methodology in 1994. N.J.A.C. 5:93.

Present Need, Prior Round obligation, and Net Prospective Need for 1999-2025 using the Prior Round (1987-1999) methodology.

Several principles have guided the preparation of this methodology and its model:

- Calculation of present need at the municipal level
- Regional projection of prospective housing need
- Allocation of gross regional housing need to municipalities
- Calculation of net prospective need at the municipal level
- "the most up-to-date available data"
- Transparency in the fair share methodology model
- Consistency in time periods for start dates and projection dates in the model
- Consistency in data sets in the model's components

The context of this methodology's housing need calculations and allocations is important to establish upfront. New Jersey currently has a total of about 3.18 million households, of which 43%, i.e., 1,375,890 households, have incomes below 80% of median household income and are considered low and moderate income households under <u>Mount Laurel</u> and the Fair Housing Act. The current median household income in New Jersey is \$70,165, which means that on a statewide basis households with annual incomes less than \$56,132 are considered low and moderate adjustments for household size (households with more people have a higher median income, households with fewer people have a lower median income).<sup>8</sup> One standard approach to calculating housing need is to determine the share of household income devoted to housing costs, whether a mortgage, taxes, etc. for homeowners,

<sup>&</sup>lt;sup>8</sup> Household income 2013, U.S. Census Bureau, American Community Survey, Table R1901 retrieved April 14, 2015, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\_13\_1YR\_R1901.US01PRF&pr odType=table

or rent and utilities for renters. Households that spend more than 30% of their income on housing costs are considered to be "cost-burdened" and their housing is not considered "affordable." Consequently, these households have less disposable income to spend on food, transportation, health care, clothing, and other essential of daily life. By this metric, 72% of New Jersey's low and moderate income households need affordable housing, i.e., 875,310 New Jersey low and moderate income households are cost-burdened and part of the broader context of housing need.<sup>9</sup> However, COAH excluded cost-burdened households and their affordable housing needs from municipal housing obligations under the Fair Housing Act, a determination upheld by the Supreme Court.<sup>10</sup> Consequently, and consistent with the Supreme Court's decision, the housing needs of cost-burdened households are not included in the fair share housing methodology presented in this report.

#### PRESENT NEED

The Supreme Court directed that the Prior Round methodology be used to calculate municipal present need. As defined by COAH in its Second Round Rules in 1994, "Present need" means "the sum of indigenous need and reallocated present need ....."<sup>11</sup> However, the Supreme Court also upheld COAH's decisions, in its three iterations of Third Round rule-making, to no longer include "reallocated present need" in the fair share methodology.<sup>12</sup> The Prior Round methodology defined "indigenous need" as "deficient housing units occupied by low and rehabilitation to comply with applicable housing code standards. The Prior Round methodology calculated the number of low and moderate income families living in "deficient housing" at a

<sup>&</sup>lt;sup>9</sup> U.S. Census Bureau, American Community Survey 2007-2001, HUD CHA User Inquiry Tool, retrieved September 26, 2014, http://www.huduser.org/portal/datasets/cp.html

In re N.J.A.C. 5:96 & 5:97, slip opinion, p. 45.

<sup>&</sup>lt;sup>11</sup> N.J.A.C. 5:93-1.3.

 <sup>&</sup>lt;sup>12</sup> In re Adoption of N.J.A.C. 5:96 & 5:97, slip opinion, pp. 42-43.
 <sup>13</sup> N.J.A.C. 5:93-1.3.

subregional level, due to constraints on the availability of data at the municipal level, and then allocated indigenous need to municipalities.<sup>14</sup>

Data is now available at the municipal level from the U.S. Census Bureau in its decennial census and its American Community Survey of samples of the population (including the 5% Public Use Microdata Sample, known as PUMS), permitting a refinement and improvement in the precision and fairness of calculating present need. While COAH used the term "Rehabilitation Share" in all three iterations of its Third Round Rules, this report uses the term "Present Need," as directed by the Supreme Court, to mean the number of deficient housing units occupied by low and moderate income households within a municipality."<sup>15</sup> Present Need is a component of a municipality's fair share housing obligations, which may be addressed under COAH Second Round rules by either a local housing rehabilitation program or by creating new units of affordable housing.<sup>16</sup>

Present Need is calculated in a two-step process, similar to the process COAH has used to determine the Rehabilitation Share in a two-step process, most recently in 2014.<sup>17</sup>

First, COAH identified total deficient housing by municipality by using three surrogates or indicators: (a) overcrowding in housing built before 1960, (b) housing lacking complete plumbing facilities, and (c) housing lacking complete kitchen facilities. In its March 2015 decision, the Supreme Court ruled that use of these three surrogates was acceptable.<sup>18</sup> COAH also found through PUMS data in 2014 that about 14.86% of deteriorated units had multiple deficiencies and made an adjustment to avoid double counting.

Second, COAH determined the degree to which overcrowded and deteriorated housing would be occupied by low or moderate income households in each county, using 2007-2011

<sup>&</sup>lt;sup>14</sup> <u>N.J.A.C.</u> 5:93 Appendix A.

<sup>&</sup>lt;sup>15</sup> <u>N.J.A.C.</u> 5:94-1.4, <u>N.J.A.C.</u> 5::97-1.4, and proposed <u>N.J.A.C.</u> 5:99-1.2, 46 <u>N.J.R.</u> 930.

<sup>&</sup>lt;sup>16</sup> N.J.A.C. 5:93-5.1.

 <sup>&</sup>lt;sup>17</sup> Proposed <u>N.J.A.C.</u> 5:99, Appendix B, 46 <u>N.J.R.</u> 957-981, June 2, 2014.
 <sup>18</sup> In re Adoption of N.J.A.C. 5:96 & 5:97, slip opinion, pp. 45-46.

American Community Survey data, finding a range from 48.6% in Sussex County to 85% in Hunterdon County, with about a 65.3% statewide average. COAH then applied those county percentages to the non-double-counted deficient housing in each municipality to compute the Rehabilitation Share for each municipality.

COAH used the "the most up-to-date available data" from the U.S. Bureau of the Census for these 2014 analyses, namely the 2010 Census, the 2008-2012 American Community Survey 5-year estimates, and the 2007-2011 American Community Survey Public Use Microdata Sample (PUMS). In a departure from the Prior Round methodology, COAH in 2014 extrapolated the observed data from 2010 on housing deficiency and extended anticipated deterioration to 2014, without a stated reason for the deviation.

This methodology remains faithful to the Prior Round methodology, which used the most recent decennial census year as the point in time to calculate Present Need, and uses COAH's calculated Rehabilitation Share data for each municipality as of 2010, without extrapolation beyond 2010, as "the most up-to-date available data." This report recommends that the 2010-based analysis, using 2010 PUMS data from the U.S. Bureau of Census, be considered the Present Need component of the municipal fair share housing obligation. Municipal Present Need obligations are presented in the Excel workbook in Appendix A.

#### PRIOR ROUND OBLIGATION

In 1986 COAH calculated prospective need for 1987-1993 (First Round)<sup>19</sup> and in 1993-1994 COAH calculated cumulative prospective need for 1987-1999 (Second Round).<sup>20 21</sup> In its second iteration of Third Round Rules, in 2008, COAH published the Prior Round obligations by

<sup>&</sup>lt;sup>19</sup> N.J.A.C. 5:92 Appendix A presents the methodology for this calculation.

<sup>&</sup>lt;sup>20</sup> N.J.A.C. 5:93 Appendix A presents the methodology for this calculation.

<sup>&</sup>lt;sup>21</sup> COAH proposed the Second Round rules in March 1993 (25 <u>N.J.R.</u> 1118, March 15, 1993), released a summary of municipal fair share numbers in November 1993, but then reproposed the rules in December 1993 (25 <u>N.J.R.</u> 5763, December 20, 1993), and adopted the Second Round Rules effective June 1994 (26 N.J.R. 2300, June 6, 1994).

municipality for 1987-1999 as calculated in 1993-1994.<sup>22</sup> In its March 2015 decision, the Supreme Court ruled that municipalities still had an obligation to satisfy their Prior Round obligations ("...our decision today does not eradicate the prior round obligations...") as calculated in the Second Round.23

Consequently, the municipal Prior Round obligation, as calculated in 1993-1994 and published by COAH in 2008, is the Prior Round obligation component of the municipal fair share housing obligation. COAH's original gross Prior Round obligation numbers by municipality are reproduced and presented in the Excel workbook in Appendix A. In many cases, municipalities have already satisfied some or all of their Prior Round obligations, which can be evaluated on a case-by-case basis in individual municipal proceedings.

### **PROSPECTIVE NEED**

"Prospective Need" is a projection of low and moderate income housing needs for a defined period in the future. COAH first developed, proposed, revised, adopted, and implemented its fair share housing methodology to project prospective need for the First Round (1987-1993) in 1986.<sup>24</sup> For its Second Round (1993-1999), COAH maintained the basic structure of the methodology, and adopted and implemented the updated methodology, with some minor refinements. in 1994.<sup>25</sup>

Under its First and Second Round methodologies, also referred to, since the early 2000s, as the "Prior Round," COAH determined municipal prospective need in three phases. First, regional prospective need is calculated. Second, each region's prospective need is allocated to

 <sup>&</sup>lt;sup>22</sup> <u>N.J.A.C.</u> 5:97 Appendix C.
 <sup>23</sup> In re Adoption of N.J.A.C. 5:96 & 5:97, slip opinion, p. 42.

<sup>&</sup>lt;sup>24</sup> COAH published the First Round methodology regulations and the methodological, "technical" appendix at N.J.A.C. 5:92-2 through -5 and Appendix A, 18 N.J.R. 1527-1548, August 4, 1986.

<sup>&</sup>lt;sup>25</sup> COAH published the Second Round methodology regulations and methodological appendix at N.J.A.C. 5:93-2 and Appendix A, 26 N.J.R. 2300-2353, June 6, 1994.

the municipalities within each region. Third, each municipality's allocated obligation is adjusted based on additional, so-called "secondary" sources of housing demand and supply. The entire process has 23 discrete but inter-related steps. This report defines each of these steps and the "most up-to-date available data" used for each step in this process, as required by the Appellate Division and Supreme Court. For data that spans the Third Round period of 1999-2025, the starting point for the data is 1999, the beginning of the Third Round. The "most up-to-date available data" is used as well, whether available from the 2010 Census or from 2011, 2012, 2013, 2014, or 2015 sources.

This Third Round prospective need methodology follows closely and almost mechanically the COAH First and Second Round methodologies, in keeping with the Appellate Division's 2010 Order, as affirmed by the Supreme Court in 2013 and 2015.<sup>26</sup> Four deviations from the Prior Round methodology, as follows, have been made to comply with rulings of the Appellate Division and the Supreme Court and account for legal changes that affect the methodology.

First, "reallocated present need" is not included in this Third Round methodology.<sup>27</sup>

<sup>&</sup>lt;sup>26</sup> One policy judgment and methodology change could be considered in light of COAH rules in effect since the First Round on the types of facilities eligible for credits against municipal fair share housing obligations. The Prior Round methodology excludes persons who live in "group quarters" from its projections of housing need, yet 14% (about 9,000 units/beds) of the approximately 65,000 affordable units built in New Jersey since 1980 and counted by COAH (and likely mostly credited by COAH) have been for "alternative living arrangements," "supportive and special needs housing," and "assisted living residences," as defined by COAH at N.J.A.C. 5:93-1.3 and N.J.A.C. 5:7-1.4. These facilities are all types of "other noninstitutional group quarters" as defined and counted by the Census. Only 0.33% of the New Jersey population lived in such "other noninstitutional group quarters" in 2010. This population represents only 2.51% of New Jersey low and moderate income persons, yet it accounts for 14% of affordable units built and counted by COAH. Greater congruence between assessed affordable housing need and approved housing/general quarters types to address that need is a policy judgment and methodology change that could be considered. Indeed, COAH proposed to add a measure of group quarters demand to its low and moderate income housing need projections in all three iterations of its Third Round rules, in 2004, 2008, and 2014. Inclusion of a measure of group quarters demand, based on projected growth in "other noninstitutional group quarters" would add about 2,400 units to 1999-2025 statewide prospective need.

<sup>&</sup>lt;sup>27</sup> In re N.J.A.C. 5:96 & 5:97, slip opinion, p. 42-43.

Second, the Highlands Water Protection and Planning Act was enacted in 2004, a decade after COAH adopted its Second Round methodology, so different weightings have been added for different categories of undeveloped "available" land in the Highlands Region when calculating the land allocation factor.

Third, the second <u>State Development and Redevelopment Plan</u>, adopted in 2001 by the State Planning Commission, designated numerous "centers" in all "planning areas" throughout the state, so weighting of undeveloped "available" land has been added for "centers" designated by the State Planning Commission when calculating the land allocation factor.

Fourth, the Prior Round methodology for calculating filtering is not used, as the Appellate Division in 2007 rejected COAH's use in 2004 of data for this purpose from the US. Census Bureau's <u>American Housing Survey 1989-1999</u>.<sup>28</sup>

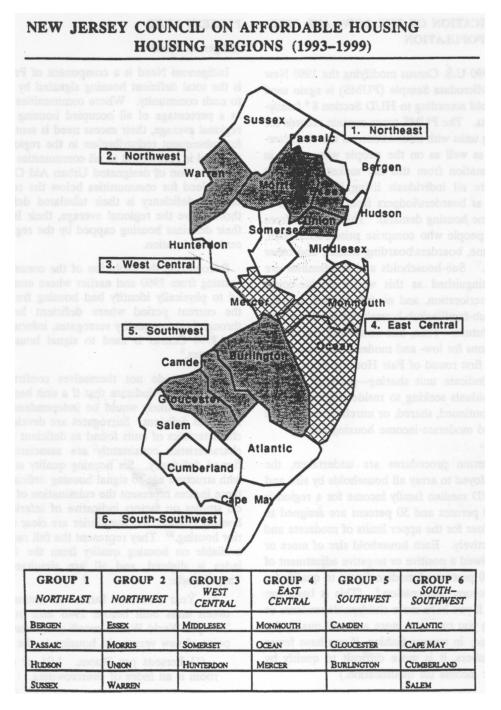
In all other aspects except the above four responses to legal changes, this methodology tracks the Prior Round methodology, with the most up to date available data, as closely as possible.

#### FIRST PHASE: CALCULATING REGIONAL PROSPECTIVE NEED

<u>Step 1: Identify "housing regions"</u> – COAH has completed the first step in its methodology by using journey-to-work data from the Census and American Community Survey to determine groupings of two to four counties into "housing regions," as required by the Fair Housing Act.<sup>29</sup>

<sup>&</sup>lt;sup>28</sup> In the Matter of the Adoption of N.J.A.C. 5:94 and 5:95 by the New Jersey Council on Affordable Housing. In Re Substantive and Procedural Rules of the New Jersey Council on Affordable Housing for the Period Beginning <u>December 20, 2004</u> (N.J.A.C. 5:94-1 et. seq. and N.J.A.C. 5:95-1 et. seq.), 390 <u>N.J. Super.</u> 1, 46 (App Div 2007).
<sup>29</sup> N.J.S.A. 52:27D-304b.

COAH last grouped the state's counties into six housing regions in 1994, as shown and listed below:<sup>30</sup>



Source: N.J.A.C. 5:93 Appendix A

<sup>&</sup>lt;sup>30</sup> <u>N.J.A.C.</u> 5:93 Appendix A.

COAH reexamined and reaffirmed these six housing regions in 2004,<sup>31</sup> 2008, and 2014.<sup>32</sup>

<u>Step 2: Determine the population projection period</u> – To project the future need for housing, an important starting point is projecting the future population, which requires deciding on a population projection period. COAH's Second Round ended June 30, 1999. The Fair Housing Act, as amended in 2001,<sup>33</sup> requires that present and prospective need be "computed for a 10-year period."<sup>34</sup> This implies a population projection period extending ten years from the present, i.e., 2015, but beginning in 1999 at the end of the 1987-1999 Prior Round last calculated by COAH and not invalidated by the courts, for a projection period from July 1, 1999 to June 30, 2025 (26 years).

<u>Step 3:</u> Project regional population 2025 - The New Jersey Department of Labor and Workforce Development ("NJDOLWD") regularly prepares, updates, and publishes online population projections for the state and its counties. In August 2014, NJDOLWD most recently projected the state's population by county for 2012-2032 by five-year intervals, as of July 1 for each projection period, using its "preferred" Economic-Demographic Model.<sup>35</sup> NJDOLWD has also projected populations by age cohorts (five year increments) by county.<sup>36</sup> The projected population by age cohort and by county as of July 1, 2025 may be calculated by interpolation from the published NJDOLWD projections for 2022 and 2027. Population projections by county

<sup>&</sup>lt;sup>31</sup> N.J.A<u>.C.</u> 5:94 Appendix A.

<sup>&</sup>lt;sup>32</sup> Proposed N.J.A.C. 5:99 Appendix A, 46 <u>N.J.R.</u> 949, June 2, 2014.

<sup>&</sup>lt;sup>33</sup> <u>P.L</u>. 2001, <u>c.</u> 435.

 $<sup>^{34}</sup>$  <u>N.J.S.A.</u> 52:27D-307c.(1). This ten-year period also coincides with the term of a municipality's immunity from litigation once granted "substantive certification" by COAH upon approval of its housing element and fair share plan. The ten-year period starts on the date the municipality filed its housing element and fair share plan with COAH. <u>N.J.S.A.</u> 52:27D-313a.

<sup>&</sup>lt;sup>35</sup> See "Methodology – The Projection Model," no date, and "Introduction to Population and Labor Force Projections for New Jersey Counties, no date, and data tables in Excel available on the NJNJDOLWD website:, at http://lwd.dol.state.nj.us/labor/lpa/dmograph/lfproj\_index.html, accessed March 18, 2015.

<sup>&</sup>lt;sup>36</sup> The standard age cohorts used by the Census Bureau (before 2000) and by NJDOLWD are: under 5 years, 5 to 9 years, 10 to 14 years, 15 to 19 years, 20 to 24 years, 25 to 34 years, 35 to 39 years, 40 to 44 years, 45 to 49 years, 50 to 54 years, 55 to 59 years, 60 to 64 years, 65 to 69 years, 70 to 74 years, 75 to 79 years, 80 to 84 years, and 85 years and older. For 2000 and 2010, the Census Bureau combined some age cohorts in its presentation of data for the 100% sample, i.e., SF-1.

by age cohort are then aggregated into regional population projections for the six housing regions determined by COAH:

New Jersey Projected Population, 2025					
Housng Region	Persons				
1	2,409,480				
2	2,037,920				
3	1,378,500				
4	1,650,840				
5	1,298,660				
6	601,640				
New Jersey	9,377,040				

To provide some statewide context, the 2010 Census reported a total population for New Jersey of 8,791,894 persons, while NJDOLWD projected a total 2025 population for the state of 9,377,080 persons, an increase of 585,186 persons, for a projected rate of increase of 0.44% per year.

<u>Step 4: Identify and remove "group quarters" residents from projections of the total population<sup>37</sup></u> By Census Bureau definition, residents of group quarters, such as group homes, juvenile institutions, prisons, assisted living residences, and college dormitories, are not part of a "household" and do not live in "housing units."<sup>38</sup> Therefore, the next step in projecting the future

<sup>&</sup>lt;sup>37</sup> While the COAH Prior Round methodology removed people living in group quarters from the population projections, COAH nevertheless granted credits against municipal fair share housing obligations for group quarters in the First and Second Rounds, for facilities it called "alternative living arrangements," which included group homes, boarding houses, transitional facilities for the homeless, etc., as well as for assisted living residences. See <u>N.J.A.C.</u> 5:93-5.8 and <u>N.J.A.C.</u> 5:93-5.16 and the definitions of "alternative living arrangements" and assisted living residences at <u>N.J.A.C.</u> 5:93-1.3. About 14% of the 65,000± affordable units counted by COAH as built since 1980, and mostly credited, have been group quarters. Granting credits for group quarters without projecting a need for those facilities is problematic, but that was the COAH methodology in the Prior Round and it is followed here, in this methodology. <sup>38</sup> The U.S. Census Bureau definition of "group quarters," for its American Community Survey, is:

<sup>&</sup>quot;A group quarters is a place where people live or stay, in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. This is not a typical household-type living

need for low and moderate income housing is to identify the population living in group quarters, both in 2000 and 2010 by age cohort by county. Census 100% sample (SF-1) data provides this data by county and age cohort. Even more recent data by county are available from the 2013 American Community Survey, which, combined with the Census SF-1 data on age cohorts by county, provide the most up to date data on group quarters available. It is important to base household projections solely on projections of people who do not live in group quarters, as such persons do not constitute "households" as defined by the U.S. Census Bureau, which is why the group quarters population is first identified and removed from the general population in order to calculate headship rates in Step 5. To provide some context, 2.12% of New Jersey's 2013 population of 8,899,339 people, i.e., 188,884 people, lived in group quarters.<sup>39</sup>

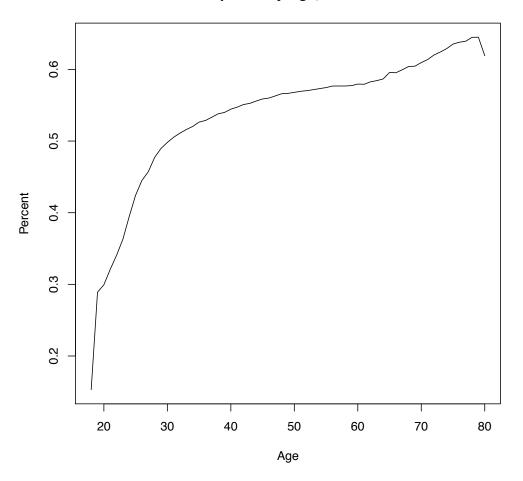
<u>Step 5: Calculate 2000 and 2013 headship rates and project 2025 headship rates</u> – The headship rate is the "probability that a person is the head of a household,"<sup>40</sup> which varies by demographic groups. In general, the headship rate rises with age, as shown below:

arrangement. These services may include custodial or medical care as well as other types of assistance, and residency is commonly restricted to those receiving these services. People living in group quarters are usually not related to each other. Group quarters include such places as college residence halls, residential treatment centers, skilled nursing facilities, group homes, military barracks, correctional facilities, and workers' dormitories." <u>https://www.census.gov/acs/www/Downloads/data\_documentation/GroupDefinitions/2010GQ\_Definitions.pdf</u> <a href="https://www.census.gov/acs/www/Downloads/data\_documentation/GroupDefinitions/2010GQ\_Definitions.pdf">https://www.census.gov/acs/www/Downloads/data\_documentation/GroupDefinitions/2010GQ\_Definitions.pdf</a>

<sup>39</sup> U.S. Census Bureau, 2013 American Community Survey, Table B26001.

<sup>40</sup> Timothy Dunne, "Household Formation and the Great Recession," Federal Reserve Bank of Cleveland, August 23, 2012; <u>http://www.clevelandfed.org/research/commentary/2012/2012-12.cfm</u> <a cccssed April 28, 2014>

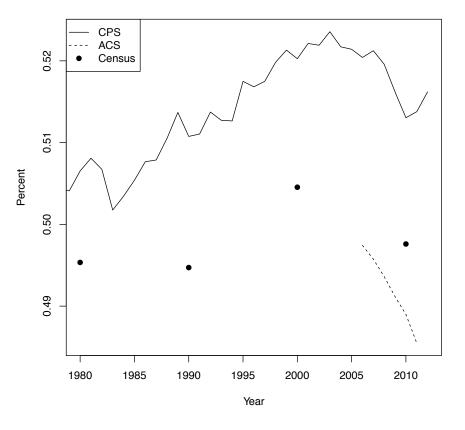
Headship Rate by Age, 2000 Census



Source: Andrew Paciorek, "The Long and Short of Household Formation," Federal Reserve Board, 2013-26, p. 27, <accessed March 27, 2015> <a href="http://www.federalreserve.gov/pubs/feds/2013/201326/201326pap.pdf">http://www.federalreserve.gov/pubs/feds/2013/201326/201326pap.pdf</a>

The methodology uses the headship rate to project the number of future households, by multiplying the projected population for each age cohort by the cohort's headship rate. By definition, households live in housing units; projecting headship rates leads to projecting the need for housing for households. Projecting future headship rates is one of the most critical assumptions in the methodology.

In its 1994 Second Round methodology, COAH compared actual 1980 and 1990 headship rates and assumed that headship rates would change during 1993-1999 at one-half the rate of change observed during 1980-1990. During 1990-2000, however, the statewide headship rate in New Jersey, for example, actually declined. The national rate increased from 1990-2000 and then decreased during 2000-2010, as shown below:



**Headship Rate** 

.Source: Andrew Paciorek, "The Long and Short of Household Formation," Federal Reserve Board, 2013-26, p. 26, <accessed March 27, 2015> <a href="http://www.federalreserve.gov/pubs/feds/2013/201326/201326pap.pdf">http://www.federalreserve.gov/pubs/feds/2013/201326/201326pap.pdf</a>

Andrew Paciorek, a staff economist at the Federal Reserve Board, in 2013 projected that the headship rate should increase in the future "as the labor market slowly recovers," but he "deliberately avoided trying to estimate total future households" using projected headship rates.<sup>41</sup>

<sup>&</sup>lt;sup>41</sup> Andrew Paciorek, "The Long and Short of Household Formation," Federal Reserve Board, 2013-26, pp. 21-22,

The Joint Center for Housing Studies (JCHS) at Harvard University, in its current <u>State of the Nation's Housing Report</u> (2014) notes that "while headship rates across income groups have been relatively constant over the past 10 years [i.e., 2004-2014], growth in each [age] group has not"<sup>42</sup> and that "difficult economic and housing market conditions … reduced headship rates among the native born" as well as foreign born.<sup>43</sup> In its current (2014) household projections through 2035, JCHS held headship rates constant, noting

"...favorable economic conditions could increase headship rates above levels assumed in the projection, which would increase the amount of household growth that occurs as a result of future projected population growth, while on the other hand a variety of factors weighing down economic opportunities could result in lower household formation rates. But changes in headship rates would have a modest effect on the household projections relative to those produced by changes in the level of net foreign immigration, which remains the greatest source of sensitivity in the projections."<sup>44</sup>

Consequently, this methodology also takes a conservative approach to headship rates, adopting the actual headship rates observed from the 2000 Census through the current, most recent available headship rate, from the 2013 American Community Survey one-year data, and constant, flat headship rates from the present through 2025, consistent with the JCHS projection.

<sup>&</sup>lt;accessed March 27, 2015> http://www.federalreserve.gov/pubs/feds/2013/201326/201326pap.pdf

<sup>&</sup>lt;sup>42</sup> Joint Center for Housing Studies, Harvard University, <u>State of the Nation's Housing Report</u>, 2014, p. 12, <accessed March 28, 2015> http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14\_txt\_bw-ch3.pdf

<sup>&</sup>lt;sup>43</sup> Joint Center for Housing Studies, Harvard University, <u>State of the Nation's Housing Report</u>, 2014, p. 13, <accessed March 28, 2015> http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/sonhr14\_txt\_bw-ch3.pdf

<sup>&</sup>lt;sup>44</sup> Daniel McCue, "Baseline Household Projections for the Next Decade and Beyond," W14-1, Joint Center for Housing Studies, Harvard University, March 2014, pp. 2-3, <a href="http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w14-1\_mccue\_0.pdf">http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w14-1\_mccue\_0.pdf</a>

<u>Step 6: Estimate 1999 low and moderate income households by region</u> — To project the growth in low and moderate income households by 2025, this methodology first establishes a base of the number of low and moderate income households by age cohort by region in 1999, the beginning of the projection period, using 2000 Census data on headship rates and group quarters.

COAH determined the number of households that were low and moderate income in the First and Second Round "for eight age cohorts specific to each of 21 counties." That allowed the Prior Round methodology to reflect that "to the degree that age cohorts are differently composed and growing differently, the low- and moderate-income population will also change as it ages into the future."<sup>45</sup> COAH used U.S. Census 5% Public Use Microdata Sample (PUMS) data to determine the share of low and moderate income households for each age cohort for each county. This methodology replicates that same methodology, using the most recent data.<sup>46</sup>

From replicating the Prior Round analysis using 2000 U.S. Census 5% PUMS data and COAH's 2000 income limits, 41.2% of New Jersey households qualified, on the basis of income, as low and moderate income households.<sup>47</sup> This analysis then applies this percentage to estimated

<sup>&</sup>lt;sup>45</sup> 18 N.J.R. 1543; 26 N.J.R. 2347.

<sup>&</sup>lt;sup>46</sup> Due to changes in Census categories since 2000 the age cohorts available are very slightly different from what was available in 1986 and 1994: instead of having 25-29 year olds separated out from 30-34 year olds, the two categories are combined, and also the Census now splits out the 75+ age group into 75-84 year olds and 85+ year olds <sup>47</sup> COAH had found in an earlier iteration of the Third Round rules a slightly lower overall number, 40.3%. N.J.A.C.

<sup>&</sup>lt;sup>47</sup> COAH had found in an earlier iteration of the Third Round rules a slightly lower overall number, 40.3%. <u>N.J.A.C.</u> 5:94 Appendix A and 36 <u>N.J.R.</u> 3798, <u>New Jersey Register</u>, August 16, 2004, "Income Qualification of the Low- and Moderate-Income Population." COAH did not disclose the data it used to reach this number, and in replicating the analysis used in the First and Second Round the correct number is 41.2%. Note also that in 2008, in its second iteration of Third Round rules, COAH-Econsult determined, by analyzing 2000 U.S. Census 5% PUMS data, that 37.7% of all households were low and moderate income households. <u>N.J.A.C.</u> 5:97 Appendix A, 40 <u>N.J.R.</u> 2918, <u>New Jersey Register</u>, June 2, 2008. However, COAH-Econsult in 2008 incorrectly calculated this percentage, as it divided projected low and moderate income households by housing units (both occupied and vacant), which reduced the percentage, as the correct denominator was the number of total households, i.e., <u>occupied</u> housing units. In 2014, in its third iteration of Third Round Rules, COAH-Rutgers analyzed 2007-2011 American Community Survey data and predicted that 40.622% of projected 2024 households would have low or moderate incomes. Proposed <u>N.J.A.C.</u> 5:99 Appendix C, 46 <u>N.J.R.</u> 982, June 2, 2014. However, COAH again did not disclose the data used for this analysis or replicate the Prior Round methodology in doing so, and the data source used is now several years out of date as there is now 2013 American Community Survey data available.

1999 households by age cohort by county and region to determine estimated 1999 low and moderate income households by region, summarized below:

1999 Estimated Low and Moderate Income Households						
Region	Total					
1	334,409					
2	296,815					
3	170,101					
4	215,461					
5	151,503					
6	84,269					
New Jersey	1,252,558					

<u>Step 7: Project 2025 low and moderate income households by region</u> – The projected 2025 population from Step 3 is the starting point for projecting low and moderate income households in 2025. The 2025 households are projected by first removing the projected group quarters population and then multiplying the non-group quarters population by the headship rates for 2025 projected in Step 5. The proportion of projected low and moderate income households that are low and moderate income, by age cohort by county and region, is determined in the same manner as calculated in Step 6 for low and moderate income households in 1999, using the same most recent available data used for the headship calculation above, namely 2013 ACS One Year data. All 2013 PUMS records are sorted by the low and moderate income limits for 2013, showing that 43.3 percent of New Jersey households are low and moderate income.<sup>48</sup> The 2025 low and moderate income household projections are summarized below by region:

<sup>&</sup>lt;sup>48</sup> COAH in 2013 adopted a hold harmless policy to keep its income limits the same as they were in 2012, because median incomes declined from 2012 to 2013 – so in many cases "moderate" income levels were actually over 80 percent of median income. This analysis uses the lower income limits that would have been adopted by COAH if the hold harmless policy had not been in place, i.e., 80% of the HUD median income for each region. By using these lower numbers, the resulting prospective need is lower than it would be otherwise. However, using the lower income limits is most consistent with the Prior Round methodology, which used 80 percent of median income for the current year. See 26 N.J.R. 2345.

Projected Low and Moderate Income Households, 2025						
Region	Total					
1	390,913					
2	342,860					
3	217,706					
4	284,125					
5	196,330					
6	104,951					
Total	1,536,885					

<u>Step 8: Project the regional increase in low and moderate income households 1999-2025</u> – The projected increase in low and moderate income households 1999-2025 is the difference between the projected 2025 low and moderate income households from Step 7 and the estimated 1999 low and moderate income households from Step 6, by age cohort by county and by region, summarized below by region:

Total Projected Increase in Low and Moderate Income Households, 1999-2025					
Region	Units				
1	56,505				
2	46,044				
3	47,605				
4	68,664				
5	44,827				
6 20,682					
TOTAL	284,327				

<u>Step 9: Pool and reallocate projected regional growth in low and moderate income households</u> <u>below age 65</u> - This reallocation, a provision of the COAH Second Round methodology, pools on a statewide basis and then assigns the working age (<65 years) component of projected low and moderate income household growth to regions where jobs previously increased. The projected increase in >65 years households, which COAH presumed to be non-working, is retained its original region. The reallocation factor is based on the proportional regional shares of nonresidential ratable growth, as a proxy for changes in the labor force. This reallocation factor is calculated and also used later, in the allocation phase of the fair share methodology, explained as Step 12. Step 8 provides the data on projected regional low and moderate income household increases by region to be pooled and reallocated. The results of this reallocation by region and the two segments of the population, <65 years and 65+, are shown below:

Projected Growth in Low and Moderate Income Households by Region, 1999-2025							
Region	Under 65	65+	Total				
1	13,939	42,099	56,038				
2	4,094	42,655	46,749				
3	10,204	36,950	47,155				
4	30,805	38,379	69,183				
5	14,201	31,166	45,367				
6	6,823	13,660	20,482				
Total	80,065	204,909	284,974				

<u>Step 10: Determine regional prospective need (units)</u> – By definition, under the COAH Prior Round fair share housing methodology, the projected increase in regional low and moderate income households, pooled and reallocated by two age groups in Step 9 equals the gross regional prospective need for low and moderate income housing. Step 9 provides the data for this determination. Regional Prospective Need for all six regions and summed for the entire state are presented below:

Regional Prospective Need, 1999-2025					
	Region	Housing Units			
1	Northeast: Bergen, Hudson, Passaic, Sussex	58,138			
2	Northwest: Essex, Morris, Union, Warren	56,979			
3	West Central: Hunterdon, Somerset, Middlesex	52,147			
4	East Central: Mercer, Monmouth, Ocean	55,982			
5	Southwest: Burlington, Camden, Gloucester	40,593			
6	Atlantic, Cape May, Cumberland, Salem	21,135			
TOTAL		284,974			

### SECOND PHASE: ALLOCATING MUNICIPAL PROSPECTIVE NEED

In the second phase, under both the First Round and Second Round methodologies, regional prospective need is allocated on a regional basis to each housing region's municipalities, after first exempting certain mostly urban or densely populated municipalities. The methodology uses three allocation factors, described by COAH as measures of "responsibility," based on the labor force, existing in or attracted to each municipality, that needs housing, and measures of "capacity," based on the physical capacity of the municipality's land and the fiscal capacity of its households to absorb low and moderate income housing based on their household incomes.<sup>49</sup> The three factors are: (a) change in equalized nonresidential valuation (ratables) over the previous two decades, as a proxy for changes in the labor force, (b) undeveloped land, and (c) differences in household income. For each allocation factor, the methodology calculates the total regional value of each factor and each municipality's fraction, or share, of the regional total of the factor. Stated differently, the value of each factor for each municipality is divided by the regional total for each allocation factor. The three resulting

<sup>&</sup>lt;sup>49</sup> N.J.A.C. 5:93 Appendix A, "Distribution of Low- and Moderate-Income Housing Need."

numbers, expressed as decimals, are averaged to yield each municipality's fair share of the regional need. All three factors are weighted equally (averaged) in allocating regional prospective need among each region's municipalities. The data needed to allocate 1999-2025 regional prospective need using the Second Round methodology are identified below in the description of each allocation factor.

<u>Step 11 - Exempt Qualifying Urban (Municipal) Aid municipalities from housing need allocations</u> The COAH First Round and Second Round methodologies exempted certain Urban (Municipal) Aid municipalities, as determined each year by the New Jersey Department of Community Affairs ("DCA") using statutory criteria,<sup>50</sup> from any allocation of regional prospective need if the municipality met at least one of three criteria:

(a) Housing deficiency (i.e., substandard housing in need of rehabilitation) greater than its region's average,

(b) Population density greater than 10,000 persons per square mile of land area (15.6 persons per acre)<sup>51</sup>, or

(c) Population density of 6,000 to 10,000 persons per square mile of land area (9.4 persons/acre to 15.6 persons/acre) and less than five percent vacant, non-farm parcels, as measured by the average of:

 (i) The number of vacant land parcels as a percentage of the total number of parcels by municipality and

<sup>&</sup>lt;sup>50</sup> <u>N.J.S.A.</u> 52:27D-178.

<sup>&</sup>lt;sup>51</sup> COAH's explanation of its Second Round methodology, <u>N.J.A.C.</u> 5:93 Appendix A, Distribution of Low- and Moderate-Income Housing Need, incorrectly states that 14.1 persons per acre is the equivalent of 10,000 persons per square mile. The correct equivalency is 15.625 persons per acre (1 square mile = 640 acres; 10,000/640 = 15.625).

 (ii) Vacant land valuation (ratables) as a percentage of total valuations by municipality.

The COAH Prior Round methodology refers to municipalities that meet at least one of these criteria as "qualifying Urban Aid municipalities." The data needed to determine which municipalities to exempt are obtained from the U.S. Census Bureau, DCA, and NJDOLWD. DCA annually publishes the State's official list of Municipal (Urban) Aid municipalities.<sup>52</sup> This methodology uses the current, State Fiscal Year 2015 (SFY2015) list. While the First Round and Second Round methodologies relied on six housing deficiency criteria, COAH in 2004, 2008, and 2014 revised the methodology to use only three criteria, and in 2014 used 2008-2012 ACS data to calculate housing deficiency based on: (i) overcrowded units built pre 1960, (ii) units with inadequate plumbing facilities, and (iii) units with inadequate kitchen facilities. <sup>53</sup> This methodology calculates low and moderate income deficient housing using 2008-2012 ACS data. and uses 2008-2012 ACS occupied housing data to calculate the municipal and regional shares of deficient housing (see also the calculation of PRESENT NEED above in this report). NJDOLWD publishes population density by municipality annually.<sup>54</sup> DCA annually publishes data on vacant land value (ratables) by municipality. This methodology uses 2010 data for both the population density and vacant land value data to be consistent with the ACS data used for present need.<sup>55</sup>

<u>Step 12 – Calculate the equalized nonresidential valuation (ratables) factor</u> – DCA's Division of Local Government Services collects, reports annually, and maintains accessible data on

<sup>&</sup>lt;sup>52</sup> DCA determines and post on its website annually the current list of urban aid municipalities, pursuant to P.L. 1978 c.14 (N.J.S.A. 52:27D-178 et seq.,), at: <u>http://www.state.nj.us/dca/divisions/dlgs/resources/stateaidinfo.shtml</u>

<sup>&</sup>lt;sup>53</sup> Proposed <u>N.J.A.C.</u> 5:99 Appendix B, 46 <u>N.J.R.</u> 957-981, June 2, 2014.

<sup>&</sup>lt;sup>54</sup> http://lwd.dol.state.nj.us/labor/lpa/dmograph/est/mcd/density.xls

<sup>&</sup>lt;sup>55</sup> See the Property Value Classification spreadsheets available in Excel format for 1999-2014 on the DCA website: http://www.nj.gov/dca/divisions/dlgs/resources/property\_tax.html

ratables by municipality. Data from equalized nonresidential valuation by municipality may be downloaded in Excel format from the DCA website, with older versions available from the State Library through the DCA publications that predate DCA's website.<sup>56</sup> This methodology calculates this allocation factor using 1990 and 2014 municipal data on nonresidential ratables<sup>57</sup> to calculate the 1990-2014 changes in nonresidential valuations, excluding qualifying Urban Aid municipalities. The starting point is 1990 as that is the ending point used by COAH in its Second Round methodology.<sup>58</sup> The change in each municipality's nonresidential valuations (ratables) is divided by the regional total of change in nonresidential valuations (ratables) to compute each municipality's share of the regional change.

<u>Step 13 – Calculate the undeveloped land factor</u> – Under its Second Round methodology, COAH estimated the area of undeveloped land by municipality with satellite imagery<sup>59</sup> and weighted the value of undeveloped land in keeping with the goals of the "planning areas" as delineated in the 1992 <u>State Development and Redevelopment Plan</u> ("SDRP") adopted by the State Planning Commission. For example, undeveloped land in Planning Area 1, the Metropolitan Planning Area, was assigned a weighting of 1.0, while undeveloped land in Planning Area 4, the Rural Planning Area, was assigned a weighting of 0.0. The Second Round methodology weighted undeveloped land in the Pinelands by treating undeveloped land in Pinelands growth areas, i.e., Regional Growth Areas and Pinelands Towns, as mapped by the Pinelands Commission on its Land Capability Map,<sup>60</sup> as the equivalent of the SDRP's Planning

<sup>&</sup>lt;sup>56</sup> See the Property Value Classification spreadsheets available in Excel format for 1998-2014 on the DCA website: <u>http://www.nj.gov/dca/divisions/dlgs/resources/property\_tax.html; for the 1990 data see</u> Fifty-Third Annual Report of the Division of Local Government Services, 1990,

https://dspace.njstatelib.org/xmlui/bitstream/handle/10929/26868/1990.pdf?sequence=1&isAllowed=y

<sup>&</sup>lt;sup>57</sup> To enable fair comparisons among municipalities and compute regional totals fairly, State-approved equalization ratios are used so that equalized values are used and compared in the methodology.

<sup>&</sup>lt;sup>58</sup> <u>N.J.A.C.</u> 5:93 Appendix A "Distribution of Low- and –Moderate Income Housing Need"

<sup>&</sup>lt;sup>59</sup> COAH estimated, with the assistance of the Department of Environmental Resources at Cook College at Rutgers, "undeveloped land" based on LANDSAT photoimagery taken March 1991. See <u>N.J.A.C.</u> 5:93 Appendix A. 26 <u>N.J.R.</u> 2346, June 6, 1994.

<sup>&</sup>lt;sup>60</sup> The Pinelands Commission's Land Capability Map may be accessed at:

http://www.state.nj.us/pinelands/landuse/gis/maps/archD.pdf. Detailed, large-scale quad maps depicting the

Area 3 – Fringe Planning Area, weighted 0.5. All seven other Pinelands land capability classifications were treated as the equivalent of the SDRP's Planning Area 4 – Rural Planning Area and Planning Area 5 – Environmentally Sensitive Planning Area, weighted 0.0. The Second Round methodology treated undeveloped land in the Meadowlands in its "growth areas" as the equivalent of Planning Areas 1 and 2, weighted at 1.0, and its "protected or open space areas" as the equivalent of Planning Areas 4 and 5, weighted at 0.0.<sup>61</sup>

This methodology takes the same approach as COAH took in the Second Round and estimates undeveloped land using satellite imagery and other data from the New Jersey Department of Environmental Protection ("DEP"). As the second <u>State Development and Redevelopment Plan</u>, adopted in 2001, and subsequent State Plan Policy amendments, designated "centers" where growth is encouraged, this methodology assigns a weighting of 1.0 to undeveloped land in centers in Planning Areas 1 and 2 and a weighting of 0.5 to centers in Planning Areas 3, 4, and 5. This methodology also continues the weightings established in the Second Round methodology in the Pinelands and elsewhere in the state under the most recently adopted, 2001 <u>State Development and Redevelopment Plan</u>. For the Meadowlands, this methodology weights undeveloped land at 1.0 whether in a center or not.

Since the 1994 adoption of COAH's Second Round methodology, the State established the Highlands Water Protection and Planning Council, and defined a 859,358 acre Highlands

Pinelands land classification mapping are available from the NJ Office of Planning Advocacy website, at: <a href="http://www.nj.gov/state/planning/resources-quad.html">http://www.nj.gov/state/planning/resources-quad.html</a>.

<sup>&</sup>lt;sup>61</sup> Unfortunately, COAH in 1994 did not disclose how it defined spatially Meadowlands "growth areas" and "protected or open space areas" and whether it based the mapping on the Land Use Plan of the <u>Meadowlands Master Plan</u>, last revised in 2004 (available at:

http://www.njmeadowlands.gov/doc\_archive/NJMC%20Doc%20Archive/econgrow\_docs/lum\_docs/NJMC%20Master %20Plan%20with%20maps.pdf ),

or on the zones in the Meadowlands Official Zoning Map, since 1994, last revised in 2009 (available at: http://www.njmeadowlands.gov/doc\_archive/NJMC%20Doc%20Archive/econgrow\_docs/lum\_docs/OFFICIAL%20ZO NING%20MAP%202009%20PDF.pdf)

Region.<sup>62</sup> While the Highlands Act delineated both a Highlands Preservation Area and a less restrictive Highlands Planning Area, where municipal land use planning conformance is not required, the Highlands Council's adopted 2008 Highlands Regional Master Plan<sup>63</sup> ignored the distinction.<sup>64</sup> Instead, the Highlands Council then classified and mapped all lands in the Highlands according to seven "land use capability zones" across the entire Highlands Region.<sup>65</sup>

However, the Legislature's distinction between the Highlands Preservation Area and the Highlands Planning Area is significant, as the Legislature established strict, protective goals for the Highlands Regional Master Plan for the Highlands Preservation Area:

http://www.highlands.state.nj.us/njhighlands/master/tr land use capability zone map.pdf

 <sup>&</sup>lt;sup>62</sup> Highlands Water Protection and Planning Act, L. 2004, c. 120, <u>N.J.S.A.</u> 13:20-1 et seq.
 <sup>63</sup> <u>http://www.highlands.state.nj.us/njhighlands/master/index.html</u>

<sup>&</sup>lt;sup>64</sup> The Highlands Council's regional planning approach was "blind to the line," i.e., the line between its Preservation Area and the Planning Area, according to its off repeated mantra at the time. <sup>65</sup> For the methodology used by the Highlands Council in this mapping, see Highlands Council, Technical Report:

Land Use Capability Zone Map, 2008,

<sup>&</sup>lt;accessed April 29, 2014> The 2008 Highlands Regional Master Plan presents the Land Use Capability Zone Map at pp.114-115. The Map may also be accessed via the Highlands Council GIS website: http://maps.njhighlands.us/hgis/

b. The goals of the regional master plan with respect to the preservation area shall be to:

(1) protect, restore, and enhance the quality and quantity of surface and ground waters therein;

(2) preserve extensive and, to the maximum extent possible, contiguous areas of land in its natural state, thereby ensuring the continuation of a Highlands environment which contains the unique and significant natural, scenic, and other resources representative of the Highlands Region;

(3) protect the natural, scenic, and other resources of the Highlands Region, including but not limited to contiguous forests, wetlands, vegetated stream corridors, steep slopes, and critical habitat for fauna and flora;

(4) preserve farmland and historic sites and other historic resources;

(5) preserve outdoor recreation opportunities, including hunting and fishing, on publicly owned land;

(6) promote conservation of water resources;

(7) promote brownfield remediation and redevelopment;

(8) promote compatible agricultural, horticultural, recreational, and cultural uses and opportunities within the framework of protecting the Highlands environment; and

(9) prohibit or limit to the maximum extent possible construction or development which is incompatible with preservation of this unique area.

Source: N.J.S.A. 13:20-10.b.

Consequently, this methodology assigns a weighting of 0.0 to all undeveloped lands in the Highlands Preservation Area.

The statutory goals for the <u>Highlands Regional Master Plan</u> in the Highlands Planning Area are less protective and accommodate some development. These goals include:

(9) encourage, consistent with the State Development and Redevelopment Plan and smart growth strategies and principles, appropriate patterns of compatible residential, commercial, and industrial development, redevelopment, and economic growth, in or adjacent to areas already utilized for such purposes, and discourage piecemeal, scattered, and inappropriate development, in order to accommodate local and regional growth and economic development in an orderly way while protecting the Highlands environment from the individual and cumulative adverse impacts thereof; and

Source: N.J.S.A. 13:20-10.c.

The <u>Highlands Regional Master Plan</u> by its own terms promotes "sustainable and economically viable development" and "compatible development and redevelopment," but only in its Existing Community Zone,<sup>66</sup> which is somewhat analogous to the State Plan's Planning Areas 1 and 2, in which COAH's Second Round methodology assigned undeveloped land a weighting of 1.0.

Conformance with the <u>Highlands Regional Master Plan</u> by municipalities is optional within the Highlands Planning Area. Consequently, to be fair, undeveloped land in municipalities that have opted into the Highlands Plan should be treated differently, in terms of the allocation of fair share housing obligations, than municipalities that have not opted to conform voluntarily to the <u>Highlands Regional Master Plan</u>. This methodology uses the Legislature's criteria adopted in 2012 to determine if a Highlands Planning Area municipality is taking the necessary steps to opt into the <u>Highlands Regional Master Plan</u>.

In enacting New Jersey's 2012 Permit Extension Act, the Legislature extended permits and approvals if a Highlands Planning Area municipality had adopted, by May 1, 2012, in

<sup>&</sup>lt;sup>66</sup> Highlands Regional Master Plan, pp. 190-1.

conformance with the Highlands conformance process, a Highlands master plan element, a Highlands land use ordinance, or an environmental resource inventory.<sup>67 68</sup>

If a Highlands Planning Area municipality has opted into the Highlands Regional Master Plan by adopting one of the planning documents specified in the Permit Extension Act by May 1, 2012, this methodology assigns its undeveloped land within the Existing Community Zone a weighting of 1.0. All other undeveloped land in the Highlands Planning Area of municipalities that have opted in is weighted 0.0. Seven municipalities in the Highlands Planning Area met the opt in criteria: Alpha, Byram, Hackettstown, High Bridge, Lopatcong, Phillipsburg, and Tewksbury.

If a Highlands Planning Area municipality has not opted into the Highlands Regional Master Plan by May 1, 2012, then this methodology assigns a weighting of 1.0 to undeveloped land in State-designated sewer service areas in the municipality, as such areas may already have in place or have the potential to have the infrastructure typically necessary to support multifamily housing development. All other undeveloped land, i.e., outside of the State-approved sewer service area, within the Highlands Planning Area of such a municipality is weighted 0.0.

In summary, undeveloped land is weighted in this methodology as follows:

 <sup>&</sup>lt;sup>67</sup> <u>P.L.</u> 2012, <u>c.</u> 48; <u>N.J.S.A.</u> 40:55D-136.4.b.(8).
 <sup>68</sup> Municipalities that fit into the Permit Extension Act's criteria can be found on the plan conformance tracking sheet available on the Highlands Council's website, retrieved April 13, 2015, http://www.highlands.state.nj.us/njhighlands/planconformance/implementation tracking sheet.pdf

Weighting of Undeveloped Land for Undeveloped Land Factor							
Planning Area Type	Weighting Factor						
Planning Area 1 - Metropolitan	1.0						
Planning Area 2 - Suburban	1.0						
Planning Area 3 - Fringe	0.5						
Planning Area 4 - Rural	0.0						
Planning Area 5 - Environmentally Sensitive	0.0						
Centers in Planning Areas 1 and 2	1.0						
Centers in Planning Areas 3, 4, and 5	0.5						
Pinelands Regional Growth Area	0.5						
Pinelands Town	0.5						
All Other Pinelands	0.0						
Meadowlands	1.0						
Meadowlands Center	1.0						
Highlands Preservation Area	0.0						
Highlands Planning Area Existing Community Zone - Opted In Municipality by May 2012	1.0						
Highlands Planning Area - State-Designated Sewer Service Area - Municipality Not Opted in by May 2012	1.0						
All Other Highlands Planning Area	0.0						

The "most up-to-date available data" for measuring undeveloped land by municipality by planning area or equivalent for all of the state is the 2007 "land use/land cover" data for all of New Jersey obtained by DEP, released publicly in 2010,<sup>69</sup> and analyzed by researchers at Rowan University and Rutgers University in 2010.<sup>70</sup> Rowan-Rutgers classified undeveloped land as either "available" or "restricted." <sup>71</sup> This methodology includes only the 0.9 million acres

<sup>&</sup>lt;sup>69</sup> The 2007 imagery ("aerial photos") may be consulted at the DEP website, <accessed March 27, 2015> https://njgin.state.nj.us/NJ\_NJGINExplorer/IW.jsp?DLayer=NJ%202012%20High%20Resolution%20Orthophotograph y<sub>o</sub>

y <sup>70</sup> John Hasse and Richard Lathrop, <u>Changing Landscapes in the Garden State: Urban Growth and Open Space</u> Loss in NJ 1986 thru 2007, 2010, available at: <u>http://gis.rowan.edu/projects/luc/changinglandscapes2010.pdf</u>

<sup>&</sup>lt;sup>71</sup> Rowan-Rutgers first grouped all 5.5 million acres of land and water in New Jersey into six broad categories of land use/land cover: urban (i.e., developed), agriculture, forest, water, wetlands, and barren (a so-called "Level 1" analysis). Rowan-Rutgers then classified the remaining 3.2 million acres of land into two categories: "restricted" from development and "available" for development, about 2.3 million acres. Land considered restricted from development consisted of preserved open space, preserved farmland, steep slopes >15%, streams, water and wetlands buffered to 50 feet, Category 1 streams buffered to 300 feet, and already developed lands. The land areas remaining after this

of "available" undeveloped land in calculating the undeveloped land factor, in keeping with the Prior Round methodology, which defined "undeveloped land" as "Undeveloped land in the community that can accommodate development."<sup>72</sup> Digital maps of the current planning areas or equivalents are available through the State's Office for Planning Advocacy <sup>73</sup> and the Highlands Council.<sup>74</sup> Classifying and calculating the area of undeveloped land by planning area type by municipality is best done using a digital geographical information system (GIS) to overlay digital maps of the planning area boundaries with digital maps of undeveloped land and then measure the total undeveloped land area by municipality by planning area type. Researchers at the Geospatial Research Laboratory at Rowan University performed these overlay analyses and calculations of undeveloped land by planning area by municipality in 2010-2011,<sup>75</sup> which is the data source for this methodology.<sup>76 77</sup>

The final step in the process of calculating the undeveloped land factor is to apply the weighting factors and sum the total weighted undeveloped land area by municipality and then by region. Each municipality's share of its region's weighted undeveloped land becomes its undeveloped land factor or coefficient.

analysis, a total of about 1 million acres (999,649 acres), constituted the estimate of open land (i.e., undeveloped) "available" for development, as of 2007. See Hasse and Lathrop (2010) for a detailed explanation of this analysis and its limitations, particularly pp. 20-21. Adjustments in implementing fair share housing obligations based on land constraints may be considered in the compliance phase of municipal housing planning, in keeping with COAH Second Round Rules and practice.

<sup>&</sup>lt;sup>72</sup> <u>N.J.A.C.</u> 5:93 Appendix A.

<sup>&</sup>lt;sup>73</sup> The State Planning Commission last adopted a revised <u>State Development and Redevelopment Plan</u> in 2001. Its State Plan Policy Map, with amendments adopted from time-to-time by the Commission, should be used in the calculation of undeveloped land by planning area types. The 2001 State Plan Policy Map and other maps and GIS resources are available at: <u>http://www.nj.gov/state/planning/plan.html</u>

<sup>&</sup>lt;sup>74</sup> http://www.highlands.state.nj.us/njhighlands/actmaps/maps/gis\_data.html

<sup>&</sup>lt;sup>75</sup> More recent, 2012 high resolution statewide orthophotography aerial imagery is now available from DEP's website, but were not available when the Rowan researchers conducted their research and calculations; <a>accessed March 27, 2015></a>

https://njgin.state.nj.us/NJ\_NJGINExplorer/IW.jsp?DLayer=NJ%202012%20High%20Resolution%20Orthophotograph

<sup>&</sup>lt;sup>y</sup>/<sub>76</sub> This methodology considers undeveloped land in the Meadowlands classified as "restricted" or "available" by Rowan-Rutgers as the "growth areas" treated as the equivalent of Planning Area 1 in COAH's Second Round methodology, weighted 1.0.

<sup>&</sup>lt;sup>77</sup> The data are available from Fair Share Housing Center, which commissioned the overlay mapping and calculations by Rowan University researchers, and in the Excel workbook that accompanies and is Appendix A to this report.

<u>Step 14 – Calculate the differences in household income factor</u> – The COAH Second Round methodology defines the aggregate income difference factor as the average of two measures of median household income:

Income Measure No. 1: Municipal share of the regional sum of the differences between median household income and an income floor (\$100 below the lowest median<sup>78</sup> household income in the region) and

Income Measure No. 2: Municipal share of the regional sum of the differences between median municipal household incomes and an income floor (\$100 below the lowest median household income in the region) weighted by the number of households (occupied housing units) in the municipality <sup>79</sup>

Up-to-date median household income and number of households data by municipality are readily available from the 2009-2013 five-year American Community Survey conducted by the U.S. Census Bureau.<sup>80</sup> This data for all municipalities, except for Qualifying Urban Aid municipalities, is used in this methodology to calculate municipal shares of differences in regional household incomes, i.e., the income difference factor.

<u>Step 15: Calculate the average allocation factor to distribute low and moderate income housing</u> <u>need by municipality</u> – Once the three individual allocation factors have been determined, the three factors are averaged to yield the factor for distributing gross regional prospective need among the non-Qualifying Urban Aid municipalities in each region.

<sup>&</sup>lt;sup>78</sup> The published text of the COAH Second Round methodology calls for calculating Income Measure No. 1 using an income floor that is \$100 below the lowest mean or average household income in the region. Use of "mean" was probably a typographical error, as Footnote 19 to the COAH Second Round Rules, <u>N.J.A.C.</u> Appendix A Methodology, explains, "This is to ensure that all pool numbers on this variable are positive." Use of the "average" or "mean" would produce a negative number for at least one municipality.

<sup>&</sup>lt;sup>79</sup> <u>N.J.A.C.</u> 5:93 Appendix A; 26 <u>N.J.R.</u> 2346-7, June 6, 1994.

<sup>&</sup>lt;sup>80</sup> http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml

<u>Step 16: Calculate gross municipal prospective need by municipality (units)</u> - Multiplying the regional gross prospective need by a municipality's average allocation factor, or coefficient, yields a municipality's fair share of the regional gross prospective need, i.e., needed new low and moderate income housing units.

#### THIRD PHASE: ADJUSTING FOR SECONDARY SOURCES OF DEMAND AND SUPPLY

Once the gross municipal prospective need has been calculated and allocated to municipalities, the next steps in the methodologies are to calculate the three so-called "secondary sources of housing demand and supply."<sup>81</sup> Gross municipal prospective housing need is then adjusted, based on these three components of the housing market that, according to the COAH Prior Round methodology, affect the supply and demand for housing affordable to low and moderate income households: filtering, residential conversions, and demolitions.

Step 17 – Estimate and project filtering affecting low and moderate income households (units) – Filtering is the private housing market process by which some units decline in value and become affordable to low and moderate income households. Filtering reduces low and moderate income housing need according to the COAH First and Second Round methodologies. In 2007, the Appellate Division invalidated COAH's initial Third Round method for calculating filtering, which essentially followed the Second Round methodology, as unsubstantiated by reliable data.<sup>82</sup> For its second iteration of Third Round Rules, COAH retained a different consultant, Econsult, which analyzed property-level data on 457,910 residential real estate transactions in New Jersey during 1989-2005 to determine which housing units filtered up or down and which affected low and moderate income households. Using these new data and

<sup>&</sup>lt;sup>81</sup> <u>N.J.A.C.</u> 5:93 Appendix A, "Secondary Sources of Housing Supply and Demand."

<sup>&</sup>lt;sup>82</sup> In re the Adoption of N.J.A.C. 5:94 and 5:95 by the New Jersey Council on Affordable Housing, 390 N.J. Super. 1, 46 (App. Div., 2007).

Econsult's new methodology,<sup>83</sup> COAH in 2008 projected the impact of filtering as a secondary source of supply of low and moderate income housing at 23,626 housing units statewide for the period 1999-2018. COAH also projected filtering by housing region and municipality.<sup>84</sup> This is "the most up-to-date available data" on filtering, albeit a decade or more old. This methodology extends the 2008 COAH filtering projections by extrapolation to 2025. As "the most up-to-date available data" now enables a projection of units that filter up, as well as down, both up and down filtering are included in this methodology, for a total of net filtering of 66,653 units.

Step 18 - Estimate and project residential conversions affecting low and moderate income

<u>households (units)</u> – COAH defines "residential conversions" as the creation of a new dwelling unit from an existing structure (residential or non-residential), measured as the change in total housing units, accounting for new construction and demolitions. For example, an industrial loft building is converted to housing units, or a two-unit structure is converted to a single family dwelling unit. Residential conversions reduce low and moderate income housing need, according to the COAH First Round and Second Round methodologies.<sup>85</sup>

This methodology first calculates the change (increase) between 2000 and 2012 in total housing units, first by county and then by region, using 2000 Census data and 2012 ACS One Year data. Next, the total new housing units authorized for construction by municipality and region, i.e., building permits, are calculated for 2000-2012, using building permits issued from DCA. Third, the number of housing units demolished 2000-2012 by municipality is obtained from DCA. The end point of December 31, 2012 is adopted to avoid the post-Super Storm Sandy spike in

<sup>&</sup>lt;sup>83</sup> <u>N.J.A.C.</u> 5:97 Appendix F.3. Estimating The Extent To Which Filtering Is A Secondary Source Of Affordable Housing, Econsult Corporation, November 16, 2007.

<sup>&</sup>lt;sup>84</sup> COAH's consultant, Econsult, estimated that "47,306 units were expected to filter down to households of lower incomes between 1999 and 2018" with one-half of these units in suburban communities. COAH chose to include only the suburban share of filtering as a secondary source. See <u>N.J.A.C.</u> 5:97 Appendix A and Appendix F.3. Estimating The Extent To Which Filtering Is A Secondary Source Of Affordable Housing, Econsult Corporation, November 16, 2007.

<sup>&</sup>lt;sup>85</sup> <u>N.J.A.C.</u> 5:93 Appendix A.

demolitions that occurred in 2013-2014 in storm-damaged communities that would unfairly skew projections of demolitions through 2025. Next, the total number of conversions 2000-2012 is calculated by region by calculating the net change in housing units 2000-2012 minus the net of housing units constructed and demolished over the same period, i.e., conversions = change in occupied housing units – building permits + demolitions. Total conversions are then prorated for the 1999-2025 projection period, by region:

	Residential Conversions 1999-2025							
	Region	Housing Units						
1	Northeast: Bergen, Hudson, Passaic, Sussex	9,537						
2	Northwest: Essex, Morris, Union, Warren	(3,772)						
3	West Central: Hunterdon, Somerset, Middlesex	5,071						
4	East Central: Mercer, Monmouth, Ocean	9,169						
5	Southwest: Burlington, Camden, Gloucester	(7,203)						
6	Atlantic, Cape May, Cumberland, Salem	(1,744)						
TOTAL		11,058						

In its Second Round methodology, COAH calculated and projected total conversions by region and then allocated each region's low and moderate conversions to its municipalities. According to COAH's Second Round methodology, conversions are closely related to the percentage of 2-4 unit structures in a municipality; COAH described this structure type to be conducive to conversions to create an additional unit(s). Municipal data on the number of 2-4 unit structures are obtained for 2010 from the 2008-2012 American Community Survey. This methodology then allocates each municipality's share of the region's residential conversions based on the municipality's share of the region's 2-4 unit structures in 2010. The five-year American Community Survey of the Census Bureau for 2008-2012 provides the "best available up-to-date data" on the number of 2-4 unit structures by municipality, consistent with other data sets used to calculate conversions.

Both COAH's First and Second Round methodologies are silent on how the low and moderate income share of conversions is calculated, except for indicating that "Residential conversions to low- and moderate-income housing in normal markets are often on a par with demolitions for this income sector."<sup>86</sup><sup>87</sup> The Second Round methodology's stated method for calculating the low and moderate income share of demolitions is, therefore, used in this methodology to calculate the low and moderate income share of conversions as well. The method is to calculate the share of low and moderate income households in each county (see Steps 6 and 7), then take 120% of each county's low and moderate income households share, capped at 95% of conversions. This low and moderate income share for each county is used to calculate the low and moderate income share of the projected conversions allocated to each county's municipalities.

<u>Step 19 - Estimate and project demolitions affecting low and moderate income households</u> (<u>units</u>) – Under the COAH Prior Round methodology, demolitions increase prospective need. Annual municipal-level demolitions data from 1999 through 2012 are readily available, as reported to DCA and published on its New Jersey Construction Reporter website.<sup>88</sup> The end point of December 31, 2012 is adopted in this methodology to avoid the post-Super Storm

<sup>&</sup>lt;sup>86</sup> N.J.A.C. 5:92 Appendix B "Residential Conversion"

<sup>&</sup>lt;sup>87</sup> In its second iteration of Third Round rules, COAH in 2008 estimated that 19.5% of converted units were affordable to low and moderate income households, <u>N.J.A.C.</u> 5:97 Appendix A. and Footnote 4. COAH's consultant for the second iteration of the Third Round, Econsult, based this 19.5% estimate on a cascade of assumptions estimating that a household earning \$51,276 (the state median in 2000) could afford a \$109,547 home, and that 19.5% of owner-occupied units in New Jersey in 2000 were valued below \$109,547. The relationship of this assumed homebuyer to converted rental units and demolished units is not explained. COAH's first iteration of the Third Round Rules had assumed that 40% of converted units were low and moderate income housing units, <u>N.J.A.C.</u> 5:94 Appendix A. COAH's consultant for the third iteration of the Third Round, Rutgers, relied on the Econsult estimate of 19.5% of converted units being affordable to low and moderate income households, proposed <u>N.J.A.C.</u> 5:99 Appendix A, 46 <u>N.J.R.</u> 986.

<sup>&</sup>lt;sup>88</sup> http://www.state.nj.us/dca/divisions/codes/reporter/ accessed March 19, 2015.The 1999 data are no longer posted on the website.

Sandy spike in demolitions that occurred in 2013-2014 in storm-damaged communities that would unfairly skew projections of demolitions through 2025. This methodology uses actual 1999-2012 demolitions data, extended by extrapolation for the full 1999-2025 projection period, projecting a statewide total of 118,834 demolished housing units.

To calculate the low and moderate income share of these demolitions, this methodology follows strictly the Prior Round methodology.<sup>89</sup> As with conversions in Step 18, the method is to calculate the share of low and moderate income households in each county (see Steps 6 and 7), then take 120% of each county's low and moderate income households share, capped at 95% of conversions. This low and moderate income share for each county is used to calculate the low and moderate income share of the projected 1999-2025 demolitions in each municipality, which totals 54,621 demolitions affecting low and moderate income households.<sup>90</sup>

<u>Step 20 – Calculate prospective need by municipality</u> – Under the COAH First and Second Round methodologies, the calculated prospective need for each municipality is the sum of its allocated share of gross perspective need, plus demolitions (from Step 19), minus its share of residential conversions (from Step 18), and minus or plus filtered units, whether its net filtered units were down or up (from Step 17). After adjusting for secondary sources, the statewide calculated prospective need for 1999-2025 is 292,021 units.

<u>Step 21 – Calculate the 20% cap and, if applicable, reduce the prospective need</u> – Under the COAH Second Round methodology, a municipality's prospective need may not exceed a cap defined as 20% of the municipality's occupied housing.<sup>91</sup> The cap is calculated by multiplying

<sup>&</sup>lt;sup>89</sup> According to the 2008 and 2014 iterations of COAH's Third Round methodology, 19.5% of demolitions and conversions of housing affect low and moderate income households. This methodology does not follow that deviation from the Prior Round methodology, as explained above in Step 18.

<sup>&</sup>lt;sup>90</sup> Unlike conversions, the Prior Round methodology did not pool regionally and then allocate demolitions to municipalities.

<sup>&</sup>lt;sup>91</sup> N.J.A.C. 5:93-2.16. The Fair Housing Act authorized this cap, but did not prescribe the percentage of existing

the number of occupied housing units in the municipality in 2012 by 0.20. If the cap is larger than the net prospective need calculated in Step 20, the cap is not applicable. If the cap is smaller than the net prospective need calculated in Step 20, then the cap becomes the adjusted net prospective need. The data for this step is readily available from NJDOLWD building permits data and DCA demolitions data, both for July 2010-December 2012, and 2008-2012 American Community Survey for occupied housing units.

Step 22 – Calculate prospective need obligation (net) by municipality (units) – The penultimate step in the methodology is to calculate the municipal prospective need (net) for 1999-2025, which is the same as the calculated prospective need, unless the 20% cap is applicable, in which case that cap becomes the net prospective need.

Step 23 - Calculate the 1,000 unit cap and, if applicable, reduce the prospective need obligation to 1,000 units – The Fair Housing Act, as amended in 1993, authorizes a cap on a municipality's prospective need at 1,000 units for the ten year period of "substantive certification."<sup>92</sup> In accordance with the statute and COAH rules and practice, the cap is calculated after verifying and subtracting from the prospective need obligation any credits (units and bonuses) to which the municipality is entitled for previous affordable housing activity.<sup>93</sup>

Assuming all eligible credits are verified, the statewide prospective need obligation for 1999-2025, after the 20% and 1,000 unit caps, is 201,382 units.

#### CONCLUSION

The output from carrying out this sequence of 23 steps is the calculation of regional prospective housing need for 1999-2025 and its allocation, by region, to each of the state's 565

occupied housing stock to be used to calculate the cap, <u>N.J.S.A.</u> 52:27D-307e. <sup>92</sup> <u>N.J.S.A.</u> 52:27D-307(e); L.1993, c.31. <sup>93</sup> <u>N.J.A.C.</u> 5:93-14.1, <u>N.J.A.C.</u> 5:94-3.1(a)3., and <u>N.J.A.C.</u> 5:97-5.8.

municipalities, and calculation of net prospective need at the municipal level. The total net prospective need of 201,382 units amounts to 7,745 units per year over the now 26-year Third Round projection period, compared with the 6,779 unit annual average of the net capped (20% and 1,000 unit cap) prospective need calculated by COAH for the Prior Round, 1987-1999, using this same Prior Round methodology.<sup>94</sup>

An Excel workbook with 37 linked worksheets provides the data, data sources, and calculations used to compute 1999-2025 net Prospective Need allocations, 2010 Present Need, and 1987-1999 Prior Round Obligations for all 565 New Jersey municipalities using the methodology and data described in this report. It is Appendix A to this report.

<sup>&</sup>lt;sup>94</sup> COAH calculated a net uncapped prospective need of 10,849 units per year for 1987-1993 (First Round) and 6,465 units per year for 1987-1999 (Second Round); <u>N.J.A.C.</u> 5:92 Appendix A and <u>N.J.A.C.</u> 5:93 Appendix A. For a calculation of the net capped Prior Round prospective need, see below:

Municipalities with Prospective Need > 1,000 Units	Net Prospective Need, 1987-1999	Capped Prospective Need 1987- 1999	
Wayne	1,158	158	1,000
Freehold	1,036	36	1,000
Marlboro	1,019	19	1,000
Middletown	1,561	561	1,000
Wall	1,073	73	1,000
Toms River	2,233	1,233	1,000
Jackson	1,247	247	1,000
Cherry Hill	1,829	829	1,000
Atlantic City	2,458	1,458	1,000
Total	13,614	4,614	9,000
Total Prior Round Ob	ligation (uncapped)		85,964
Excess Greater Than	1,000 Cap		- 4,614
Total Prior Round Ob	ligation Capped		81,350
Projection Period (yes		12	
Average Annual Cap	6.779		

Both the Prior Round (1987-1999) and Third Round (1999-2025) net capped prospective need numbers are not based on verified credits, which may affect the application of the 1,000 unit cap in a particular municipality.

#### APPENDIX A

Excel workbook, file name: FSHC R3 Model April 2015

Municipal Summary, Fair Share Housing Obligations, 2015									
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-202 (units)			
0201	Allendale Borough	Bergen	1	6	137	40			
0202	Alpine Borough	Bergen	1	2	214	13			
0203	Bergenfield Borough	Bergen	1	121	87	33			
0204	Bogota Borough	Bergen	1	32	13	8			
0205	Carlstadt Borough	Bergen	1	24	228	43			
0206	Cliffside Park Borough	Bergen	1	117	28				
0207	Closter Borough	Bergen	1	6	110	56			
0208	Cresskill Borough	Bergen	1	37	70	50			
0209	Demarest Borough	Bergen	1	7	66	33			
0210	Dumont Borough	Bergen	1	27	34	25			
0212	East Rutherford Borough	Bergen	1	130	90	85			
0213	Edgewater Borough	Bergen	1	0	28	100			
0215	Elmwood Park Borough	Bergen	1	92	54	100			
0211	Emerson Borough	Bergen	1	51		44			
0214	Englewood City	Bergen	1	190	152	100			
0215	Englewood Cliffs Borough	Bergen	1	4	219	37			
0210	Fair Lawn Borough		1	79	152	59			
0217		Bergen	1	207	20	59			
	Fairview Borough	Bergen							
0219	Fort Lee Borough	Bergen	1	256	180	41			
0220	Franklin Lakes Borough	Bergen	1	19	358	68			
0221	Garfield City	Bergen	1	257	0				
0222	Glen Rock Borough	Bergen	1	4	118	66			
0223	Hackensack City	Bergen	1	420	201				
0224	Harrington Park Borough	Bergen	1	0	56	30			
0225	Hasbrouck Heights Borough	Bergen	1	18	58	28			
0226	Haworth Borough	Bergen	1	0	64	22			
0227	Hillsdale Borough	Bergen	1	11	111	58			
0228	Ho-Ho-Kus Borough	Bergen	1	7	83	27			
0229	Leonia Borough	Bergen	1	76	30	27			
0230	Little Ferry Borough	Bergen	1	124	28				
0231	Lodi Borough	Bergen	1	159	0				
0232	Lyndhurst Township	Bergen	1	194	100	100			
0233	Mahwah Township	Bergen	1	84	350	100			
0234	Maywood Borough	Bergen	1	45	36	30			
0235	Midland Park Borough	Bergen	1	26	54	9			
0236	Montvale Borough	Bergen	1	0	255	52			
0237	Moonachie Borough	Bergen	1	21	95	22			
0238	New Milford Borough	Bergen	1	81	23	14			
0239	North Arlington Borough	Bergen	1	141	4	52			
0240	Northvale Borough	Bergen	1	7	86				
0241	Norwood Borough	Bergen	1	0	118	36			
0242	Oakland Borough	Bergen	1	20	220				
0242	Old Tappan Borough	Bergen	1	8	98	36			
0245	Oradell Borough	Bergen	1	37	89	35			
0244	Palisades Park Borough	Bergen	1	164	0				
0243	Paramus Borough	Bergen	1	104	698	100			
0240	Park Ridge Borough		1	89	112	46			
0247		Bergen		72	112				
0248	Ramsey Borough Ridgefield Borough	Bergen Bergen	1	133	47	100 52			

	Municipal Summary, Fair Share Housing Obligations, 2015									
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)				
0250	Ridgefield Park Village	Bergen	1	114	25	218				
0251	Ridgewood Village	Bergen	1	11	229	896				
0252	River Edge Borough	Bergen	1	33	73	231				
0253	River Vale Township	Bergen	1	32	121	405				
0254	Rochelle Park Township	Bergen	1	0	64	201				
0255	Rockleigh Borough	Bergen	1	0	84	13				
0256	Rutherford Borough	Bergen	1	114	95	418				
0257	Saddle Brook Township	Bergen	1	65	127	358				
0258	Saddle River Borough	Bergen	1	42	162	215				
0259	South Hackensack Township	Bergen	1	45	50	185				
0260	Teaneck Township	Bergen	1	55	192	732				
0261	Tenafly Borough	Bergen	1	41	152	453				
0262	Teterboro Borough	Bergen	1	0	105	5				
0263	Upper Saddle River Borough	Bergen	1	0	206	510				
	Waldwick Borough		1	41	81					
0264 0265		Bergen	1	84	5	344				
	Wallington Borough	Bergen								
0266	Washington Township	Bergen	1	0	85	433				
0267	Westwood Borough	Bergen	1	30	87	389				
0268	Woodcliff Lake Borough	Bergen	1	18	170	407				
0269	Wood-Ridge Borough	Bergen	1	0	38	237				
0270	Wyckoff Township	Bergen	1	26	221	1000				
0901	Bayonne City	Hudson	1	632	0	0				
0902	East Newark Borough	Hudson	1	31	2	0				
0903	Guttenberg Town	Hudson	1	36	23	47				
0904	Harrison Town	Hudson	1	139	30	217				
0905	Hoboken City	Hudson	1	217	0	0				
0906	Jersey City City	Hudson	1	3370	0	0				
0907	Kearny Town	Hudson	1	238	211	902				
0908	North Bergen Township	Hudson	1	603	0	0				
0909	Secaucus Town	Hudson	1	64	590	1000				
0910	Union City City	Hudson	1	1442	0	0				
0911	Weehawken Township	Hudson	1	211	3	0				
0912	West New York Town	Hudson	1	833	0	0				
1601	Bloomingdale Borough	Passaic	1	65	168					
1602	Clifton City	Passaic	1	2346	379					
1603	Haledon Borough	Passaic	1	52	5,5					
1604	Hawthorne Borough	Passaic	1	28	58	266				
1605	Little Falls Township	Passaic	1	85	101	702				
1605	North Haledon Borough	Passaic	1	10	92	480				
	Passaic City	_		4625	92					
1607	Paterson City	Passaic	1	3255	0					
1608		Passaic	1			÷				
1609	Pompton Lakes Borough	Passaic	1	50	102	420				
1610	Prospect Park Borough	Passaic	1	9	0	0				
1611	Ringwood Borough	Passaic	1	41	51	287				
1612	Totowa Borough	Passaic	1	174	247	610				
1613	Wanaque Borough	Passaic	1	124	332	208				
1614	Wayne Township	Passaic	1	201	1158					
1615	West Milford Township	Passaic	1	107	98					
1616	West Paterson Borough	Passaic	1	212	146	580				

	Municipal Sum	mary, Fair Sh	are Hous	ing Obligations	, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)
1901	Andover Borough	Sussex	1	6	7	65
1902	Andover Township	Sussex	1	9	55	205
1903	Branchville Borough	Sussex	1	0	13	58
1904	Byram Township	Sussex	1	10	33	288
1905	Frankford Township	Sussex	1	16	36	191
1906	Franklin Borough	Sussex	1	15	9	387
1907	Fredon Township	Sussex	1	14	29	153
1908	Green Township	Sussex	1	0	20	114
1909	Hamburg Borough	Sussex	1	5	14	139
1910	Hampton Township	Sussex	1	4	44	166
1911	Hardyston Township	Sussex	1	17	18	672
1912	Hopatcong Borough	Sussex	1	21	93	729
1912	Lafayette Township	Sussex	1	0	27	128
1913	Montague Township	Sussex	1	0	9	31
1914	Newton Town	Sussex	1	72	24	83
1915	Ogdensburg Borough	Sussex	1	3	13	65
1910		Sussex	1	2	13	66
	Sandyston Township			=	76	
1918	Sparta Township	Sussex	1	29		820
1919	Stanhope Borough	Sussex	1	4	15	301
1920	Stillwater Township	Sussex	1	0	15	70
1921	Sussex Borough	Sussex	1	12	0	0
1922	Vernon Township	Sussex	1	57	60	962
1923	Walpack Township	Sussex	1	0	0	0
1924	Wantage Township	Sussex	1	31	35	180
0701	Belleville Township	Essex	2	768	0	0
0702	Bloomfield Township	Essex	2	547	0	0
0703	Caldwell Township	Essex	2	11	0	144
0704	Cedar Grove Township	Essex	2	0	70	709
0717	City of Orange Township	Essex	2	845	0	0
0705	East Orange City	Essex	2	546	0	0
0706	Essex Fells Township	Essex	2	0	40	145
0707	Fairfield Township	Essex	2	53	318	518
0708	Glen Ridge Borough	Essex	2	19	28	449
0709	Irvington Township	Essex	2	736	0	0
0710	Livingston Township	Essex	2	20	375	1000
0711	Maplewood Township	Essex	2	90	51	586
0712	Millburn Township	Essex	2	111	261	1000
0713	Montclair Township	Essex	2	146	0	1000
0714	Newark City	Essex	2	3277	0	0
0715	North Caldwell Borough	Essex	2	18	63	446
0716	Nutley Township	Essex	2	256	29	555
0718	Roseland Borough	Essex	2	0	182	492
0719	South Orange Village	Essex	2	0	63	162
0720	Verona Township	Essex	2	0	24	376
0720	West Caldwell Township	Essex	2	0	200	703
0721	West Orange Township	Essex	2	354	226	1000
1401	Boonton Town	Morris	2	21	11	441
1401	Boonton Township	Morris	2	8	20	266
1402	Butler Borough	Morris	2	28	16	

	Municipal Summ	ary, Fair Sh	are Hous	ing Obligations	s, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)
1404	Chatham Borough	Morris	2	0	77	483
1405	Chatham Township	Morris	2	43	83	728
1406	Chester Borough	Morris	2	10	16	131
1407	Chester Township	Morris	2	27	32	344
1408	Denville Township	Morris	2	36	325	1000
1409	Dover Town	Morris	2	246	6	322
1410	East Hanover Township	Morris	2	31	262	770
1411	Florham Park Borough	Morris	2	107	326	825
1412	Hanover Township	Morris	2	24	356	1000
1413	Harding Township	Morris	2	0	83	290
1414	Jefferson Township	Morris	2	37	69	269
1415	Kinnelon Borough	Morris	2	0	73	298
1416	Lincoln Park Borough	Morris	2	15	74	
1430	Long Hill Township	Morris	2	0	62	474
1417	Madison Borough	Morris	2	31	86	
1418	Mendham Borough	Morris	2	8	25	326
1419	Mendham Township	Morris	2	19	41	374
1419	Mine Hill Township	Morris	2	0	61	175
1420	Montville Township	Morris	2	11	261	1/3
1421	· · · · · · · · · · · · · · · · · · ·		2	11	144	440
1423	Morris Plains Borough	Morris Morris	2	0	293	796
	Morris Township			-		
1424	Morristown Town	Morris	2	188	227	351
1426	Mount Arlington Borough	Morris	2	10	17	223
1427	Mount Olive Township	Morris	2	131	45	1000
1425	Mountain Lakes Borough	Morris	2	0	80	
1428	Netcong Borough	Morris	2	19	0	-
1429	Parsippany-Troy Hills Township	Morris	2	261	664	1000
1431	Pequannock Township	Morris	2	32	134	418
1432	Randolph Township	Morris	2	25	261	1000
1433	Riverdale Borough	Morris	2	0	58	352
1434	Rockaway Borough	Morris	2	0	43	226
1435	Rockaway Township	Morris	2	80	370	
1436	Roxbury Township	Morris	2	76	255	
1437	Victory Gardens Borough	Morris	2	2	0	-
1438	Washington Township	Morris	2	20	66	
1439	Wharton Borough	Morris	2	76	42	306
2001	Berkeley Heights Township	Union	2	21	183	859
2002	Clark Township	Union	2	53	92	244
2003	Cranford Township	Union	2	45	148	805
2004	Elizabeth City	Union	2	4256	0	0
2005	Fanwood Borough	Union	2	24	45	310
2006	Garwood Borough	Union	2	40	19	200
2007	Hillside Township	Union	2	125	0	0
2008	Kenilworth Borough	Union	2	0	83	551
2009	Linden City	Union	2	349	209	218
2010	Mountainside Borough	Union	2	86	123	406
2011	New Providence Borough	Union	2	74	135	
2012	Plainfield City	Union	2	847	0	
2012	Rahway City	Union	2	195	70	-

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	Municipal Sumn	nary, Fair Sh	are Hous	ing Obligations	5, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)
2014	Roselle Borough	Union	2	264	0	0
2015	Roselle Park Borough	Union	2	46	0	0
2016	Scotch Plains Township	Union	2	125	182	893
2017	Springfield Township	Union	2	15	135	584
2018	Summit City	Union	2	69	171	1000
2019	Union Township	Union	2	339	233	1000
2020	Westfield Town	Union	2	48	139	1000
2021	Winfield Township	Union	2	18	0	17
2101	Allamuchy Township	Warren	2	30	13	230
	Alpha Borough	Warren	2	0	13	0
2103	Belvidere Town	Warren	2	12	0	190
2104	Blairstown Township	Warren	2	0	12	139
	Franklin Township	Warren	2	0		230
	Frelinghuysen Township	Warren	2	0	6	161
2107	Greenwich Township	Warren	2	0	41	366
	Hackettstown Town	Warren	2	68	62	263
2100	Hardwick Township	Warren	2	1	6	107
	Harmony Township	Warren	2	0	47	201
	Hope Township	Warren	2	3	8	
						103
2112	Independence Township	Warren	2	0	10 14	164
2113	Knowlton Township	Warren	2	11		68
2114	Liberty Township	Warren	2	0	7	155
2115	Lopatcong Township	Warren	2	0	56	345
	Mansfield Township	Warren	2	15	3	488
	Oxford Township	Warren	2	16	2	203
	Phillipsburg Town	Warren	2	161	0	0
	Pohatcong Township	Warren	2	7	47	256
2121	Washington Borough	Warren	2	2	0	243
2122	Washington Township	Warren	2	0	48	503
2123	White Township	Warren	2	40	16	446
1001	Alexandria Township	Hunterdon	3	99	22	340
1002	Bethlehem Township	Hunterdon	3	6	42	258
1003	Bloomsbury Borough	Hunterdon	3	2	17	57
1004	Califon Borough	Hunterdon	3	0	21	86
	Clinton Town	Hunterdon	3	10	51	196
1006	Clinton Township	Hunterdon	3	27	335	913
1007	Delaware Township	Hunterdon	3	60	23	250
1008	East Amwell Township	Hunterdon	3	0	40	296
1009	Flemington Borough	Hunterdon	3	57	38	74
1010	Franklin Township	Hunterdon	3	0	36	134
1011	Frenchtown Borough	Hunterdon	3	4	2	76
1012	Glen Gardner Borough	Hunterdon	3	3	7	72
1013	Hampton Borough	Hunterdon	3	12	2	58
1014	High Bridge Borough	Hunterdon	3	29	27	164
1015	Holland Township	Hunterdon	3	64	17	233
	Kingwood Township	Hunterdon	3	0	19	190
1017	Lambertville City	Hunterdon	3	57	0	173
1018	Lebanon Borough	Hunterdon	3	0	34	182
	Lebanon Township	Hunterdon	3	0	28	

	Municipal Sum	mary, Fair Sh	are Hous	ing Obligations	, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)
1020	Milford Borough	Hunterdon	3	0	5	100
1021	Raritan Township	Hunterdon	3	20	360	1000
1022	Readington Township	Hunterdon	3	101	394	1000
1023	Stockton Borough	Hunterdon	3	0	6	41
1024	Tewksbury Township	Hunterdon	3	0	119	440
1025	Union Township	Hunterdon	3	0	78	356
1026	West Amwell Township	Hunterdon	3	0	16	213
1201	Carteret Borough	Middlesex	3	176	0	0
1202	Cranbury Township	Middlesex	3	10	217	260
1203	Dunellen Borough	Middlesex	3	12	0	118
1204	East Brunswick Township	Middlesex	3	75	648	1000
1205	Edison Township	Middlesex	3	421	965	1000
1206	Helmetta Borough	Middlesex	3	6	26	119
1207	Highland Park Borough	Middlesex	3	55	0	359
1208	Jamesburg Borough	Middlesex	3	18	8	58
1210	Metuchen Borough	Middlesex	3	40	99	584
1210	Middlesex Borough	Middlesex	3	64	105	313
1211	Milltown Borough	Middlesex	3	30	64	220
1212	Monroe Township	Middlesex	3	104	554	1000
1213	New Brunswick City	Middlesex	3	1322	0	1000
1214	North Brunswick Township	Middlesex	3	197	395	1000
1215		Middlesex	3	197	439	1000
1209	Old Bridge Township	Middlesex	3	731	439	000
	Perth Amboy City	-				
1217	Piscataway Township	Middlesex	3	314	736 205	1000
1218	Plainsboro Township	Middlesex	3	0		1000
1219	Sayreville Borough	Middlesex		67	261	1000
1220	South Amboy City	Middlesex	3	41	0	219
1221	South Brunswick Township	Middlesex	3	117	841	1000
1222	South Plainfield Borough	Middlesex	3	48	379	895
1223	South River Borough	Middlesex	3	96	0	170
1224	Spotswood Borough	Middlesex	3	0	48	179
1225	Woodbridge Township	Middlesex	3	381	955	1000
1801	Bedminster Township	Somerset	3	0	154	
1802	Bernards Township	Somerset	3	36	508	1000
1803	Bernardsville Borough	Somerset	3	0	127	470
1804	Bound Brook Borough	Somerset	3	96	0	0
1805	Branchburg Township	Somerset	3	7	302	1000
1806	Bridgewater Township	Somerset	3	229	713	1000
1807	Far Hills Borough	Somerset	3	3	38	73
1808	Franklin Township	Somerset	3	171	766	1000
1809	Green Brook Township	Somerset	3	9	151	454
1810	Hillsborough Township	Somerset	3	50	461	1000
1811	Manville Borough	Somerset	3	161	0	82
1812	Millstone Borough	Somerset	3	0	21	32
1813	Montgomery Township	Somerset	3	71	307	1000
1814	North Plainfield Borough	Somerset	3	368	0	138
1815	Peapack-Gladstone Borough	Somerset	3	0	82	188
1816	Raritan Borough	Somerset	3	39	82	466
1817	Rocky Hill Borough	Somerset	3	2	25	46

	Municipal Sum	mary, Fair Sh	are Hous	ing Obligations	s, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)
1818	Somerville Borough	Somerset	3	127	153	304
1819	South Bound Brook Borough	Somerset	3	79	0	59
1820	Warren Township	Somerset	3	68	543	993
1821	Watchung Borough	Somerset	3	16	206	440
1101	East Windsor Township	Mercer	4	62	367	969
1102	Ewing Township	Mercer	4	140	481	487
1103	Hamilton Township	Mercer	4	310	706	761
1104	Hightstown Borough	Mercer	4	38	45	143
1105	Hopewell Borough	Mercer	4	2	29	155
1106	Hopewell Township	Mercer	4	0	520	1000
1107	Lawrence Township	Mercer	4	96	891	1000
1108	Pennington Borough	Mercer	4	50	52	203
1114	Princeton	Mercer	4	149	641	630
1111	Trenton City	Mercer	4	1015	0	0
1112	Robbinsville Township	Mercer	4	20	293	1000
1113	West Windsor Township	Mercer	4	158	899	1000
1330	Aberdeen Township	Monmouth	4	63	270	614
1301	Allenhurst Borough	Monmouth	4	4	50	46
1301	Allentown Borough	Monmouth	4	10	28	138
1302	Asbury Park City	Monmouth	4	300	28	0
1303	Atlantic Highlands Borough	Monmouth	4	61	86	211
1304			4	9	20	
1305	Avon-by-the-Sea Borough	Monmouth	4	31		173 246
	Belmar Borough	Monmouth	-		20	
1307	Bradley Beach Borough	Monmouth	4	41 30	20	
1308	Brielle Borough	Monmouth				373
1309	Colts Neck Township	Monmouth	4	5	218	553
1310	Deal Borough	Monmouth	4	0	54	76
1311	Eatontown Borough	Monmouth		71	504	836
1312	Englishtown Borough	Monmouth	4	36	65	139
1313	Fair Haven Borough	Monmouth	4	0	135	392
1314	Farmingdale Borough	Monmouth	4	3	19	48
1315	Freehold Borough	Monmouth	4	219	188	211
1316	Freehold Township	Monmouth	4	100	1036	
1339	Hazlet Township	Monmouth	4	20	407	721
1317	Highlands Borough	Monmouth	4	41	20	
1318	Holmdel Township	Monmouth	4	38	768	576
1319	Howell Township	Monmouth	4	112	955	1000
1320	Interlaken Borough	Monmouth	4	2	40	
1321	Keansburg Borough	Monmouth	4	91	0	
1322	Keyport Borough	Monmouth	4	30	1	173
1323	Little Silver Borough	Monmouth	4	7	197	402
1324	Loch Arbour Village	Monmouth	4	0	31	19
1325	Long Branch City	Monmouth	4	493	0	0
1326	Manalapan Township	Monmouth	4	124	706	1000
1327	Manasquan Borough	Monmouth	4	10	149	450
1328	Marlboro Township	Monmouth	4	113	1019	1000
1329	Matawan Borough	Monmouth	4	65	141	284
1331	Middletown Township	Monmouth	4	161	1561	1000
1332	Millstone Township	Monmouth	4	27	81	447

	Municipal Summary, Fair Share Housing Obligations, 2015									
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)				
1333	Monmouth Beach Borough	Monmouth	4	0	70	187				
1335	Neptune City Borough	Monmouth	4	0	33	160				
1334	Neptune Township	Monmouth	4	123	0	205				
1337	Ocean Township	Monmouth	4	100	873	775				
1338	Oceanport Borough	Monmouth	4	0	149	260				
1340	Red Bank Borough	Monmouth	4	102	427	533				
1341	Roosevelt Borough	Monmouth	4	3	29	57				
1342	Rumson Borough	Monmouth	4	11	268	485				
1343	Sea Bright Borough	Monmouth	4	8	37	151				
1344	Sea Girt Borough	Monmouth	4	0	115	159				
1345	Shrewsbury Borough	Monmouth	4	17	277	293				
1346	Shrewsbury Township	Monmouth	4	25	12	65				
1347	South Belmar Borough	Monmouth	4	8	30	109				
1348	Spring Lake Borough	Monmouth	4	16	132	251				
1349	Spring Lake Heights Borough	Monmouth	4	11	76	243				
1336	Tinton Falls Borough	Monmouth	4	113	622	1000				
1350	Union Beach Borough	Monmouth	4	70	83	195				
1351	Upper Freehold Township	Monmouth	4	52	43	333				
1352	Wall Township	Monmouth	4	142	1073	1000				
1353	West Long Branch Borough	Monmouth	4	0	219	159				
1501	Barnegat Light Borough	Ocean	4	6	84	56				
1533	Barnegat Township	Ocean	4	0	329	932				
1502	Bay Head Borough	Ocean	4	6	65	97				
1503	Beach Haven Borough	Ocean	4	0	70					
1504	Beachwood Borough	Ocean	4	33	123	272				
1505	Berkeley Township	Ocean	4	94	610	0				
1506	Brick Township	Ocean	4	189	930					
1507	Toms River Township	Ocean	4	243	2233	1000				
1508	Eagleswood Township	Ocean	4	0	36					
1509	Harvey Cedars Borough	Ocean	4	7	37	56				
1510	Island Heights Borough	Ocean	4	2	31	124				
1511	Jackson Township	Ocean	4	105	1247	1000				
1512	Lacey Township	Ocean	4	54	580					
1513	Lakehurst Borough	Ocean	4	16	66					
1514	Lakewood Township	Ocean	4	534	0					
1515	Lavallette Borough	Ocean	4	0	82	221				
1516	Little Egg Harbor Township	Ocean	4	124	194	1000				
1517	Long Beach Township	Ocean	4	23	41	326				
1518	Manchester Township	Ocean	4	120	370					
1519	Mantoloking Borough	Ocean	4	0	59					
1521	Ocean Gate Borough	Ocean	4	10	12	59				
1520	Ocean Township	Ocean	4	9	236					
1522	Pine Beach Borough	Ocean	4	0	41					
1523	Plumsted Township	Ocean	4	21	47					
1525	Point Pleasant Beach Borough	Ocean	4	55	167	411				
1524	Point Pleasant Borough	Ocean	4	26	343					
1526	Seaside Heights Borough	Ocean	4	95	0	_				
1527	Seaside Park Borough	Ocean	4	3	52					
1528	Ship Bottom Borough	Ocean	4	0	71	113				

	Municipal Sum	nary, Fair Sh	are Hous	ing Obligations	, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)
1529	South Toms River Borough	Ocean	4	47	51	58
1530	Stafford Township	Ocean	4	94	555	1000
1531	Surf City Borough	Ocean	4	0	49	174
1532	Tuckerton Borough	Ocean	4	81	69	150
0301	Bass River Township	Burlington	5	4	15	56
0302	Beverly City	Burlington	5	3	18	35
0303	Bordentown City	Burlington	5	25	33	148
0304	Bordentown Township	Burlington	5	5	211	736
0305	Burlington City	Burlington	5	36	89	184
0306	Burlington Township	Burlington	5	74	445	1000
0307	Chesterfield Township	Burlington	5	19	55	256
0308	Cinnaminson Township	Burlington	5	10	331	158
0309	Delanco Township	Burlington	5	23	61	138
0310	Delran Township		5	71	208	543
		Burlington	5		208 49	
0311	Eastampton Township	Burlington		0	-	180
0312	Edgewater Park Township	Burlington	5	49	30	199
0313	Evesham Township	Burlington	5	89	534	1000
0314	Fieldsboro Borough	Burlington	5	0	19	35
0315	Florence Township	Burlington	5	96	114	540
0316	Hainesport Township	Burlington	5	0	150	368
0317	Lumberton Township	Burlington	5	13	152	396
0318	Mansfield Township	Burlington	5	0	114	599
0319	Maple Shade Borough	Burlington	5	10	0	470
0321	Medford Lakes Borough	Burlington	5	0	60	187
0320	Medford Township	Burlington	5	25	418	802
0322	Moorestown Township	Burlington	5	40	621	1000
0323	Mount Holly Township	Burlington	5	77	0	0
0324	Mount Laurel Township	Burlington	5	86	815	1000
0325	New Hanover Township	Burlington	5	0	4	121
0326	North Hanover Township	Burlington	5	0	1	192
0327	Palmyra Borough	Burlington	5	4	39	164
0328	Pemberton Borough	Burlington	5	0	9	72
0329	Pemberton Township	-	5	10	0	
0329	Riverside Township	Burlington Burlington	5	23	6	76
	•	-	5	23	15	153
0331	Riverton Borough	Burlington				
0332	Shamong Township	Burlington	5	23	84	260
0333	Southampton Township	Burlington	5	30	85	0
0334	Springfield Township	Burlington	5	0	54	118
0335	Tabernacle Township	Burlington	5	0	106	311
0336	Washington Township	Burlington	5	0	11	60
0337	Westampton Township	Burlington	5	32	221	613
0338	Willingboro Township	Burlington	5	78	268	231
0339	Woodland Township	Burlington	5	2	19	98
0340	Wrightstown Borough	Burlington	5	3	10	9
0401	Audubon Borough	Camden	5	37	0	223
0402	Audubon Park Borough	Camden	5	3	4	12
0403	Barrington Borough	Camden	5	7	8	
0404	Bellmawr Borough	Camden	5	36	107	
0405	Berlin Borough	Camden	5	40	154	329

Municipal Summary, Fair Share Housing Obligations, 2015									
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)			
0406	Berlin Township	Camden	5	14	109	392			
0407	Brooklawn Borough	Camden	5	9	23	C			
0408	Camden City	Camden	5	772	0	C			
0409	Cherry Hill Township	Camden	5	367	1829	1000			
0410	Chesilhurst Borough	Camden	5	0	28	115			
0411	Clementon Borough	Camden	5	72	19	(			
0412	Collingswood Borough	Camden	5	106	0	271			
0413	Gibbsboro Borough	Camden	5	14	112	159			
0414	Gloucester City City	Camden	5	67	0	(			
0415	Gloucester Township	Camden	5	146	359	1000			
0418	Haddon Heights Borough	Camden	5	0	23	249			
0416	Haddon Township	Camden	5	34	35	302			
0417	Haddonfield Borough	Camden	5	10	192	503			
0419	Hi-nella Borough	Camden	5	16	0	505			
0410	Laurel Springs Borough	Camden	5	3	17	125			
0420	Lawnside Borough	Camden	5	2	33	67			
0421	-		5	113	0				
	Lindenwold Borough	Camden			22				
0423	Magnolia Borough	Camden	5	0		24			
0424	Merchantville Borough	Camden	5	7	0	71			
0425	Mount Ephraim Borough	Camden	5	2	33	118			
0426	Oaklyn Borough	Camden	5	13	1	89			
0427	Pennsauken Township	Camden	5	200	0	(			
0428	Pine Hill Borough	Camden	5	19	22	(			
0429	Pine Valley Borough	Camden	5	0	47	1			
0430	Runnemede Borough	Camden	5	15	40	(			
0431	Somerdale Borough	Camden	5	3	95	(			
0432	Stratford Borough	Camden	5	24	70	130			
0433	Tavistock Borough	Camden	5	0	80	1			
0434	Voorhees Township	Camden	5	247	456	218			
0435	Waterford Township	Camden	5	0	102	293			
0436	Winslow Township	Camden	5	63	377	1000			
0437	Woodlynne Borough	Camden	5	8	0	18			
0801	Clayton Borough	Gloucester	5	44	94	249			
0802	Deptford Township	Gloucester	5	92	522	1000			
0803	East Greenwich Township	Gloucester	5	60	252	672			
0804	Elk Township	Gloucester	5	7	127	296			
0805	Franklin Township	Gloucester	5	87	166	1000			
0806	Glassboro Borough	Gloucester	5	18	0	44(			
0807	Greenwich Township	Gloucester	5	0	308	283			
0808	Harrison Township	Gloucester	5	0	198	780			
0809	Logan Township	Gloucester	5	19	455	443			
0810	Mantua Township	Gloucester	5	44	292	963			
0810	Monroe Township	Gloucester	5	62	439	974			
0812	National Park Borough	Gloucester	5	8	28				
0812	Newfield Borough	Gloucester	5	5		5			
0813	Paulsboro Borough	Gloucester	5	43	14	6			
	-		5	43	40				
0815	Pitman Borough	Gloucester				185			
0816	South Harrison Township	Gloucester	5	0	31	194			
0817	Swedesboro Borough	Gloucester	5	15	23	13			

Municipal Summary, Fair Share Housing Obligations, 2015									
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)			
0818	Washington Township	Gloucester	5	141	507	1000			
0819	Wenonah Borough	Gloucester	5	0	30	155			
0820	West Deptford Township	Gloucester	5	34	368	1000			
0821	Westville Borough	Gloucester	5	36	27	0			
0822	Woodbury City	Gloucester	5	36	0	240			
0823	Woodbury Heights Borough	Gloucester	5	0	55	178			
0824	Woolwich Township	Gloucester	5	0	209	713			
0101	Absecon City	Atlantic	6	61	144	239			
0102	Atlantic City City	Atlantic	6	525	2458	1000			
0103	Brigantine City	Atlantic	6	48	124	560			
0104	Buena Borough	Atlantic	6	9	41	86			
0105	Buena Vista Township	Atlantic	6	73	19	0			
0105	Corbin City	Atlantic	6	2	13	47			
0100	Egg Harbor City	Atlantic	6	27	42	47			
			6	186	763	1000			
0108	Egg Harbor Township	Atlantic			21				
0109	Estell Manor City	Atlantic	6	0		87			
0110	Folsom Borough	Atlantic	6	5	20				
0111	Galloway Township	Atlantic	6	94	328	1000			
0112	Hamilton Township	Atlantic	6	120	349	0			
0113	Hammonton Township	Atlantic	6	184	257	281			
0114	Linwood City	Atlantic	6	46	140	310			
0115	Longport Borough	Atlantic	6	0	59	111			
0116	Margate City	Atlantic	6	17	96	645			
0117	Mullica Township	Atlantic	6	0	40	165			
0118	Northfield City	Atlantic	6	4	190	339			
0119	Pleasantville City	Atlantic	6	201	0	0			
0120	Port Republic City	Atlantic	6	0	19	73			
0121	Somers Point City	Atlantic	6	6	103	295			
0122	Ventnor City	Atlantic	6	69	27	57			
0123	Weymouth Township	Atlantic	6	7	15	58			
0501	Avalon Borough	Cape May	6	0	234	225			
0502	Cape May City	Cape May	6	9	58				
0503	Cape May Point Borough	Cape May	6	0	34				
0504	Dennis Township	Cape May	6	48	220				
0505	Lower Township	Cape May	6	71	324				
0506	Middle Township	Cape May	6	86	454				
					-				
0507	North Wildwood City	Cape May	6	37	80				
0508	Ocean City City	Cape May	6	76	411	1000			
0509	Sea Isle City	Cape May	6	2	109	241			
0510	Stone Harbor Borough	Cape May	6	2	141	101			
0511	Upper Township	Cape May	6	20	317	558			
0512	West Cape May Borough	Cape May	6	2	7	65			
0513	West Wildwood Borough	Cape May	6	3	33				
0514	Wildwood City	Cape May	6	79	113	521			
0515	Wildwood Crest Borough	Cape May	6	0	42	346			
0516	Woodbine Borough	Cape May	6	3	88	158			
0601	Bridgeton City	Cumberland	6	300	0	0			
0602	Commercial Township	Cumberland	6	0	45	-			
0603	Deerfield Township	Cumberland	6	0	41				

Municipal Summary, Fair Share Housing Obligations, 2015									
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)			
0604	Downe Township	Cumberland	6	5	10	0			
0605	Fairfield Township	Cumberland	6	12	79	362			
0606	Greenwich Township	Cumberland	6	12	13	78			
0607	Hopewell Township	Cumberland	6	0	114	344			
0608	Lawrence Township	Cumberland	6	33	10	0			
0609	Maurice River Township	Cumberland	6	0	22	162			
0610	Millville City	Cumberland	6	141	0	1000			
0611	Shiloh Borough	Cumberland	6	1	7	46			
0612	Stow Creek Township	Cumberland	6	0	14	77			
0613	Upper Deerfield Township	Cumberland	6	7	242	589			
0614	Vineland City	Cumberland	6	319	0	0			
1701	Alloway Township	Salem	6	4	17	137			
1713	Carneys Point Township	Salem	6	61	184	421			
1702	Elmer Borough	Salem	6	0	12	72			
1703	Elsinboro Township	Salem	6	13	26	88			
1704	Lower Alloways Creek Township	Salem	6	4	26	82			
1705	Mannington Township	Salem	6	3	19	100			
1706	Oldmans Township	Salem	6	3	183	158			
1707	Penns Grove Borough	Salem	6	76	4	0			
1708	Pennsville Township	Salem	6	56	228	548			
1709	Pilesgrove Township	Salem	6	37	35	213			
1710	Pittsgrove Township	Salem	6	0	58	10			
1711	Quinton Township	Salem	6	7	15	72			
1712	Salem City	Salem	6	33	0	0			
1714	Upper Pittsgrove Township	Salem	6	9	27	130			
1715	Woodstown Borough	Salem	6	0	8	85			
TOTALS				62,057	85,964	201,382			

#### SOURCE:

For the data, calculations, and allocations that are the sources of this summary, see the mult-tab Excel-based model:

### NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025

CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, APRIL 2015

Date: 4/14/15

Prepared by:

Fair Share Housing Center 510 Park Boulevard Cherry Hill, NJ 08002 Adam M. Gordon, Esq.

Kinsey & Hand 14 Aiken Avenue Princeton, NJ 08540 David N. Kinsey, PhD, FAICP, PP



# APPENDIX C

# AFFORDABLE HOUSING SPENDING PLAN



## Township of Franklin Somerset County, New Jersey

<u>Dated</u>: May 5, 2015 Endorsed by Township Council: May 26, 2015

Prepared by:

Mark Healey, AICP/ PP Director of Planning/ Township Planner

The original of this report was signed and sealed in accordance with N.J.S.A. 45:14A-12.

### Township of Franklin, Somerset County Affordable Housing Trust Fund Spending Plan

#### **OVERVIEW**

This Spending Plan demonstrates how municipal affordable housing trust funds will be expended and has been prepared together with the implementation schedule of the Fair Share Plan. The Spending Plan serves as the basis for demonstrating realistic opportunity of each proposed affordable housing option that relies on affordable housing trust funds as well as a basis for affordable housing delivery mechanisms that are the subject of an implementation schedule. This plan follows the format, table and formulae provided by COAH in their Model Spending Plan. All current and past figures were derived from COAH's Trust Fund Monitoring system ("CTM") that is updated by the Township on an annual basis and reviewed by COAH staff also on an annual basis. The CTM system tracks all revenues to, and monies expended from, the Township's affordable housing trust fund.

Franklin Township has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the applicable regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH on 3/10/1998 and adopted by the municipality on 10/14/1997. The ordinance established the Franklin Township affordable housing trust fund for which this spending plan is prepared.

#### **REVENUES FOR CERTIFICATION PERIOD**

To calculate a projection of revenue anticipated during the period of third round substantive certification, Franklin Township considered the following:

- (a) Development fees:
  - 1. Development projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
  - 2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
  - 3. Future development that is likely to occur based on historical rates of development.
- (b) Payment in lieu (PIL): No payments in lieu have been collected or assessed.
- (c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, and/or proceeds from the sale of affordable units.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Franklin Township projects a total of \$1,958,000 in revenue to be collected between January 1, 2015 and December 31, 2025. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

SOURCE OF FUNDS												
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
(a) Development fees:												
1. Approved Development	\$500,000	\$500,000										
2. Development Pending Approval			\$100,000	\$50,000								
3. Projected Development				\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Total Development Fees	\$500,000	\$500,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,900,000
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) Other Funds	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000							\$25,000
(d) Interest	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$33,000
Total	\$508,000	\$508,000	\$108,000	\$108,000	\$108,000	\$103,000	\$103,000	\$103,000	\$103,000	\$103,000	\$103,000	\$1,958,000

#### ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Franklin Township:

#### (a) <u>Collection of development fee revenues:</u>

Collection of development fee revenues shall be consistent with Franklin Township's development fee ordinance in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7) and applicable States laws, rules and regulations.

#### (b) Distribution of development fee revenues:

The expenditure of all funds shall conform to this Spending Plan. Funds deposited in the Housing Trust Fund may be used for any activity approved to address Franklin Township's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to:

- Preservation or purchase of housing for the purpose of maintaining or implementing affordability controls;
- Rehabilitation;
- New construction of affordable housing units and related costs;
- Purchase of land for affordable housing;
- Improvement of land to be used for affordable housing;
- Extensions or improvements of roads and infrastructure to affordable housing sites;
- Financial assistance designed to increase affordability;
- Administration necessary for implementation of the Housing Element and Fair Share Plan; or
- Any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the Approved Spending Plan.

Funds shall not be expended to reimburse Franklin Township for past housing activities.

At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to very low income households (i.e., those households earning 30 percent or less of median income by region). Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs. Affordability assistance to very low income households may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income.

Franklin Township may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.

No more than 20 percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

#### DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

#### (a) Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)

Franklin Township will dedicate \$1,667,320 to rehabilitation or new construction programs as follows:

#### **Rehabilitation program:** \$1,595,000

The Township's on-going rehabilitation program has historically been funded by Community Development Block Grant (CDBG) monies which are not reflected in the spending plan. This spending plan, however, contemplates increased use of the Township's housing trust fund towards rehabilitation in order to meet the Township's rehabilitation obligation.

#### New construction project(s): \$72,320

#### o <u>Habitat for Humanity</u>: **\$72,320**

This expenditure was included in the Spending Plan previously approved by COAH and the development was included in the Township's approved Fair Housing Element & Fair Share Plan. Necessary documentation (including development

agreement which remains in effect) was provided to COAH prior to COAH approval of the Township's previously approved Spending Plan and Fair Housing Element & Fair Share Plan.

The Township has already expended \$52,680 of the original \$125,000 commitment. The amount indicated (\$72,320) represents the balance of the remaining commitment to be expended and will be used to implement the six new affordable homes to be created as part of the "Habitat III" mechanism described in this Fair Share Plan.

#### (b) Affordability Assistance (N.J.A.C. 5:97-8.8)

Municipalities are required to spend a minimum of 30 percent of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30 percent of the regional median income). Utilizing the formulae below we have projected the minimum affordability assistance requirements. The actual affordability assistance minimums are calculated on an ongoing basis in the CTM system based on actual revenues.

The Projected Minimum Affordability Assistance Requirement from 1/1/2015 through 12/31/2025 is \$1,763,682. As demonstrated below, this figure was calculated by totaling all prior and future development fees and interest (less housing activity expenditures through 6/2/2008) and multiplying that figure (\$9,545,606) by 0.3, resulting in a Total Affordability Assistance Requirement of \$2,863,682. The amount of affordability assistance expenditures through 12/31/2014 (\$1,338,137) was subtracted from that figure resulting in a Projected Minimum Affordability Assistance Requirement from 1/1/2015 through 12/31/2025 of \$1,763,682.

To project the Minimum Very Low-Income Affordability Assistance Requirement for 1/1/2015 through 12/31/2025, the Total Affordability Assistance Requirement of \$2,863,682 was divided by 3 which resulted in a Total Minimum Very Low-Income Affordability Assistance Requirement of \$954,561. The amount of Very Low-Income affordability assistance expended through 12/31/2014 (\$1,100,000) was subtracted from that figure resulting in a Projected Very Low Income Minimum Affordability Assistance Requirement from 1/1/2015 through 12/31/2025 of \$0. The Township's obligation to provide affordability assistance to very low income households has been satisfied via:

 the Township's participation in the Special Needs Partnership Program (the Township participated in the amount of \$500,000 which resulting in the creation of two special needs housing group homes); and  the Township's expenditure of \$300,000 each for the Voorhees Station and Independence Crossing developments in order to render a certain number of units affordable to very low income households in accordance with N.J.A.C. 5:97-8.8.(a)2. The Township submitted Amended Spending Plans to, and received approval from, COAH with respect to each of these very low-income affordability assistance expenditures pursuant to N.J.A.C. 5:97-8.11, Consideration for mechanisms not in the adopted Fair Share Plan.

	\$7,314,790
+	\$530,599
+	\$1,900,000
+	\$33,000
-	\$232,783
=	\$9,545,606
x 0.30 =	\$2,863,682
-	\$1,338,137
=	\$1,763,682
÷ 3 =	\$954,561
-	\$1,100,000
÷3=	\$0
	+ + + = $x \ 0.30 =$ - = $\div 3 =$ -

#### Affordability Assistance

As demonstrated in the Expenditure Schedule below, Franklin Township will dedicate \$1,475,000 from the affordable housing trust fund to render units more affordable,

Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs. In accordance with N.J.A.C. 5:96-18, the Township may contract with a private or public entity to administer the requirement for affordability assistance.

As demonstrated in the Expenditure Schedule below the Township intends to meet these obligations as follows:

In December 2011, the Township Council passed Ordinance No. 3957-11 (provided in the April 2012 Amended Spending Plan) which established the Township's Local

Affordability Assistance Programs. The Program consists of the following two components:

- <u>Down Payment and/or Closing Cost Affordability Assistance Program</u> Grant program to assist with down payment and/or closing cost for homeowners seeking to purchase an affordable unit.
- <u>Homeowner Affordability Assistance Program</u> Loan program to prevent foreclosure of existing homeowners in existing affordable units due to arrearages in taxes and/or association fees.

The program was developed by Central Jersey Housing Resource Center (CJHRC) with input from Township Planning staff.

According to CJHRC staff, the Township's Local Affordability Assistance Programs would be the most helpful to Franklin households. In particular, the "homeowner affordability assistance program" program (i.e., loan program to existing homeowners in existing affordable units due to arrearages in taxes and/or association fees) help to prevent foreclosure of affordable units (which results in administrative costs to the Township) and, in the end, would help the Township maintain COAH credits" for such units.

To our knowledge this program *is one of the first of its kind in the State*. It is being hailed as a model program by the Somerset County Planning Board.

The program is administered by the (CJHRC). Several homeowners have already benefited from the Down Payment and/or Closing Cost Affordability Assistance Program.

• Other Affordability Assistance mechanisms

This Spending Plan reserves \$682,000 for other affordability assistance mechanisms. The Township has a demonstrated record of committing affordability trust fund monies when emergent affordable housing mechanisms are presented.

The Township's expenditure of \$300,000 to the Voorhees Station development and the Township's expenditure of \$300,000 to the Genesis FBCCDC development are two recent examples of the Township commitment to use affordable housing trust fund money for affordability assistance when emergent housing mechanisms are presented. The Township's partnership with the State's Special Needs Partnership program (where the Township participated in the amount of \$500,000 resulting in the creation of two special needs housing group homes) further demonstrates the Township's record of

committing affordability trust fund monies when emergent affordable housing mechanisms are presented.

Similarly, the Township's Down Payment and/or Closing Cost Affordability Assistance Program and Homeowner Affordability Assistance Program demonstrate the Township's commitment. In consultation with CJHRC, the Township may initiate similar additional programs in the future.

The Township has also received a request from the Center for Great Expectations in the amount of \$300,000 in affordability assistance funds from our Housing Trust Fund. This Fair Share Plan seeks to include the 8 bedrooms occupied by adult women.

#### (c) Administrative Expenses (N.J.A.C. 5:97-8.9)

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.

To initially project a funding amount that will be available for administrative costs, we summed all development fees actually collected since the inception of the account and all actual interest earned since the inception of the account with all projected development fees and interest projected to be collected through December 31, 2025. To this amount, we added all payments in lieu of constructing affordable units and other account deposits from the inception of the account through 12/31/2015. We multiplied this amount (\$9,967,803) by 20 percent and then subtracted actual administrative expenditures made from the inception of the account through 12/31/14. The outcome of this calculation (\$1,132,269) is the total remaining funds that will be available to defray administrative expenses for the period through December 31, 2025.

#### **Administrative Expenses**

Actual development fees and interest through 12/31/2014		\$7,845,389
Projected development fees and interest 2015 through 2025	+	\$1,933,000
Payments-in-lieu of construction and other deposits thru 7/17/08	+	\$189,414
Less RCA expenditures thru 12/31/2014	+	-
Total	=	\$9,967,803
20 percent cap	x 0.20 =	\$1,993,561
Less administrative expenditures through 12/31/14	-	\$861,292
Projected maximum funds avail. for administration (1/1/15 through 12/31/2025)	=	\$1,132,269

Franklin Township projects that \$1,132,269 will expended from the affordable housing trust fund for administrative purposes through December 31, 2025. Administrative expenses can include salaries and benefits for municipal employees or consultant fees necessary to develop or implement an affordable housing program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. Administrative funds will be used for income qualification of households, monitoring the turnover of sale and rental units, preserving existing affordable housing, administration of the Township's rehabilitation program, and compliance with Council monitoring requirements.

## EXPENDITURE SCHEDULE

Program												
-	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Rehabilitation	\$70,000	\$100,000	\$125,000	\$125,000	\$150,000	\$150,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$1,595,000
Habitat for Humanity – scattered site	\$25,000	\$25,000	\$22,320	-	-	-	-	-	-	-	-	\$72,320
Total Programs	\$95,000	\$125,000	\$147,320	\$125,000	\$150,000	\$150,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$1,667,320
	1			I		I	I			I		[]
Affordability Assistance												
Down payment and closing cost assistance & foreclosure prevention programs	\$100,000	\$100,000	\$125,000	\$125,000	\$125,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$1,475,000
Other Affordability Assistance mechanisms	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$682,000
Total Affordability Assistance Programs	\$162,000	\$162,000	\$187,000	\$187,000	\$187,000	\$212,000	\$212,000	\$212,000	\$212,000	\$212,000	\$212,000	\$2,157,000
Administration	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$102,934	\$1,132,269
Total	\$359,934	\$389,934	\$437,254	\$414,934	\$439,934	\$464,934	\$489,934	\$489,934	\$489,934	\$489,934	\$489,934	\$4,956,589

## **SUMMARY**

Franklin Township intends to spend affordable housing trust fund revenues pursuant to <u>N.J.A.C</u>. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in this Housing Element and Fair Share Plan.

Franklin Township has a balance of \$2,998,486 as of December 31, 2014 and anticipates an additional \$1,958,000 in revenues between 1/1/2015 and 12/31/2025 for a total of \$4,956,486. The Township will dedicate \$1,595,000 towards rehabilitation, \$72,320 towards new construction, \$2,157,000 to render units more affordable, and \$1,132,269 to administrative costs. Any shortfall of funds for implementing the Township's rehabilitation program will be offset by bond or appropriation of funds from general revenue.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2014		\$2,998,486
Projected REVENUE through 2025		
Development fees	+	\$1,900,000
Payments in lieu of construction	+	\$0
Other funds	+	\$25,000
Interest	+	\$33,000
TOTAL REVENUE	=	\$4,956,486
EXPENDITURES		
Funds used for Rehabilitation	-	\$1,595,000
Funds used for New Construction		
Habitat for Humanity "III" – scattered site		\$72,320
Total - New Construction	-	\$72,320
Funds used for Affordability Assistance	-	\$2,157,000
Down payment and closing cost assistance & foreclosure prevention programs		\$1,475,000
Other Affordability Assistance mechanisms		\$682,000
Total - Affordability Assistance	-	\$2,157,000
Administration	-	\$1,132,269
TOTAL PROJECTED EXPENDITURES	=	\$4,956,589

## APPENDIX D

## RESOLUTION OF THE PLANNING BOARD OF THE TOWNSHIP OF FRANKLIN, SOMERSET COUNTY, NEW JERSEY RESOLUTION ADOPTING THE HOUSING ELEMENT AND FAIR SHARE PLAN

**WHEREAS**, the Planning Board of Franklin Township, Somerset County, State of New Jersey, adopted its current Master Plan pursuant to <u>N.J.S.A.</u> 40:55D-28 on March 22, 2006; and

WHEREAS, the Master Plan included a Housing Element pursuant to <u>N.J.S.A</u> 40:55D-28b(3) which was adopted on February 2, 2006; and

WHEREAS, a subsequent Housing Element and Fair Share Plan was prepared and adopted by the Planning Board on December 8, 2008 after notice pursuant to applicable law, which plan received Substantive Certification by the New Jersey Council on Affordable Housing (COAH) on July 15, 2010; and

WHEREAS, a new Housing Element and Fair Share Plan (May 5, 2015) has been prepared in response to the March 10, 2015 decision of the New Jersey Supreme Court which provides that municipalities may initiate declaratory judgment actions and seek approval of their affordable housing plans in light of COAH's failure to adopt valid Third Round Rules governing the municipal Mt. Laurel affordable housing obligation; and

WHEREAS, <u>N.J.A.C.</u> 5:97-2.1(a) requires the adoption of the Housing Element by the Planning Board and endorsement by the Governing Body; and

WHEREAS, <u>N.J.A.C</u>. 5:97-3.1(b) requires the adoption of a Fair Share Plan by the Planning Board and endorsement by the Governing Body; and

**WHEREAS**, upon notice duly provided pursuant to <u>N.J.S.A</u> 40:55-13, the Planning Board of Franklin Township held a public hearing on the Housing Element and Fair Share Plan on May 20, 2015; and

WHEREAS, the Planning Board has determined that the Housing Element and Fair Share Plan are consistent with the goals and objectives of Franklin Township's Master Plan and that adoption and implementation of the Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare.

**NOW THEREFORE BE IT RESOLVED,** by the Planning Board of Franklin Township, Somerset County, State of New Jersey, that the Planning Board hereby adopts the Housing Element and Fair Share Plan dated May 5, 2015.

I hereby certify that this is a true copy of the resolution adopting the Housing Element and Fair Share Plan of Franklin Township, Somerset County, on May 20, 2015.

Christine Woodburv Planning Board Secretary



## VOTE ON MOTION: 05/20/2015

FOR: Chairman Chase Carl Hauck Raleigh Steinhauer Cecile Maclvor Robert Mettler Charles Onyejiaka James Pettit Robert Thomas Chairman Orsini

## AGAINST: NONE

## VOTE ON RESOLUTION: 05/20/2015 FOR:

Chairman Chase Carl Hauck Raleigh Steinhauer Cecile MacIvor Robert Mettler Charles Onyejiaka James Pettit Robert Thomas Chairman Orsini

- <u>protected construction</u> (character construction of the state of the

## AGAINST: NONE



Resolution #15-194 5/26/2015

## RESOLUTION - ENDORSE THE HOUSING ELEMENT AND FAIR SHARE PLAN & THE AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

WHEREAS, a Housing Element and Fair Share Plan was prepared and adopted by the Planning Board on December 8, 2008 after notice pursuant to applicable law, which plan received Substantive Certification by the New jersey Council on Affordable Housing (COAH) on July 15, 2010; and

WHEREAS, Franklin Township received COAH approval of its Affordable Housing Trust Fund Spending Plan on May 5, 2010 and has received subsequent COAH approvals on several updates to its Affordable Housing Trust Fund Spending Plan; and

WHEREAS, a new Housing Element and Fair Share Plan (May 5, 2015) has been prepared in response to the March 10, 2015 decision of the New Jersey Supreme Court which provides that municipalities may initiate declaratory judgment actions and seek approval of their affordable housing plans in light of COAH's failure to adopt valid Third Round Rules governing the municipal Mt. Laurel affordable housing obligation; and

WHEREAS, the Housing Element and Fair Share Plan was adopted by the Planning Board on May 20, 2015 after notice and hearing pursuant to applicable law; and

WHEREAS, the Housing Element and Fair Share Plan adopted by the Planning Board included a Affordable Housing Trust Fund Spending Plan, in Appendix C, which demonstrates how municipal affordable housing trust funds will be expended through 2025; and

WHEREAS, <u>N.J.A.C.</u> 5:97-2.1(a) requires the adoption of the Housing Element by the Planning Board and endorsement by the Governing Body; and

WHEREAS, <u>N.J.A.C.</u> 5:97-3.1(b) requires the adoption of a Fair Share Plan by the Planning Board and endorsement by the Governing Body; and

**WHEREAS,** <u>N.J.A.C.</u> 5:96-5.3 requires the endorsement of an Affordable Housing Trust Fund Spending Plan by the Governing Body.

**NOW THEREFORE BE IT RESOLVED,** that the Governing Body of Franklin Township, hereby endorses the Housing Element and Fair Share Plan and endorses the Affordable Housing Trust Fund Spending Plan.

## Franklin Township

**In Somerset County** 



## CERTIFICATION

I, Ann Marie McCarthy, Clerk of the Township of Franklin, in the County of Somerset, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the Township Council at a Work Session/Regular Meeting held on the 5/26/2015.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of said Township this 5/27/2015.

1A

Ann Marie McCarthy Township Clerk

## APPENDIX E

## AMENDED DEVELOPMENT AGREEMENT

This Agreement is made this <u>6</u> day of December, 2014, by and between Raritan Valley Habitat for Humanity, Inc. (hereinafter referred to as "RVHFH") and the Township of Franklin (hereinafter referred to as the "Township"), a municipal corporation, and supersedes the Agreement made by and between RVHFH and the Township on the 24<sup>th</sup> day of June, 2008. Specifically:

Raritan Valley Habitat for Humanity, Inc.

P.O. Box 6275 Bridgewater, New Jersey 08807 **Township of Franklin** 475 DeMott Lane Somerset, New Jersey 08873

#### WHEREAS:

- RVHFH is a non-profit organization providing affordable housing for low-income households; and
- The Township, is a municipal corporation in the State of New Jersey, having an interest in meeting its affordable housing obligation, as established by the New Jersey Council on Affordable Housing (hereinafter referred to as "COAH");
- The Township and RVHFH are mutually interested in cooperating to provide for enhanced affordable housing opportunities in the Township; and
- RVHFH intends to construct affordable housing on properties located within the Township, subject to Council approval, as designated on Schedule A; and

**THEREFORE**, it is the intent of this Agreement to set forth the terms and conditions whereby the Township may obtain credit for affordable houses constructed by RVHFH and RVHFH may receive the benefits of municipal cooperation in furtherance of its mission.

#### I. Situation

The Township is the owner of the real property listed on Schedule A (hereinafter referred to as the "Properties"). RVHFH plans to construct homes on the Properties, which will conform to the requirements set forth by COAH with respect to affordability for low-income households, maintenance of affordability in perpetuity, and conformance with re-sale price requirements. The homes covered under this Agreement shall be covered by declarations and covenants established by COAH rules and regulations. The Township and RVHFH specifically agree to a deed restriction whereby the Properties will be held as affordable units in perpetuity.

RVHFH will undertake the initial family (buyer) selection process in conformance with COAH rules and regulations, so that each partner family (buyer) is qualified under the rules of COAH, and thereby, eligible for inclusion in the Township's Affordable Housing Plan. RVHFH reserves the right to impose additional criteria for family selection to conform to RVHFH's rules and protocols, so long as such additional criteria does not conflict with COAH rules and regulations.

Thereafter, if the initial family (buyer), chosen by RVHFH, wishes to sell the home, the Township would administer the selection of the next low-income buy from its affordable housing list.

## **II. RVHFH Commitments**

- 1. RVHFH will provide the Township with copies of Sales Agreements and deed restrictions to be imposed upon each home when such contract are executed between RVHFH and its partner families (buyers) and when such transactions are closed between RVHFH and its partner families (buyers). The Agreements and deed restrictions will comply with the COAH rules and regulations, current at the time, unless specifically waived for RVHFH in writing by COAH. RVHFH will not apply for a waiver from COAH's rules and regulations without first obtaining consent from the Township.
- 2. RVHFH will supply information concerning the affordable housing deed restrictions to the Township Tax Assessor who will review and apply such information in accordance with New Jersey Law.
- 3. RVHFH will provide the Township Municipal Housing Liaison with any information relating to the provisions of this Agreement that may be required for COAH monitoring reports.
- 4. RVHFH will retain a deed covenant to be notified in the event the Habitat family wishes to sell the Property.
- 5. RVHFH will contact the Township in the event that any home built on the designated Properties becomes available for re-sale. In the event of a re-sale, the Township will retain the right to administer the selection of the next low-income buyer from the Township's affordable housing list.
- 6. RVHFH shall provide a mortgage to the initial family (buyer) who purchases the property. This mortgage shall be recorded first and shall take priority above any and all other liens on the Property. In the event of a re-sale, the mortgage provided by RVHFH will be paid off at the time of closing.
- 7. Notwithstanding anything herein to the contrary, the units to be constructed by RVHFH on the Properties designated in Section I above will be constructed, marketed, occupied and maintained in accordance with the COAH rules and regulations current at the time the partner families (buyers) are selected.
- 8. RVHFH will compensate the Township in the amount of \$5,000 per buildable lot for the Properties.
- 9. RVHFH will construct up to six (6) affordable housing units on the Properties prior to December 31, 2019. The number of units to be built within this timeframe will be

determined based on RVHFH's ability to obtain the necessary funding for construction and infrastructure improvements, as well as their ability to obtain all necessary approvals.

10. RVHFH will, at its own cost, obtain all necessary governmental approvals necessary to develop the Properties, however RVHFH shall not be obligated to (1) pursue any litigation or appeal to obtain such approvals, and (2) may in its own discretion abandon the pursuit of approval or permit as RVHFH deems necessary.

### **III.** Township Commitments

- 1. The Township will include homes built on the specified Properties in the Township's Affordable Housing Plan, and will establish such authority as required by COAH to monitor re-sale price. The Township will have final responsibility for assuring COAH compliance, RVHFH will cooperate with the Township as required.
- 2. The Township will waive all fees associated with permits and applications and use its best efforts to process any application, permits or approvals as expeditiously as the law allows. RVHFH acknowledges that the Township makes no representations that approval will be granted by any Township Agency.
- 3. The Township will transfer title to the Properties to RVHFH at the time RVHFH is ready to obtain a building permit for the property in question. The transfer of property is contingent upon the adoption of the appropriate ordinance pursuant to the Local Lands and Building Law, NJSA 40A:12-1 et seq, authorizing the transfer of the real property.
- 4. The Township shall reimburse RVHFH for the cost of infrastructure improvements necessary for the construction of affordable housing units on the Properties. Such reimbursement shall be made solely from the Township's Affordable Housing Trust Fund, subject to any limitations or restrictions imposed by COAH for such expenditure. Such reimbursement shall be limited to "hard" costs for necessary infrastructure improvements (e.g., roadway improvements, utility extension(s) such as water and/or sewer lines) and shall be made after submittal of invoices and inspection by the appropriate government authority(ies) that such work has been satisfactorily completed. "Soft" costs for construction of the units (e.g., engineering and architectural fees) shall be the responsibility of RVHFH. Total reimbursement shall not exceed \$72,320, which is the amount remaining from the prior Agreement and the amount currently authorized by COAH as part of the Township's Amended Spending Plan.

## **IV.** Mutual Commitments

- 1. The Township and RVHFH will cooperate in the execution of necessary documents to assure household (buyer) eligibility and maintenance of appropriate re-sale prices for the homes.
- 2. The Township and RVHFH agree that this Agreement shall terminate on December 31, 2019.

3. The parties acknowledge that the order of development of the Properties shall be at the sole discretion of RVHFH. Further, RVHFH shall have the sole discretion to not pursue the development of any of the Properties.

IN WITNESS WHEREOF, the parties hereby set their hands and seals on the date set forth below.

FOR RARITAN VALLEY HABITAT FOR HUMANITY, INC

By DORGEN BLANC ROCKSTROM Date 1-6-2015 Dorein Blanc Rockstroom Executive Director (name) (title)

## FOR THE TOWNSHIP OF FRANKLIN

By: Kinhang Francois Date: 1-6-2015 Ann Maire Mc Carty Date: 1-6-2015

## SCHEDULE A

140 Churchill Avenue; Block 95, Lots 33-34 (potential for 1 building lot)
234 Ralph Street; Block 207, Lots 1-8 (potential for 2 building lots)
589 Howard Avenue; Block 534, Lots 6-9 (potential for 1 building lot)
178 Churchill Avenue; Block 95, Lots 15-16 (potential for 1 building lot)
Delmonico Avenue; Block 93, Lots 40-41 (potential for 1 building lot)

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## APPENDIX F

#### THIRD AMENDMENT TO REDEVELOPMENT AGREEMENT

THIS THIRD AMENDMENT (the "Third Amendment") is made this  $\underline{//}$  day of August, 2009 between and among

THE REDEVELOPMENT AGENCY OF FRANKLIN TOWNSHIP, a body corporate and politic of the State of New Jersey, having its office at 475 DeMott Lane, Somerset, New Jersey, 08873 (hereinafter referred to as the "Agency");

#### and

LEEWOOD RENAISSANCE @ FRANKLIN, LLC, a limited liability company having its offices at 12 South Warren Street, Trenton, New Jersey;

#### and

**R. RANDY LEE, AS GUARANTOR,** having an address at 260 Christopher Lane, Staten Island, New York, (collectively hereinafter called the "Redeveloper")

#### WITNESSETH:

WHEREAS, the Agency and the Redeveloper entered into a certain Redevelopment Agreement dated April 28, 2006 (the "Redevelopment Agreement") for the construction of a residential development within a portion of the Renaissance 2000 Redevelopment Area as described in the Redevelopment Agreement (the "Project"); and

WHEREAS, the Redevelopment Agreement was amended by (i) a First Amendment to the Redevelopment Agreement between the parties and approved by the Agency at its November 20, 2006 meeting to reflect changes to the type and number of units that comprised the Project and (ii) a Second Amendment to the Redevelopment Agreement between the parties and approved by the Agency at its October 20, 2008 meeting to, among other things, reflect changes to the number and type of units that comprise the Project, amount and timing of payments to the Franklin Township Sewerage Authority, and the construction schedule; and

WHEREAS, extraordinary economic and financial system conditions have required further changes to the Project, including the phasing and timing of development, and created unprecedented economic impediments to the Project; and

WHEREAS, the New Jersey Housing and Mortgage Finance Agency's CHOICE program financing and subsidy parameters changed in 2009 to, among other things, decrease the subsidy from \$4 million to \$2 million per project, requiring a restructuring of the Project, but not the unit type or mix, to fit those parameters and to facilitate obtaining CHOICE financing for the first one or two Subphases of the Project with a commitment in August, 2009 of available CHOICE funds; and

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WHEREAS, to maintain Project viability, as partially outlined above, the need for flexibility has been recognized by prior Amendments to the Redevelopment Agreement and planning board approvals; and

WHEREAS, there is a need to further amend the Redevelopment Agreement to, among other things, (a) reduce the total number of units for the Project from 212 to approximately 209 (subject to further revisions to the total number of units that could occur due only to regulatory impacts) all of which will be homeownership and of which a total of not less than fifty (50%) percent will be low or moderate income restricted units distributed in accordance with the Uniform Housing Affordability Controls ("UHAC") requirements for COAH credit; (b) amend the phasing schedule for property acquisition and construction of the Project, and provide for subphases for financing purposes; and (c) revise the total estimated cost of the Project; and

WHEREAS, by Resolution duly adopted by the Agency, the Agency has approved the proposed Third Amendment to the Redevelopment Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein, the parties hereby agree to this Third Amendment to the Redevelopment Agreement as follows:

1. <u>Incorporation of Terms</u>: The recitals set forth above are made a part of this Third Amendment as if set forth at length herein.

2. <u>Defined Terms</u>: For purposes of this Third Amendment, any term not specifically defined herein shall be deemed to have the meaning ascribed to such term in the Redevelopment Agreement, unless the context clearly requires otherwise.

3. <u>"Project" and "Improvements.</u>" All provisions, references and recitals set forth in the Redevelopment Agreement with reference to "Project" and "Improvements" are amended and shall hereinafter reflect the development and construction by the Redeveloper of a total of approximately 209 units (subject to further revisions to the total number of units that could occur due only to regulatory impacts) all of which shall be homeownership. A total of not less than fifty (50%) percent of the units shall be low or moderate income restricted units distributed in accordance with the Uniform Housing Affordability Controls ("UHAC") requirements and COAH RULES for COAH credit. A total of no more than fifty (50%) percent of the units shall be market units with no income restrictions. Without limiting the foregoing, all references in the Redevelopment Agreement to two family homes and/or rental units are deleted and of no further force or effect.

4. <u>Financing Date</u>. The term "Financing Date" as defined in the Redevelopment Agreement shall be the date, as to any Phase or Subphase, that is not later than ninety (90) days after (a) Redeveloper has obtained all required Governmental Approvals for such Phase or Subphase; (b) HMFA CHOICE or equivalent financing has

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been committed in writing by the HMFA Board for such Phase or Subphase ("HMFA Financing"); and (c) the Acquisition Trigger Date has occurred for such Phase or Subphase. Redeveloper's obligation to proceed with acquisition and development of any Phase or Subphase is contingent upon obtaining a commitment for HMFA Financing, it being recognized and agreed by the Agency and Redeveloper that HMFA Financing is critical to the Project.

5. <u>Title Updates</u>. Section 2.13 of the Redevelopment Agreement is amended to add that Redeveloper shall have the right, at or before the Financing Date for any Phase or Subphase, to obtain an update or continuation to the title searches ("Title Continuations") previously obtained by Redeveloper and that if any Title Continuation reveals new objections or defects not constituting Permitted Exceptions, all provisions of Section 2.17 shall apply to such objections or defects.

6. <u>Phasing of the Project</u>. Section 2.5 of the Redevelopment Agreement is amended to modify the schedule of Phases and unit types to be as set forth on the amended schedule attached hereto as Exhibit A. The Agency and the Redeveloper agree that the Phases are designed to permit the Units to be built in any order, depending upon market conditions and to provide maximum flexibility to the Redeveloper to meet buyer demand and economic and mortgage financing conditions between commencement of sales and construction and completion of the Project.

In addition, for financing and marketing purposes and as provided in Section 2.5 of the Redevelopment Agreement, Redeveloper shall have the right to designate within each Phase, one or more smaller subphases ("Subphases") as determined by Redeveloper. Each Subphase so established by Redeveloper may be acquired and developed independently of any other Subphase or Phase, and all requirements, terms and conditions of the Redevelopment Agreement with regard to property acquisition, financing and construction and related matters (including by way of example, but not limited to, Acquisition Trigger Dates and Acquisition Termination Dates, Commencement of Construction, Financing Dates; Financing Packages, and the provisions of Section 3.3(k)) shall be applicable on a Phase by Phase, or if Subphases are established by Redeveloper, on a Subphase by Subphase basis. Development of low and moderate COAH restricted units in each Subphase need not be at a ratio of 50/S0 to market units; provided that of the first one hundred (100) units constructed in the Project, not less than forty (40) shall be low and moderate income COAH qualified units and of the total number of units in the Project, not less than fifty (50%) percent shall be low and moderate income restricted COAH qualified units.

7. <u>Financing</u>. The second complete sentence of Section 2.11 (c) and the second full paragraph of Section 2.19 are each amended to read in their entirety as follows:

"The Agency shall not commence any condemnation proceedings for any land in a Phase or Subphase until Redeveloper obtains approval for HMFA Financing for that Phase or Subphase, and shall not file a

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Declaration of Taking in any such action unless requested by Redeveloper and the necessary funds are provided for such action by Redeveloper if not already available to the Agency or required by the court."

8. <u>Environmental Remediation Costs</u>. Section 3.4 of the Redevelopment Agreement is amended by deleting the fifth (5<sup>th</sup>) sentence and replacing it in its entirety with the following in order to make such Section applicable to Subphases:

> "If prior to conveyance of the Acquisition Parcels located within any Phase or Subphase of the Project Site to Redeveloper, Redeveloper determines that costs for environmental Cleanup or obtaining environmental compliance are reasonably likely to exceed \$2,000 per unit for any Subphase, \$170,000 for any Phase or \$500,000 in the aggregate for the entire Project Site, and such amount will not be recovered from a third party including the current property owner, Redeveloper may at its option and after submission of supporting documentation reasonably acceptable to the Agency, (i) elect not to proceed with such Subphase or Phase, or (ii) terminate this Agreement upon written notice to the Agency, in which case the remedies of Section 7.2 shall apply."

9. <u>Permitted Transactions</u>. Redeveloper, in order to maximize HMFA financing and facilitate development of each Subphase, may create one or more limited liability companies, each to be owned no less than fifty one (51%) percent by Redeveloper and/or its principals, to acquire and develop one or more Sub-phases. Accordingly, Section 5.3(c) of the Redevelopment Agreement with regard to Permitted Transfers is replaced in its entirety, as follows:

"(c) in order to qualify for long term tax abatement and/or to facilitate financing for the Project, or any Phase or Subphase thereof, assignment of Redeveloper's rights under this Agreement with respect to any Phase or Subphase or transfer of all or part of the Project Site to one or more urban renewal entities (as that term is defined in the Long Term Tax Abatement Law, N.J.S.A. 40A:20-1 et seq.) and/or limited liability companies, in each case owned no less than fifty one (51%) percent by Redeveloper or its principals for the sole purpose of developing the Project, or any Phase or Subphase;"

No transfer under Section 5.3(c) will relieve Redeveloper from any liability or obligation under the Redevelopment Agreement.

10. <u>Acquisition Costs</u>. Consistent with the anticipated acquisition and development of the Project on a Phase or Subphase basis, the budget for Acquisition Costs shall be provided by Redeveloper for each Phase or Subphase, as applicable, in accordance with Section 2.21 of the Redevelopment Agreement on or before the applicable Financing Date for that Phase or Subphase.

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11. <u>Bonding</u>. In recognition of the current economic conditions and the substantial affordable housing component of the Project, the Agency agrees to support any requests or actions by Redeveloper to eliminate or reduce, to the greatest extent permitted by applicable law, the extent to which Redeveloper will be required to bond improvements in connection with the Project.

12. <u>No Defaults</u>. By signing this Amendment, Redeveloper represents that to its knowledge the Agency is not in default of the Redevelopment Agreement on the date hereof and the Agency represents that to its knowledge Redeveloper is not in default of the Redevelopment Agreement on the date hereof.

13. Use of Affordable Housing Trust Funds. A total of One Million (\$1,000,000.00) of Affordable Housing Trust Funds have been committed to the Project by the Township ("AHT Funds") and will be disbursed to Redeveloper by the Township pursuant to a Developer's Agreement to be entered into on terms mutually satisfactory to the Township and Redeveloper.

14. <u>Revised Concept Plan</u>. Attached hereto as Exhibit B is the revised Concept Plan for the Project, which has been approved by the Agency.

15. <u>Effect of Amendment</u>. All provisions of the Redevelopment Agreement shall be deemed to be amended to the extent required to give effect to and to be consistent with the amendments set forth in this Third Amendment. Except as so modified, all provisions of the Redevelopment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Agency has caused this Third Amendment to be duly executed in its name and on behalf of the Chairman of its Board of Commissioners, and its seal to be hereunto duly affixed and attested by its Secretary and the Developer has caused this Third Amendment to be duly executed in its name and on behalf of the Chairman of the Board of Directors or Chief Executive Officer, on or as of the day first above written.

ATTEST:

NAME: KENNETH W. DALY TITLE: EXECUTIVE DIRECTOR & SECRETARY REDEVELOPMENT AGENCY OF FRANKLIN TOWNSHIP

BY. NAME: RICHARD BARBER

TITLE: CHAIRMAN

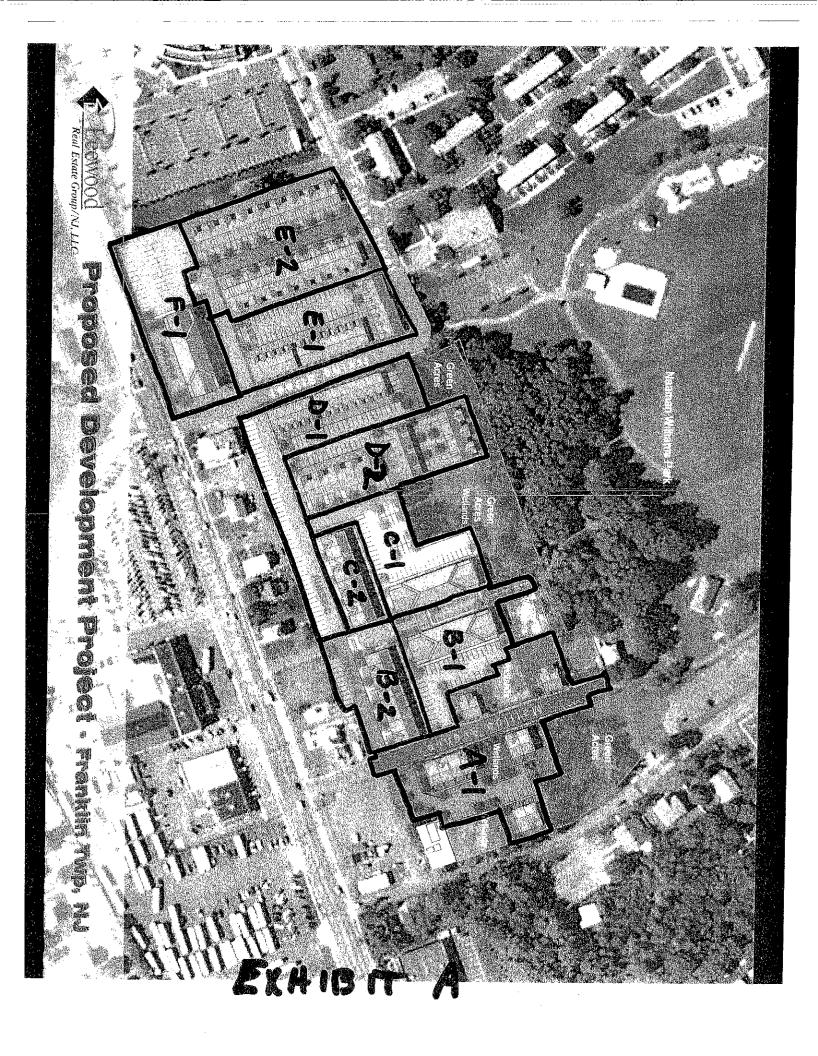
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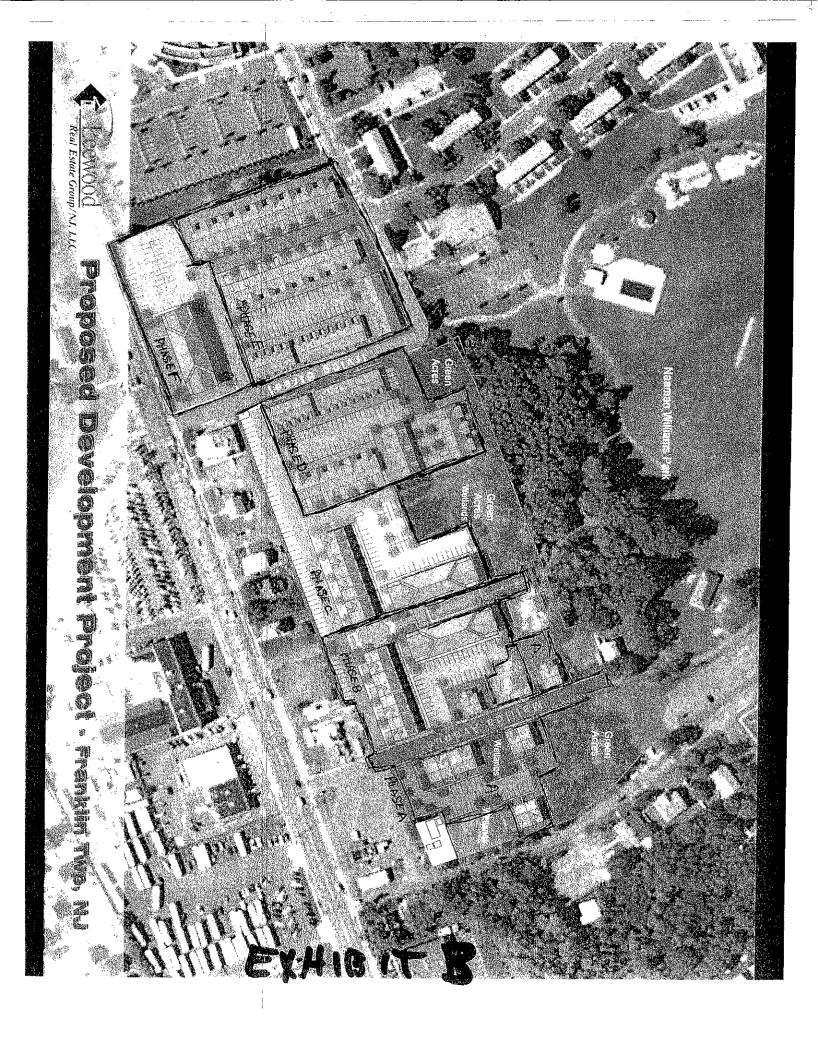
## EXHIBIT A

## Revised Phasing and Unit Schedule

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# APPENDIX H

#### FACT SHEET

SUBSTANTIVE CERTIFICATION Municipality -Franklin Township County -Somerset Region -3 Court-Transferred-Yes Pre-credited Number - 745 Indigenous Need -71 Credits -253 Adjustments -N/A Fair Share Number - 492 (559)\* Rehabilitation Component - This was satisfied through credits (71) Inclusionary Component: a. Low/moderate units to be zoned - N/A b. Low/moderate units zoned - 6 DU/acre (179 ac.)=1,074 units 15%=161 1/m 8 DU/acre (179 ac.)=1,432 units 20%=286 1/m (These are in excess of the fair share obligation) c. Low/moderate approved - 528 plus 31 bonus rental credits=559\* Accessory Apartment Component - N/A Regional Contribution Agreement - N/A Federal/State Grants - N/A Waivers Requested - 1) to the rental bonus credit rule 2) pricing stratification for 318 units at Franklin Field 3) to the low/mod split of the inclusionary units for individual projects. Mediation/Objectors - Brener Associates, JZR Associates, Public Advocate, Receko Recommendation -Grant Substantive Certification \*Franklin Township has provided for more than the fair share obligation.

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### EXECUTIVE SUMMARY FRANKLIN TOWNSHIP/SOMERSET COUNTY REGION #3

Franklin Township, Somerset County has a precredited need of 745 units which includes 71 indigenous units. The housing element contains crediting documentation for 253 units; 71 were rehabilitated and 182 were new construction since 1980. Therefore, Franklin had to provide for 492 units in the fair share plan.

The Township's fair share plan is based on four approved development projects that total 559 units. The plan also requires the rezoning of 179 acres which requires a 15% low/moderate set aside @ 6DU/acre and a 20% set aside @ 8DU/acre that could yield between 161 to 286 low/mod units.

Franklin's total precredited need is 745 units. With the Township's credits of 253 units and inclusionary units of 559 a total of 812 low/moderate units are provided. Thus Franklin has exceeded its precredited need by 63 units. This excess does not include the potential units from the rezoned 179 acres in the Township.

Therefore, Franklin Township has met its fair share number and its housing element meets COAH's substantive rules, as amended, substantive certification is recommended.

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JB/py

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## COAH REPORT FRANKLIN TOWNSHIP/SOMERSET COUNTY REGION #3 MAY 13, 1987

Franklin Township, Somerset County is approximately 47 square miles located in the central portion of the state. The Township development pattern is very diverse with the Route 287 corridor very densely developed and the rest of the Township either suburban or even rural in character.

However, the Township is faced with much growth pressure. In 1980 the population was 31,358 and the latest population estimate for 1990 puts the total population at 45,724. This would be projected increase of 31% in one decade.

This growth pressure is further substantiated by the growth in housing units and jobs. In 1980 there were 10,060 housing units; by 1986 this figure was estimated at 12,141. This is a 20% increase in the last six years. At this pace by 1990 the total housing units could be 13,529 units, an almost 35% increase in ten years.

Job growth in Franklin was even more substantial than housing. In 1980 there were 10,700 jobs in the Township and by 1985 there were 15,300 jobs. This is a better than a 50% increase which changed the job to household ratio from 1:1 in 1980 to 1.25:1 in 1985.

#### NUMBER

The COAH precredited need of Franklin Township is 745 units. This includes 71 indigneous units.

### CREDITS

Franklin Township is seeking credit for 253 units which includes both rehabilitation and new construction. These credits are contained in three basic projects. They are as follows:

PROJECT NAME	NUMBER	TYPE
Parkside Public Hous	ing 71	Rehabilitation (100 units capped at indigenous need of 71 units)
Central Jewish Home For the Aged	100	New construction (completed before 1987)
Franklin Field	82	New construction (completed before 1987)
TOTA	AL 253	

These credits meet all of COAH's rules and regulations regarding crediting. This includes the newly constructed units that were approved by the courts.

#### FAIR SHARE PLAN

#### A. REHABILITATION COMPONENT

The Township did not have to include this because their credits fulfilled their entire indigenous need.

#### B. INCLUSIONARY COMPONENT

The inclusionary component of the Township's fair share plan is based on two distinct elements. First, the 559 units that are set aside from four approved housing projects (Quail Crest, Franklin Field, White Hall Manor, JZR Associates) including rental bonus credits. They are as follows:

PROJECT NAME	LOW/MODERATE UNITS
Quail Crest Franklin Field White Hall Manor (rental) JZR Associates	27 318 100 83
Rental Bonus Credits	-31
TOTAL	559

All four of these projects were approved under a 1972 ordinance which established the low/moderate split as 5% low and 10% moderate. Since these projects were approved based on an ordinance that pre-dates COAH the Township will need to request a waiver to the 50/50 split for these individual projects. The ordinance will be amended to reflect COAH's criteria. However, the final obligation achieves a 50/50 low and moderate split.

The Franklin Field PUD was also part of a settlement in a Mount Laurel I case. The pricing stratification for these units was assigned by the court. Therefore, the Township will also need a waiver for this element of the project.

The Township also intends to rezone 179 acres of land. The new zoning district will allow either 6 DU/acre with a 15% set aside or 8 DU/acre with a 20% set aside. This zoned acreage could yield somewhere between 161 to 286 low/moderate units. Franklin is also amending its zoning ordinance section #405 so that their low/moderate income income qualifications, affordability controls, etc. will all be in compliance with COAH's substantive rules. After this amendment all of the inclusionary requirements and approved developments will meet COAH's rules.

#### POST MEDIATION REVIEW

There were four objectors to the Township's housing element and fair share plan. The objectors included: the Office of the Public Advocate; JZR and Receko (developers within the C-R zone); and the Brenar Associates. Most of

-3-

the objections involved credits claimed by Franklin and the ability of the Township to provide sewer to the C-R zone in a timely manner.

The objections pertaining to sewer (JZR and Receko) were successfully mediated and agreements have been signed. The sewer capacity will be provided in two phases. As a result of mediation all the developers will receive limited capacity in Phase I. The Township has unconditionally agreed to provide Phase II within three and one-half years. Due to these agreements, JZR and Receko withdrew all of their objections.

However, the objections to the credits were not immediately withdrawn. The Public Advocate objected the Public Housing Rehabilitation and the 318 units at Franklin Field. Brenar Associates objected to the 318 units at Franklin Field. It should be noted that all of Franklin's credits were reviewed by COAH staff and a COAH task force and were found to be consistent with COAH's procedural and substantive rules. The Council determined this was not a contested case. The mediation report is attached.

### WAIVERS

Franklin Township has submitted the following waver for substantive certification:

A. A waiver allowing Franklin to include their rental bonus credits.

B. A waiver for the pricing stratification of the 318 units at Franklin Field that were approved prior to COAH's rules.

C. A waiver allowing the pre-approved inclusionary units to provide only 5% low income units and 10% moderate income units of the 15% set aside agreed to.

The waiver request is attached.

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## **RECOMMENDATIONS**

It is recommended that this plan be granted substantive certification subject to Franklin Township fulfilling the following conditions:

A. The Township must adopt their fair share plan as part of their zoning ordinance.

B. All of the waivers mentioned above are granted.

attachments

JB/py 0451e

## RESOLUTION GRANTING SUBSTANTIVE CERTIFICATION No. /7

WHEREAS, on January 5, 1987, Franklin Township, Somerset County submitted an adopted housing element and fair share plan dated November 3, 1987 and prepared by John Chadwick, P.P. to the Council on Affordable Housing (COAH); and

WHEREAS, since Franklin Township is a court transferred matter, the submission of its adopted housing element and fair share plan was deemed to be a petition for substantive certification pursuant to <u>N.J.A.C.</u> 5:91-4.2; and

WHEREAS, Franklin Township published notice of its petition for substantive certification in the <u>Home News and the Somerset Spectator</u>, both of which are newspapers of general circulation within the municipality and county, on January 5, 1987, pursuant to <u>N.J.S.A.</u> 52:27D-313 and <u>N.J.A.C.</u> 5:91-4.3; and

WHEREAS, valid objections were filed to Franklin Township's substantive certification within 45 days from the publication of its notice of petition for substantive certification, pursuant to <u>N.J.S.A.</u> 52:27D-314 and <u>N.J.A.C.</u> 5:91-<u>et. seq.</u>; and

WHEREAS, as a result of the filing of valid objections, COAH engaged in mediation with the objectors and Franklin Township pursuant to <u>N.J.S.A.</u> 52:27d-315 and <u>N.J.A.C.</u> 5:91-7.1 <u>et. seq.</u>; and

WHEREAS, mediation resulted in the resolution of objections and agreement between the parties as detailed in the mediator's report which is attached to this resolution as Appendix A and is incorporated herein; and

WHEREAS, COAH having considered the mediator's report, and the COAH review report which is attached hereto as Appendix B; and

WHEREAS, COAH having reviewed Franklin Township's petition for substantive certification to determine whether it is consistent with the rules and criteria adopted by COAH and the achievement of low and moderate income housing needs of the region; id

WHEREAS, COAH further having reviewed the Township of Franklin's petition for substantive certification to determine whether the combination of the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations, and the affirmative measures in the housing element and implementation plan make the achievement of the municipality's fair share of low and moderate income housing realistically possible; and

WHEREAS, COAH has determined that Franklin Township's precredited need is 745; and

WHEREAS, the Council has determined that Franklin Township is entitled to 182 credits for pre-approved affordable housing units; and

WHEREAS, the Council has determined that Franklin Township is entitled to 71 credits for rehabilitation of public housing units; and WHEREAS, the Council has determined that Franklin Township has provided for more than its fair share obligation in that it has zoned for low and moderate income housing in excess of its fair share obligation as detailed in the attached staff report, and, therefore in light of the above Franklin Township would be entitled to substantive certification not withstanding the 71-credits; and

WHEREAS, COAH has determined that Franklin Township's final need number is 492 since there are credits and adjustments; and

NOW THEREFORE BE IT RESOLVED that Franklin Township's petition for substantive certification of its housing element and Fair Share plan is hereby granted; and

BE IT FURTHER RESOLVED that a waiver is granted to allow Franklin Township to include their rental bonus credits; and

BE IT FURTHER RESOLVED that a waiver is granted for the pricing stratification of 318 units at Franklin Field due to their approval pre-dating COAH's rules; and

BE IT FURTHER RESOLVED that a waiver is granted allowing the pre-approved inclusionary units in individual projects to provide only 5% low income units and 10% moderate income units of the 15% set aside agreed to as the total of fair share units meet the 50/50 low and moderate income housing split; and

BE IT FURTHER RESOLVED that Franklin Township shall adopt its fair share housing ordinance within 45 days of the date of the granting of substantive certification; and

\*\* TOTAL PAGE,012

BE IT FURTHER RESOLVED that this certification shall be for a period of six years from the date of its certification; and

BE IT FURTHER RESOLVED that Franklin Township shall provide COAH with a certified copy of the adopted fair share housing ordinance within one week of the adoption; and

BE IT FURTHER RESOLVED that any changes in the facts upon which this certification is based, or any deviations from the terms and conditions of is certification, which affects Franklin Township's ability to provide for is realistic opportunity for its fair share of low and moderate income housing and which Franklin Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was duly adopted by the Council on Affordable Housing at its public meeting on

Arthur R. Kondrup Chairman, Council on Affordable Housing

# APPENDIX I



## State of New Jersey

COUNCIL ON AFFORDABLE HOUSING CN-813 TRENTON NJ 08625-0813 609-292-3000 FAX: 609-633-6056 TDD#: (609) 278-0175

JANE M. KENNY Chairman

SHIRLEY M. BISHOP, P.P. Executive Director

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### July 9, 1997

Honorable Kimberly Francois Franklin Township 475 De Mott Lane Somerset, New Jersey 08873-4153

Dear Mayor Francois:

CHRISTINE TODD WHITMAN

Governor

Congratulations!

Enclosed is a copy of the resolution by the Council on Affordable Housing (COAH) at the July 9, 1997 meeting that granted your municipality substantive certification. Please take note that all implementing ordinances including applicable zoning must be adopted no later than 45-days from the grant of substantive certification.

If you have any questions or need further information, please call Monica Etz, COAH planner, at (609)292-4646.

Sincerely Executive Director

encl.

cc: attached service list Monica Etz, COAH planner

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RESOLUTION GRANTING SUBSTANTIVE CERTIFICATION No. 8 1-99

WHEREAS, Franklin Township, Somerset County, petitioned COAH for substantive certification of its 12-year cumulative housing obligation on March 6, 1995; and

WHEREAS, Franklin Township published notice of its petition in the <u>Courier News</u> and the <u>Home News</u> on March 9, 1995; and

WHEREAS, the publication of notice initiated a 45-day objector period which resulted in one objection from J. DuFour & Associates and Providence Corporation (DuFour); and

WHEREAS, Franklin Township's 12-year (1987-1999) cumulative obligation is 819 units: 53 rehabilitation and 766 new construction; and

WHEREAS, Franklin Township has completed a 29-unit regional contribution agreement (RCA), is eligible for 182 prior cycle credits, may receive credit for 289 for-sale units completed at Franklin Field, 28 for-sale units at Quail Crest, 48 rental units completed at Rolling Hills, 100 rental units approved at Whitehall Manor, 80 units approved at Westminister Mews, as well as 146 rental bonus credits; and

WHEREAS, Franklin Township is eligible for credits and reductions totaling 903 units to address an 819-unit precredited need, thereby meeting and exceeding its 12-year cumulative obligation; and

WHEREAS, in response to the objection from DuFour, mediation was initiated on October 31, 1995; and

WHEREAS, DuFour objected to its site being omitted from the housing element and fair share plan as an inclusionary site; and

WHEREAS, during the course of mediation, a zone change was negotiated on the DuFour site and mediation was concluded on July 3, 1996; and

WHEREAS, a mediation report dated May 23, 1997 was issued (see attached Exhibit A) and presented to COAH and received no comments or objections during the 14-day comment period; and

WHEREAS, COAH issued a COAH Compliance Report (see attached Exhibit 1) dated June 6, 1997 recommending that substantive certification be granted to Franklin Township, Somerset County.

NOW THEREFORE BE IT RESOLVED that COAH has reviewed Franklin Township's petition for substantive certification of its housing element and fair share plan and determines that it is consistent with the rules and criteria adopted by COAH and the achievement of low and moderate income housing needs of the region; and

BE IT FURTHER RESOLVED that COAH finds that the housing element and fair share plan submitted by Franklin Township comport with the standards set forth in <u>N.J.S.A.</u> 52:27D-314 and are consistent with the rules and criteria adopted by COAH; and

BE IT FURTHER RESOLVED that Franklin Township has met and exceeded its 12-year cumulative obligation of 819 units; and

BE IT FURTHER RESOLVED that Franklin Township has an excess of 83 units which may be credited towards a future obligation as COAH regulations permit; and

BE IT FURTHER RESOLVED that COAH hereby grants substantive certification to Franklin Township's housing element and fair share plan for a period of six years; and

BE IT FURTHER RESOLVED that any change in the facts upon which this certification is based or any deviation from the terms and conditions of this certification which affects the ability of the municipality to provide for the realistic opportunity of its fair share of low and moderate income housing and which the municipality fails to remedy may render this certification null and void.

I hereby certify that this resolution was duly adopted by the Council on Affordable Housing on Shirley Bishop, Executive Director Council on Affordable Housing

7/9/97

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## Stafe of New Jersey

COUNCIL ON AFFORDABLE HOUSING CN-813 TRENTON NJ 08625-0813 609-292-3000 FAX: 609-633-6056 TDD#: (609) 278-0175

JANE M. KENNY Chairman SHIRLEY M. BISHOP, P.P. Executive Director

#### COAH SUMMARY FACT SHEET: 1987 TO 1999

July 9, 1997

MunicipalityFranklin TownshipCountySomersetRegion#3

CHRISTINE TODD WHITMAN

Governor

Petition for CertificationMarch 6, 1995COAH Mediation ReportMay 23, 1997COAH Compliance ReportJune 6, 1997Substantive CertificationJuly 9, 1997

Planning Areas <u>1. 2. 3. 4 and 5</u> Staff Reviewer <u>Monica S. Etz</u>

#### 

Prior cycle credits	-182	
RCA - completed	- 29	
 Franklin Field (for-sale units) - completed	-289	
Quail Crest (for-sale units) - completed	-28	
Rolling Hills (rentals) -completed	-48	
Whitehall Manor (rentals) - approved	- 100	
Westminster Mews - approved	-80	
Rental bonus credits	<u>-146</u>	
	0	(83 surplus units*)

## Recommendation GRANT SUBSTANTIVE CERTIFICATION

\*Franklin Township has 83 surplus units which may be credited toward a future obligation as COAH regulations permit.



EXECUTIVE SUMMARY - Substantive Certification FRANKLIN TOWNSHIP, SOMERSET COUNTY July 9, 1997

#### BACKGROUND

On March 6, 1995, the Council on Affordable Housing (COAH) received Franklin Township's petition for substantive certification. One objection to the township's housing element and fair share plan was filed.

#### **MEDIATION**

One party objected to the township's housing element and fair share plan. The party objected that its site was omitted from Franklin's plan. Mediation was initiated in October 1995 and after negotiating a zone change for the site, mediation concluded in July 1996. The site will not contribute any affordable housing units.

## **CREDITS and REDUCTIONS**

Franklin Township has a 12-year cumulative obligation of 819 units: 53 rehabilitation and 766 new construction. Franklin Township has a total of 903 eligible credits and reductions, thereby meeting and exceeding its obligation by 83 units.

#### **CONCLUSIONS and RECOMMENDATIONS**

Franklin's precredited need of 819 units has been met and exceeded through prior housing activity. The surplus affordable housing units will be documented and may be applied to a third round obligation as permitted by COAH regulations.

Based on this review, it is recommended that Franklin Township, Somerset County, be granted substantive certification.

## EXHIBIT 1

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## COMPLIANCE REPORT - Substantive Certification FRANKLIN TOWNSHIP, SOMERSET COUNTY -June 6, 1997 Prepared by Monica Etz, Principal Planner

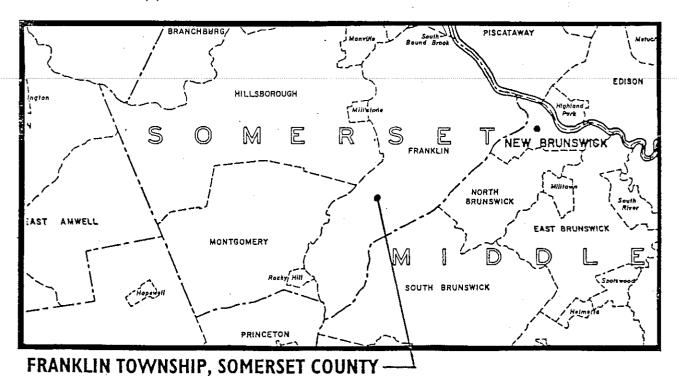
## I. INTRODUCTION

Franklin Township, Somerset County, first received substantive certification from the Council on Affordable Housing (COAH) on September 28, 1987 and received interim certification on November 10, 1993.

On March 6, 1995, COAH received Franklin Township's adopted housing element and a resolution from the governing body requesting substantive certification. Franklin Township published notice of its petition for substantive certification in the <u>Courier News</u> and the <u>Home News</u> on March 9, 1995. The publication of notice initiated a 45-day objection period which ended on April 24, 1995. During the 45 days, one party submitted an objection to Franklin Township's housing element and fair share plan.

#### II. HOUSING STOCK INVENTORY, PROJECTION and ANALYSIS

Franklin Township has provided housing inventory and analysis based on the 1990 census information. Housing stock, age of housing stock, condition of housing, housing values, occupancy characteristics and types, projection of the housing stock, demographic characteristics, household size, household income and employment data have been submitted in conformance with N.J.A.C. 5:93-5.1(b).



## III. CREDITS and REDUCTIONS

Franklin Township has a 12-year cumulative obligation of 819 housing units: 53 rehabilitation and 766 new construction. The township has met and exceeded its obligation through a combination of prior-cycle credits, a regional contribution agreement (RCA), new construction completed since 1987, three inclusionary developments which have final approvals and rental bonus credits.

#### (a) Prior Cycle Credits

Prior cycle credits are units that were constructed between 1980 and 1986. Franklin received credit for 182 prior cycle credits when it received substantive certification from COAH on September 28, 1987. That number reflects 100 units in the Central Jersey Jewish Home for the Aged and 82 for-sale units in Franklin Field (Society Hill). [182 prior cycle credits]

## (b) <u>Regional Contribution Agreement</u>

A 29-unit RCA with the City of Perth Amboy was completed during Franklin Township's first period of substantive certification. [29 units]

## (c) Inclusionary Developments - completed

Franklin Township indicated that 316 units of new construction have been completed since 1987. These units consist of an additional 289 for-sale units in the Franklin Field project and 28 for-sale units constructed in the Quail Crest project. Both projects were proposed as part of the township's first certification. [317 units]

## (d) Inclusionary Zoning - approvals granted

As part of Franklin's first certification, the municipality zoned three additional tracts of land for inclusionary developments: 100 rental units at Whitehall Manor, 48 rental units at Rolling Hills and 83 for-sale units at Westminster Mews. All three projects have received final approvals. As per a letter from Franklin Township dated November 12, 1996, when final approval was granted for Westminster Mews, it included only 80 affordable units. Therefore, the three projects once completed will yield 228 units. [228 units]

### (e) Rental Component and Rental Bonus Credits

According to  $\underline{N.J.A.C}$ . 5:93-5.14(a), every municipality has an obligation to create a realistic opportunity for rental units. The rental obligation is calculated as follows:

= (.25)(precredited need - prior cycle credits - the rehabilitation component) = (.25)(819 - 182 - 53) = (.25)(584) = 146

Based on this calculation, Franklin Township's 12-year cumulative obligation for rental units is 146. The housing element and fair share plan include two affordable rental projects: Whitehall Manor with 100 affordable rental units and Rolling Hills with 48 affordable rental units. Both projects have received final approvals. Therefore, the township has addressed this obligation.

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According to <u>N.J.A.C.</u> 5:93-5.13(d), a municipality may receive a two-for-one rental bonus credit for affordable rental units that are not age-restricted. The maximum number of family units that are eligible for the bonus is defined by the same calculation as for the rental obligation: 146 as shown above.

Franklin has requested the maximum rental bonus credits. At this time, both rental projects have received final approvals. To date, 48 affordable rentals have now been completed and leased at Rolling Hills (now known as Countryside) and Whitehall Manor has started construction. Although Franklin Township has 148 family rental units, the township may only receive 146 rental bonus credits as per the calculation shown above. **[146 rental bonus credits]** 

## (f) Substantial Compliance

The municipality also requested reductions for substantial compliance. Franklin Township was certified in 1987 with zoning for 547 affordable housing units. At the time that Franklin petitioned for "second round" substantive certification on March 6, 1995, 316 units had been constructed within Franklin Township. This represents 57.7 percent for purposes of calculating substantial compliance. According to <u>N.J.A.C.</u> 5:93-3.6, a municipality receives substantial compliance reductions at 70 percent of completion. In this case, Franklin Township is not eligible for any reductions. **[0 credits]** 

12- Year CUMULATIVE OBLIGATION	819 (53 rehab/766 new
a) Prior Cycle Credits	- 182
b) RCA - completed	-29
c) Franklin Field - completed	- 289
d) Quail Crest -completed	- 28
e) Westminster Mews - approved	- 80
f) Whitehall Manor (rentals) - approved	-100
g) Rolling Hills (rentals) - completed	- 48
h) Rental bonus credits	- 146
	= 83 surplus units

## SUMMARY OF HOUSING ACTIVITY

#### IV. EXCESS ZONING

In Franklin Township's previously certified fair share plan, there were 179 acres within the municipality (C-R and GB zones) which had inclusionary zoning in place. The zoning, which would provide excess units, required a 15 percent setaside if developed at six units per acre or a 20 percent setaside at eight units per acre. Based on these densities, the land could produce between 161 and 286 excess units.

At the time of petitioning in March 1995, Franklin had indicated that there were 173 acres within the C-R and GB zones which could produce excess units. Franklin acknowledged that the zoning was not needed to certify Franklin's plan since credits, reductions and rental bonuses reduce the fair share number to zero. Franklin stated in its housing element and fair share plan that it was revisiting the excess zoning to determine if the zoning would remain in place. Since the excess zoning is not part of Franklin's certified plan, the township does not need COAH's approval for zone changes to these sites.

#### V. MEDIATION

During the 45-day comment period, one objection was received from J. DuFour & Associates/Providence Corporation, contract purchasers of Block 11.01, Lot 10.01 in Franklin Township. The party objected to the omission of its site from Franklin's housing element and fair share plan. According to the objector, the site was zoned for inclusionary development as part of a negotiated settlement in court and was identified in Franklin's 1987 certified plan as one of several sites zoned in excess of its obligation. As part of the 1987 certified plan, the objectors claimed that the site was protected under NJAC 5:93-5.11 and could not be omitted from Franklin's plan.

Mediation opened on October 31, 1995 and concluded on July 3, 1996. The parties negotiated and agreed upon a zone change which deleted the affordable housing obligation on the objector's site. A Mediation Report, dated May 23, 1997, was issued to all parties. (See attached Exhibit A.)

## VI. <u>IMPLEMENTATION OF THE AFFORDABLE HOUSING PLAN</u>

Franklin Township has addressed its 12-year cumulative obligation. However, the township must address the following implementation measures as per <u>N.J.A.C.</u> 5:93.

### (a) Fair Share Ordinances

Franklin Township is required to adopt the updated fair share ordinances within 45 days of substantive certification and forward the adopted ordinances to COAH. The updated ordinance will include regulations regarding low/moderate income unit split as per <u>N.J.A.C.</u> 5:93-7.2(a), bedroom distribution as per <u>N.J.A.C.</u> 5:93-7.3, affordability controls as per <u>N.J.A.C.</u> 5:93-9 and establishing rents and prices of units as per <u>N.J.A.C.</u> 5:93-7.4. (See attached Exhibit B.)

### (b) Affirmative Marketing Plan

Franklin is responsible for adopting the updated affirmative marketing ordinance within 45 days of substantive certification. The affirmative marketing ordinance, prepared in conformance with <u>N.J.A.C.</u> 5:93-11, will replace the previous affirmative marketing plan.

## (c) Administrative Entity

In accordance with <u>N.J.A.C.</u> 5:93-9.1(a), municipalities must designate an entity with the responsibility of ensuring the affordability of for-sale and rental units over time. The entity is also responsible for income qualification of low and moderate income households, applicant selection

and rerentals as they become available during the period of affordability. Franklin Township has contracted with the Somerset County Coalition on Affordable Housing (SCCOAH) to handle the administration of the affordable units.

## (d) Development Fee Ordinance

Although Franklin Township has expressed an interest in pursuing a development fee ordinance, to date, the township has not submitted one. Franklin Township may pursue a development fee ordinance at any time during the period of substantive certification.

#### VII. <u>CONCLUSION</u>

Franklin Township has a cumulative 12-year obligation of 819 housing units: 53 rehabilitation and 766 new construction. The township has met and exceeded the obligation through a combination of 182 prior-cycle credits, a 29-unit RCA, 317 units in two (completed) inclusionary developments, 228 units in three approved inclusionary developments and 146 rental bonus credits. Franklin Township has met its obligation with a surplus 83 units which may be applied to a third round obligation as COAH regulations permit.

COAH staff recommends that substantive certification be granted. Franklin Township must adopt the implementing ordinances (fair share ordinance and affirmative marketing plan) within 45 days of substantive certification and forward the ordinances to COAH.

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# EXHIBIT A

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## MEDIATION REPORT FRANKLIN TOWNSHIP/SOMERSET COUNTY REGION 3 PREPARED BY: SEAN THOMPSON, MEDIATOR May 23, 1997

#### INTRODUCTION

This report summarizes the mediation that occurred between Franklin Township, Somerset County, and J. DuFour & Associates and Providence Corporation, contract purchasers of a site not designated for inclusionary development in the township's February 28, 1995 housing element and fair share plan. Mediation began on October 1995 and ended on July 3, 1996. Mediation resulted in a settlement agreement between the parties.

#### BACKGROUND

Franklin Township received its first substantive certification from the Council on Affordable Housing (COAH) on September 28, 1987 based on a final fair share number of 492. The township's fair share plan included zoning and rental bonus credits for 559 units.

Franklin Township petitioned COAH for substantive certification of its 12-year cumulative (1987-1999) obligation on February 28, 1995 and published notice on March 6, 1995. The plan submitted includes a request for credits and reductions that reduce the township's cumulative obligation to zero. During the 45-day objector period, one objection was filed (Dufour).

#### **OBJECTION**

J. DuFour & Associates and Providence Corporation, contract purchasers of block 11.01, lot 10.01 (66.7 acres), objected to Franklin's fair share plan and housing element. J. DuFour & Associates and Providence Corporation stated that their site was omitted from Franklin's housing element and fair share plan and should be included because a development application had been filed with the Franklin Township Planning Board that contained low and moderate income units.

#### **MEDIATION**

The first mediation session was held on October 31, 1995. However, during the course of mediation, the township mediation team was changed due to an election and the new members

requested additional time. On December 15, 1995, COAH granted a 60-day extension of mediation. On April 8, 1996, COAH received confirmation that Thomas J. Cafferty, Esq., former township attorney, and Robert Mettler, council member, were to be replaced by Kimberly Francois, mayor of Franklin Township; Harold Weber, planning board member; and Philip E. Heathcote, Esq., new township attorney. Ellen Ritchie, P.P., township planner, participated on both teams.

Mediation continued on April 25, 1996 with the new township team and the objector. During that time, both parties drafted a negotiated agreement conditioned upon a zoning change. On July 3, 1996 mediation ended with the expectation that the zoning change would be enacted by the Franklin Township governing body at its earliest meeting.

#### POST-MEDIATION

The zoning change was introduced on July 1996 and scheduled for adoption on August 13, 1996, but the governing body carried over action to October 8, 1996. These delays occurred because Sidney Kuchin and the Estate of Evelyn Fisher, property owners, filed an emergent motion with COAH on August 8, 1996. As a result of the emergent motion, COAH found that Franklin Township had to notice property owners in the Phase I zone and Franklin proceeded to do so. Because of this notice requirement, the township decided not to act on the zoning change since the notification initiated a 45-day objector period and the township did not know if there would be new objectors.

On June 19, 1996, Franklin Township amended its master plan designating DuFour's site as suburban-residential use and on February 17, 1997 adopted Ordinance No. 1921 which deleted the affordable housing obligation on the J. DuFour & Associates and Providence Corporation site. This ordinance was the focus of an amendment on May 13, 1997.

From February 17, 1997 to the present, no signed agreement has been forwarded to COAH. However, the zoning was changed to reflect the objector's concerns.

#### MEDIATED AGREEMENT

There are no contested issues of fact. With the enactment of the zoning, the objections of J. DuFour & Associates and Providence Corporation are resolved.

# APPENDIX J



State of New Jersey Council on Affordable Housing 101 South B ROAD STREET PO BOX 813 TRENTON, NJ 08625-0813 (609) 292-3000 (609) 633-6056 (FAX)

LORI GRIFA Commissioner

**SEAN THOMPSON** Acting Executive Director

July 19, 2010

The Honorable Brian D. Levine Franklin Township 475 DeMott Lane Somerset, NJ 08873

## **RE: SUBSTANTIVE CERTIFICATION**

Dear Mayor Levine:

Congratulations!

Enclosed is a Resolution approved by the Council on Affordable Housing (COAH) granting third round substantive certification to Franklin Township/Somerset County.

Pursuant to <u>N.J.A.C</u>. 5:96-6.3(e), Franklin Township has 45 days from the grant of this substantive certification to adopt all implementing Fair Share Ordinances, or COAH's grant of substantive certification shall be void and of no force or effect.

If you have any questions, please contact Maria Connolly, COAH Principal Planner at (609) 292-4317. We appreciate the opportunity to work with you on your affordable housing planning and thank you for your ongoing commitment to affordable housing.

If you would like to be contacted via email regarding the future information/correspondence for Franklin Township, please provide COAH with your email address.

Sincerely,

bay Thompson

Sean Thompson Acting Executive Director

Encls

cc: Attached Service List

CHRIS CHRISTIE Governor KIM GUADAGNO

Lt. Governor

#### **RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #66-18**

#### Franklin Township, Somerset County

WHEREAS, Franklin Township, Somerset County, petitioned the Council on Affordable Housing (COAH) for third round substantive certification on December 31, 2008 of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, Franklin's petition was deemed complete on April 13, 2009; and

WHEREAS, pursuant to <u>N.J.S.A</u>. 52:27D-313 and <u>N.J.A.C</u>. 5:96-3.5, Franklin Township published notice of its petition in the *Courier News* on April 22, 2009, which is a newspaper of general circulation within the county; and

WHEREAS, during the 45-day objection period, which ended June 6, 2009, COAH received objections to Franklin's Housing Element and Fair Share Plan from Art Bernard, PP, on behalf of American Properties, at Cedar Grove Lane, LLC (American Properties); Steven Firsker, Esq. and Paul Grygiel, PP/AICP, on behalf of JP Nash/Edgewood Properties (JP Nash); Steve Rubin on behalf of Kings Row Homes, LLC (KRH); and Louise LeGoff of behalf of the Franklin Township Community Force (FTCF); and

WHEREAS, the Fair Share Housing Center (FSHC) submitted comments to the Township's plan that the Township has addressed; and

WHEREAS, a COAH Pre-mediation Report Requesting Additional Information was issued on January 6, 2010; and

WHEREAS, mediation between the Township and the parties took place in COAH's offices in Trenton on April 6, 2010; and

WHEREAS, the mediation in these matters did not result in settlements and the mediator determined that further mediation before COAH would not result in negotiated settlements; and

WHEREAS, the mediator finds that there are no contested issues of material fact which necessitate referral to the Office of Administrative Law (OAL); and

WHEREAS, Franklin Township's fair share plan addresses its 142-unit rehabilitation obligation, 766-unit prior round obligation and 965-unit net projected growth share obligation pursuant to Appendix F of <u>N.J.A.C.</u> 5:97; and

WHEREAS, Franklin Township's plan proposes to address its 16-unit rehabilitation obligation with 60 credits for units rehabilitated subsequent to April 1, 2000 through the Township's own rehabilitation program, and an 82-unit municipally sponsored rehabilitation program; and

WHEREAS, Franklin Township's plan proposes to address its 766-unit prior round obligation with 766 credits, including: 100 prior cycle credits for age-restricted units in the Central Jersey Home for the Aging; 26 prior cycle credits for family sale units in the Society Hill I inclusionary development; 100 credits and 100 rental bonuses for completed family rental units in the Whitehall Gardens inclusionary development; 48 credits and 40 rental bonuses for completed family rental units in the Countryside Apartments inclusionary development; 56 credits for completed family sale units in the Society Hill II inclusionary development; 64 credits for completed family sale units in the Society Hill III inclusionary development; 73 credits for completed family sale units in the Beacon Hill/Society Hill V inclusionary development; 27 credits for completed family sale units in the Society Hill VI inclusionary development; 27 credits for completed family sale units in the Society Hill VI inclusionary development; 26 credits for completed family sale units in the Society Hill VI inclusionary development; 27 credits for completed family sale units in the Society Hill VI inclusionary development; 26 credits for completed family sale units in the Society Hill VI inclusionary development; 27 credits for completed family sale units in the Society Hill VI inclusionary development; 27 credits for completed family sale units in the Society Hill VI inclusionary development; 27 credits for group home/special needs bedrooms; and 29 RCA credits through completed RCAs with Perth Amboy; and

WHEREAS, Franklin Township's plan proposes to address a portion of its 965-unit net projected growth share obligation with 35 surplus credits for completed family sale units in the Society Hill VI inclusionary development; 79 credits for completed family sale units in the Wynnefield/ Society Hill VIII inclusionary development; 84 credits for completed family rental units in the Somerset Park/Westminster Mews inclusionary development; four credits and one rental bonus for the Devereux New Jersey group home; four credits and one rental bonus for the Enable, Inc. II group home; three credits and one rental bonus for the Phoenix Corp. group home; 11 credits for Habitat for Humanity sale units; 85 credits for age-restricted rental units in the Hidden Brook at Franklin 100% affordable development; one credit for a family sale unit in the Fama inclusionary development; five credits for family sale units in the Florez inclusionary development; one credit for a family sale unit in the Horne development; 65 credits and 65 rental bonuses for family rental units in the Franklin Commons 100% Affordable Redevelopment Project; one credit for a family rental unit in the Kovacs inclusionary development; 28 credits for family rental units in the Cedar Manor inclusionary development; 92 credits and 88 rental bonuses for family rental units in the Berry Street Commons/Blair Avenue 100% Affordable Redevelopment Project; one credit for a family sale units in the Somerset Douglas inclusionary development; and eight credits for family sale units in the Somerset Douglas inclusionary development, for a total of 663 credits and bonuses; and

WHEREAS, Franklin Township's plan proposes to address its remaining 302-unit projected growth share obligation with five proposed family sale Habitat for Humanity units; 130 proposed family rental units and 50 proposed age-restricted rental units in the Summerfields inclusionary development; 58 proposed family rental units in the Laduree inclusionary development; 38 proposed age-restricted rental units in the Springhill inclusionary development; 24 family sale units in a proposed municipally sponsored 100% affordable project on Campus Drive; 105 family sale units and 35 redevelopment bonuses in the Leewood Redevelopment Area; 68 family rental units and 68 age-restricted rental units in a proposed municipally sponsored 100% affordable project known as Parkside; and 50 family rental units and 50 rental bonuses in a proposed municipally sponsored 100% affordable project to be developed by Pennrose; and

WHEREAS, Franklin Township's plan results in a 379-unit surplus; and

WHEREAS, pursuant to <u>N.J.A.C</u>. 5:97-3.2(a)4, Franklin has provided an implementation schedule that sets forth a detailed timetable that demonstrates a realistic opportunity as defined under <u>N.J.A.C.</u> 5:97-1.4 and a timetable for the submittal of all information and documentation required by <u>N.J.A.C</u>. 5:97-6.7 for the future proposed 24-unit municipally sponsored 100 percent affordable housing project(s) on Campus Drive; and

WHEREAS, pursuant to <u>N.J.A.C.</u> 5:96-6.2(a)2, on June 21, 2010, COAH issued a Mediation Report and a Compliance Report (Exhibit A) recommending approval of Franklin Township's petition for third round substantive certification; and

WHEREAS, there was a 14-day comment period to submit comments to the COAH Compliance Report and Mediation Report pursuant to <u>N.J.A.C.</u> 5:96-6.2(b), and COAH received comments from Adam M. Gordon, on behalf of Fair Share Housing Center (FSHC), that have been responded to in a separate report dated July 15, 2010 (Exhibit B); and

WHEREAS, the comments received from FSHC do not alter the COAH Compliance or Mediation Report.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by Franklin Township comports to the standards set forth at <u>N.J.S.A</u>. 52:27D-314 and meets the criteria for third round substantive certification pursuant to <u>N.J.A.C.</u> 5:96-6.3; and

BE IT FURTHER RESOLVED that the COAH Mediation Report for Franklin Township is accepted; and

BE IT FURTHER RESOLVED that pursuant to <u>N.J.A.C.</u> 5:96-6.3(a) and after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to Franklin Township; and

BE IT FURTHER RESOLVED that pursuant to <u>N.J.A.C.</u> 5:96-6.3(e), Franklin Township shall adopt all implementing Fair Share Ordinances within 45 days of the grant of substantive certification, which includes the affordable housing ordinance, resolution of intent to bond and all zoning ordinances; and

BE IT FURTHER RESOLVED that if Franklin Township fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and BE IT FURTHER RESOLVED that Franklin shall submit all Fair Share Ordinances to COAH within seven days of adoption; and

BE IT FURTHER RESOLVED that Franklin shall comply with COAH monitoring requirements as set forth in <u>N.J.A.C.</u> 5:96-11, including reporting Franklin's actual growth pursuant to <u>N.J.A.C.</u> 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to <u>N.J.A.C.</u> 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to <u>N.J.A.C.</u> 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to <u>N.J.A.C.</u> 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Franklin's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Franklin and the number of units required pursuant to <u>N.J.A.C.</u> 5:97-2.5 results in a prorated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedules pursuant to <u>N.J.A.C.</u> 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, COAH may direct Franklin Township to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to <u>N.J.A.C</u> 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Franklin shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to <u>N.J.A.C.</u> 5:96-6.3(b), Franklin's substantive certification shall remain in effect until December 31, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of Franklin Township to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was duly adopted by the Council on Affordable Housing at its public meeting on July 15, 2010

Venée Feiss

Renée Reiss, Secretary Council on Affordable Housing

# Exhibit A



# Council on Affordable Housing Compliance Report June 21, 2010



Municipality:Franklin TownshipCounty:Somerset County

**COAH Region:** 3 **Planning Area:** 1, 2, 3, 4, 4B, 5 **Special Resource Area:** None

Housing Element and Fair Share Plan Adopted: 12/8/2008 Petition for 3<sup>rd</sup> Round Substantive Certification: 12/31/2008 Completeness Determination: 4/13/2009 Date of Publication: 4/22/2009

## **Objections Received:** Yes

- 1. American Properties at Cedar Grove Lane, LLC
- 2. JP Nash/Edgewood Properties
- 3. Kings Row Homes, LLC
- 4. Franklin Township Community Force
- 5. Comment Received by: Fair Share Housing Center

Mediation Commenced: April 6, 2010 Mediation Concluded: April 6, 2010

## **Petition Includes:**

VLA: No GPA: No Waiver: No

Date of Site Visit: November 20, 2009

## **History of Approvals:**

	СОАН	JOC	N/A
First Round:	9/28/1987		
Second Round:	7/9/1997		
<b>Extended Certification:</b>	3/9/2005		

Plan Preparer: James N. Bell, P.P., AICP – Melvin Design Group Municipal Housing Liaison: Mark Healey, P.P., AICP – Director of Planning Recommendation: Grant Substantive Certification

## SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	142
Prior Round Obligation	766
Projected Growth Share Obligation (Net)	965

## ACTUAL GROWTH and GROWTH SHARE through September 2008<sup>1</sup>

Res Units	Actual Res	Jobs	Actual Non-Res	Actual TOTAL	
(#)	Growth Share	(#)	Growth Share	Growth Share	
2,371	474.2	4,122	257.6		

	Credit/							
Obligation	Mechanism Type	# Units Completed	# Units Proposed	TOTAL				
Rehabilitation: 142 units								
Credits	Post-April 1, 2000	60	60					
Program(s)	Municipal		82	82				
		Reha	bilitation Subtotal	142				
NEW CONSTRUC								
Prior Round: 766 u		1	Γ					
	Prior Cycle	126		126				
Credits	Post-1986	471		471				
	RCA	29		29				
Prior Round	Rental	140		140				
Bonus(es)								
Prior Round Subtotal								
<b>Growth Share: 965</b>		1		1				
Credits	Post-1986	507		507				
	Inclusionary		276	276				
	Development							
Proposed	Municipally		215	215				
Mechanism(s)	Sponsored 100%							
	Affordable							
	Redevelopment		105	105				
Growth Share Rental		156	85	241				
Bonus(es)								
		Grov	vth Share Subtotal	1,344				
Surplus								

## COMPLIANCE PLAN SUMMARY

<sup>&</sup>lt;sup>1</sup> This growth share number does not take into account allowable exclusions permitted under <u>N.J.A.C.</u> 5:97-2.4; therefore, the actual growth share may vary.

## I. HOUSING ELEMENT

Pursuant to <u>N.J.S.A.</u> 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Franklin's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to <u>N.J.S.A.</u> 52:27D-310.

Under <u>N.J.A.C.</u> 5:97-2.1(b), the Housing Element must also set forth the municipality's fair share obligation, which is the sum of the rehabilitation share, the prior round obligation, and the growth share.

## A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of <u>N.J.A.C.</u> 5:97, Franklin Township's rehabilitation share is 142 units.

## **B. Prior Round Obligation**

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of <u>N.J.A.C.</u> 5:97. Franklin has a prior round obligation of 766 units.

## C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of <u>N.J.A.C.</u> 5:97, Franklin has a residential projection of 3,583 units and a non-residential projection of 6,853 jobs, which results in an initial projected growth share obligation of 1,145 affordable units.

On July 2, 2009, P.L. 2009, c. 82 was signed into law allowing developers to request that previously approved age-restricted developments be converted to non-age-restricted developments as long as 20 percent of the units are deed restricted for low- or moderate-income households. The law also states, "no affordable housing units complying with applicable Council on Affordable Housing standards or market-rate housing units associated with such a converted development shall be construed as generating any fair share affordable housing obligation for a municipality." The Summerfields project received approval as a "converted development" pursuant to P.L. 2009, c. 82. According to the legislation, the units associated with this development are eligible to be deducted from the Township's projected residential growth for the purpose of calculating a growth share obligation.

Franklin's total projected growth for the period 1999-2018 is 3,583 residential units. With the conversion of the Summerfields development, 900 residential units are subtracted from this projection, for a total net residential project of 2,681 units. In addition, the Township subtracted other allowable exclusions itemized in Worksheet A (Attachment 1). However, the supportive/special needs projects were not excluded properly. N.J.A.C. 5:97-2.4(a)1.ii provides that only projects addressing a <u>prior round</u> obligation may be excluded from the residential growth. In addition, group homes are not excluded by the bedroom, but excluded by the certificate of occupancy issued for the building. Only two group homes addressing the Township's prior round obligation were constructed after January 1, 2004. As a result, the Township may only exclude two group homes' certificates of occupancies. Therefore, the Township's revised growth share therefore consists of a 536.2-unit residential component, and a 428.31-unit non-residential component, for a net projected growth share of 965 affordable units.<sup>2</sup>

<sup>&</sup>lt;sup>2</sup> Pursuant to <u>N.J.A.C.</u> 5:97-2.2(d), Franklin's residential projection of 2,681 is divided by 5 to yield 536.2 units and the nonresidential projection of 6,853 jobs is divided by 16 to yield 428.31 units. Franklin's total projected growth share is therefore 945 units (536.2 + 428.31).

## SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	142
Prior Round Obligation	766
Projected Growth Share Obligation (Net)	965

## II. FAIR SHARE PLAN

A Fair Share Plan, as required under <u>N.J.A.C.</u> 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Franklin Township's Fair Share Plan, and the supporting documentation incorporated by reference therein, address the requirements of <u>N.J.A.C.</u> 5:97-3.1 as follows:

## A. Plan to Address Rehabilitation Share

## **Rehabilitation Share Credits**

Franklin is requesting credit for 60 units rehabilitated subsequent to April 1, 2000, through the Township's own rehabilitation program. In accordance with <u>N.J.A.C.</u> 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to <u>N.J.A.C.</u> 5:96-11.

Rehabilitation Program	# Credits
Franklin Rehab Program	60
TOTAL	60

## **Rehabilitation Credits**

## **Proposed Rehabilitation Program(s)**

### Franklin Rehabilitation Program

Franklin currently implements a municipally sponsored rehabilitation program for the rehabilitation of deficient units within the Township. The rehabilitation program must adhere to the regulations in N.J.A.C. 5:97-6.2, including having the program available to both owneroccupied and renter-occupied units. All units undergoing rehabilitation must have 10-year controls on affordability in place. In addition, the rehabilitation investment for hard costs must average at least \$10,000 per unit, address all safety code violations, and include the rehabilitation of a major system. Franklin has provided an operating manual and affirmative marketing plan for the administration of the program, which includes a rental rehabilitation program. The rehabilitation program is funded through Community Development Block Grants (CDBG) that the Township receives directly from HUD and Neighborhood Preservation Program (NPP) funds from DCA. Franklin will fund the rental rehabilitation program with various funding sources including the Township's affordable housing trust fund. The Township has provided an implementation schedule for the rehabilitation program that provides sufficient dollars to fund no less than half of the municipal rehabilitation component by the mid-point of the substantive certification period. Franklin has submitted a draft resolution of intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification. [82-unit rehabilitation program]

Rehabilitation Program	# Units
Franklin Rehab Program	82
TOTAL	82

**Proposed Rehabilitation Program(s)** 

## B. Plan to Address Prior Round Obligation

## **Prior Round Credits**

Franklin is addressing its 766-unit prior round obligation with 126 prior cycle credits and 500 post-1986 credits and 140 bonuses, totaling 766 credits. In accordance with <u>N.J.A.C.</u> 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to <u>N.J.A.C.</u> 5:96-11.

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/ Bedrooms	Total Units/Bedrooms
Central Jersey Home for the Aging	1986	Age-restricted Rental	100	100
Society Hill I Inclusionary Development	1985	Family For-Sale	26	26
		TOTALS	126	126

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Whitehall Gardens Inclusionary Development	1994	Family Rental	100	Rental	100	200
Countryside Apartments Inclusionary Development	1995	Family Rental	48	Rental	40	88
Society Hill II Inclusionary Development	1986	Family For-Sale	56	-	-	56
Society Hill III Inclusionary Development	1988	Family For-Sale	64	-	-	64

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Beacon Hill/Society Hill V Inclusionary Development	1989	Family For-Sale	73	-	-	73
Society Hill VI Inclusionary Development <sup>3</sup>	1990	Family For-Sale	37			37
Quailbrook East/Quailcrest Inclusionary Development	1988	Family For-Sale	27	-	-	27
Alternatives, Inc. I	1988	Supportive/Special Needs Housing	11	-	-	11
ARC group home	1987	Supportive/Special Needs Housing	3			3
Venice Avenue Community Residence	1994	Supportive/Special Needs Housing	3	-	-	3
Center for Family Support group home	1998	Supportive/Special Needs Housing	5	-	-	5
Developmental Disabilities group home	1999	Supportive/Special Needs Housing	3	-	-	3
Enable, Inc. I	2001	Supportive/Special Needs Housing	4	-	-	4
Matheny Group Home I	1997	Supportive/Special Needs Housing	5	-	-	5
Matheny Group Home II	2001	Supportive/Special Needs Housing	6	-	-	6
NJ Assoc. of Deaf/Blind Inc. group home	2003	Supportive/Special Needs Housing	4	-	-	4
Allies group home	2004	Supportive/Special Needs Housing	5	-	-	5
Allisa Care group home	2004	Supportive/Special Needs Housing	5	-	-	5
Community Options group home	1996	Supportive/Special Needs Housing	3	-	-	3

 $<sup>^{3}</sup>$  The project contains 72 affordable sale units. 37 of the units will be used to address the Township's prior round obligation and the remaining 35 unit will be carried over to the growth share obligation.

Cedar Grove Development group home	2001	Supportive/Special Needs Housing	3	-	-	3
Resource Center for Women & Families	1997	Supportive/Special Needs Housing	6	-	-	6
Perth Amboy RCA	1988	RCA	29	-	-	29
		TOTALS	500		140	640

## **Proposed Affordable Housing Mechanisms**

Franklin Township is relying on credits and therefore is not proposing any additional affordable housing mechanisms to address its Prior Round Obligation.

## **Prior Round Obligation Parameters**

Franklin Township has satisfied the applicable Prior Round parameters as follows:

Development/Project Name	Type of Affordable Unit	# Units
Whitehall Gardens Inclusionary Development	Family Rentals	100
Countryside Apartments Inclusionary Development	Family Rentals	48
Group Homes/Supportive Housing	Supportive/ Special Needs	66
	TOTAL	214

Prior Round Rental Obligation:<sup>4</sup> 160 Units

## **Regional Contribution Agreement (RCA) Maximum:**<sup>5</sup> 361 Units

Receiving Municipality(s)	Type of Affordable Unit	# Units
Perth Amboy RCA	RCA	29
	TOTAL	29

<sup>&</sup>lt;sup>4</sup> Rental Obligation= .25 (Prior Round Obligation-Prior Cycle Credits) or .25(766-126) = 160 <u>N.J.A.C.</u> 5.97-3.10(b)1

<sup>&</sup>lt;sup>5</sup> RCA Maximum: .50(Prior Round Obligation + Rehabilitation Share – Prior Cycle Credits – Rehabilitation Credits) or .50(766+142-126-60) = 361 units <u>N.J.A.C.</u> 5:97-3.10(d)1

Development/Project Name	Type of Bonus	# Bonuses
Whitehall Gardens Inclusionary Development	Family Rentals	100
Countryside Apartments Inclusionary Development	Family Rentals	40
	TOTAL	140

## Prior Round Rental Bonus Maximum:<sup>6</sup> 160 Units

## C. Plan to Address Projected Growth Share

## **Growth Share Credits**

Franklin is addressing a portion of the 965 net projected growth share obligation with 507 units of credit and 123 bonuses for built and approved units, for a total of 630 credits and bonuses. In accordance with <u>N.J.A.C.</u> 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to <u>N.J.A.C.</u> 5:96-11.

## Supportive and Special Needs Housing- Center for Great Expectations

In 2008, two new transitional living facilities totaling 16 bedrooms were constructed in the Township, known as the Center for Great Expectations. However, pursuant to <u>N.J.A.C.</u> 5:97-4.3(c), COAH no longer provides credit for transitional living facilities completed after December 20, 2004. **[0 Supportive/Special Needs bedrooms]** 

## Approved But Not Constructed

## Cerda Inclusionary Development

Franklin's plan originally requested one credit for an affordable unit in an inclusionary project, known as the Cerda site. The development is located at 195 Churchill Avenue (Block 94, Lots 27-31). The site was granted preliminary and final subdivision approval on July 19, 2006, but is not constructed yet. The development involves a four lot subdivision, of which the

 $<sup>^{6}</sup>$  No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation or 160 <u>N.J.A.C.</u> 5:97-3.5

resolution granting approval requires that one of the units be an affordable family for-sale unit. The Township is no longer requesting credit for this unit. **[0 credits]** 

#### Fama Inclusionary Development

Pursuant to <u>N.J.A.C.</u> 5:97-4.3(a), Franklin is eligible to receive credit for an affordable unit in an inclusionary project, known as the Fama site. The development is located at 126 Churchill Avenue (Block 102, Lot 3). The site was granted Zoning Board of Adjustment (ZBA) approval on October 4, 2007, but is not constructed yet. The development involves the conversion of an existing non-legal two-family dwelling unit into two legal dwelling units, of which the resolution granting approval requires that one of the units be an affordable family rental unit. The development will be served by public water and sewer. The Township indicates that the approval remains valid due to the Permit Extension Act.

The affordable unit must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable unit, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). [1 post-1986 family for-sale credit]

#### Florez Inclusionary Development

Pursuant to <u>N.J.A.C.</u> 5:97-4.3(a), Franklin is eligible to receive credit for affordable units in an inclusionary project, known as the Florez site. The development is located at 453-455 Franklin Boulevard (Block 235, Lots 9-10). The site was granted ZBA approval on June 5, 2008, but is not constructed yet. The development involves the construction of 28 townhomes, of which the resolution granting approval requires that five of the units be affordable family for-sale units. There are some wetlands on the property but they will not impact the developability of the property. The development will be served by public water and sewer. There are existing structures on the property that will be demolished. The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). [5 post-1986 family for-sale credits]

#### Franklin II Associates Inclusionary Development

Franklin's Fair Share Plan originally requested credit for affordable units in a mixed-use inclusionary project, known as the Franklin II Associates site. The development is located at 163 Weston Road (Block 514, Lot 56). The site was granted ZBA approval on September 21, 2006, but is not constructed yet. The development involves the construction of 279 townhomes and/or apartments, 50,000 square feet of commercial space, 70,000 square feet or professional/medical offices, and six acres for a YMCA. The resolution granting approval requires that 15 percent of the units be affordable family units and that four percent be affordable family rental units. The site is 62 acres and has frontage on Weston and Mettlers Road. The site is located in Planning Area 4B. There are 8.5 acres of wetlands on the property but they will not impact the developability of the property. There are existing structures on the property that will be demolished.

As a result of input provided by the Franklin Township Sewerage Authority indicating that there is no sewer infrastructure in the area of the project, the Township is not requesting credit for this project at this time. However, the Township indicates that the approval is still valid as a result of the Permit Extension Act. **[0 credits]** 

#### Horne Associates Development

Pursuant to <u>N.J.A.C.</u> 5:97-4.3(a), Franklin is eligible to receive credit for an affordable unit in an inclusionary project, known as the Horne Associates site. The development is located at 65 Blair Avenue (Block 107, Lots 22-25). The site was granted ZBA approval on October 19, 2006, but is not constructed yet. The development involves the demolition of a home and the construction of a two-family home, of which the resolution granting approval requires that one of

the units be an affordable family for-sale unit. The Township indicates that the approval remains valid due to the Permit Extension Act.

The affordable unit must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable unit, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). [1 post-1986 family for-sale credit]

#### Franklin Commons 100% Affordable Project

Pursuant to N.J.A.C. 5:97-4.3(a), Franklin is eligible to receive credit for affordable units in a 100 percent affordable project known as Franklin Commons, located in the designated Renaissance 2000 Redevelopment Area. The Renaissance 2000 Redevelopment Area consists of approximately 47.5 acres and is located along Route 27, between Churchill Avenue and Millstone Road. Franklin designated the property an "area in need of redevelopment" pursuant to the Local Redevelopment and Housing Law (LRHL) in 1997. The Franklin Commons project is part of the initial phase of the redevelopment. Franklin Boulevard Commons Urban Renewal Associates, L.P. received preliminary site plan approval on August 1, 2007, for the Franklin Commons project, but the project is not constructed yet. The project received final site plan approval on March 4, 2009. Franklin has also submitted the redevelopment agreement for the Renaissance 2000 Redevelopment Area that was executed on May 7, 2008. The development involves the removal of one story dwelling units and gravel parking areas and the construction of one four story mixed-use building. The first floor will contain 21,036 square feet of retail space, 1,800 square feet of community space and a lobby for the residential tenants. The upper floors will contain 66 affordable family rental units, including one unit for a superintendent, which is not eligible for COAH credit. The Township states that seven of the units will be deed restricted for very-low income households.

The Township's spending plan allocates \$1,500,000 for this project. COAH granted Franklin a waiver from <u>N.J.A.C.</u> 5:97-8.7(a) on October 26, 2009, in order for the Township to expend the \$1.5 million from the municipal housing trust fund for the Franklin Commons project prior to receiving approval of its spending plan. The project will also receive Low Income

Housing Tax Credits, Federal Home Loan Bank funds, an HMFA permanent loan, and a private construction loan. The project was awarded Low Income Housing Tax Credits from HMFA on June 5, 2009. The Township has submitted a draft resolution of intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification.

The proposed development area is bordered on the south by Fuller Street, on the east by Franklin Boulevard, on the north by Frank Street and on the west by Booker Street (Block 129, Lots 1-28). The property is 1.61 acres and occupies an entire block. It is located in Planning Area 1 in the CMMU (Churchill-Millstone Mixed-Use) Zoning District of the Renaissance Redevelopment Area. The development will be served by public water and sewer. There are no environmental constraints on the property.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.7(e). [65 post-1986 family rental credits plus 65 rental bonuses]

## Girard 444 Inclusionary Development

Franklin's plan originally requested one credit to for an affordable unit in an inclusionary project, known as the Girard site. The development is located at 444 Girard Avenue (Block 347, Lots 46-49). The site received minor subdivision approval on October 18, 2006, but is not constructed yet. The development involves the construction of two single family homes, of which the resolution granting approval requires that the home on lot 48.01 be an affordable family rental unit. The Township is no longer requesting credit for this unit. **[0 credits]** 

## **Kovacs Inclusionary Development**

Pursuant to <u>N.J.A.C.</u> 5:97-4.3(a), Franklin is eligible to receive credit for an affordable unit in an inclusionary mixed-use project, known as the Kovacs site. The development is located at the intersection of Hamilton Street and Home Street (Block 194, Lots 133-134). The site received site plan approval on October 4, 2006, but is not constructed yet. The site currently

contains a two-story mixed use building and a detached garage. The proposed development involves the demolition of the detached garage and the renovation of the two-story mixed use building. An additional story will also be added to the building. The first floor will contain three commercial spaces and the above floors will contain six residential units, of which the resolution granting approval requires that one of the units be an affordable family rental unit. The Township indicates that the approval remains valid due to the Permit Extension Act.

The affordable unit must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable unit, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). [1 post-1986 family rental credit]

#### **Ramirez Inclusionary Development**

Pursuant to <u>N.J.A.C.</u> 5:97-4.3(a), Franklin is eligible to receive credit for an affordable unit in an inclusionary project, known as the Ramirez site. The development is located at 431 Berry Street (Block 291, Lots 9-12). The site received minor subdivision approval on June 7, 2006, but is not constructed yet. The site currently contains a one and one-half story single family dwelling that will remain on the property. The site will be subdivided into two new lots, of which the existing house will be on one lot, and the other lot will contain a new two-story single family unit. The resolution granting approval requires that the existing unit be deed restricted as an affordable family rental unit. The Township has reported that the deed restriction has not been filed yet, but that the approval remains valid due to the Permit Extension Act.

The affordable unit must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable unit, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). [1 post-1986 family rental credit]

Franklin Township Somerset County June 21, 2010

Ducient/Derritering	V	Tomos	<u>Щ ТТ4/</u>	Davier	ц	T 4 4 - 1
Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Society Hill VI Inclusionary Development surplus units <sup>7</sup>	1992	Family For-Sale	35	-	-	35
Wynnefield/ Society Hill VIII Inclusionary Development <sup>8</sup>	1992	Family For-Sale	79	-	-	79
Somerset Park/Westminster Mews Inclusionary Development	2001	Family Rental	84	-	-	84
Center for Great Expectations	2008	Supportive/Special Needs Housing	0	-	-	0
Devereux New Jersey group home	2007	Supportive/Special Needs Housing	4	Group Home Rental	1	5
Enable, Inc. II	2006	Supportive/Special Needs Housing	4	Group Home Rental	1	5
Phoenix Corp. group home	2006	Supportive/Special Needs Housing	3	Group Home Rental	1	4
Habitat for Humanity I (21, 31, 35 Alex Place; Block 137, Lots 10.01 & 12.01)	2008	Family For-Sale	3	-	-	3
Hidden Brook at Franklin 100% affordable	2004	Age-restricted Rental	85	-	-	85
Cerda Inclusionary Development <sup>9</sup>	2006	Family For-Sale	0	-	-	0
Fama Inclusionary Development <sup>9</sup>	2007	Family For-Sale	1	-	-	1

### **Post-1986 Credits**

<sup>&</sup>lt;sup>7</sup> The project contains 72 affordable sale units. 37 of the units will be used to address the Township's prior round obligation and the remaining 35 unit are carried over to the growth share obligation. The controls on affordability are in place for 30 years. Pursuant to <u>N.J.A.C.</u> 5:97-4.3(g), the controls on affordability are in place through 2020 for Society Hill VI.

Society Hill VI. <sup>8</sup> The controls on affordability are in place for 30 years. Pursuant to <u>N.J.A.C.</u> 5:97-4.3(g), the controls on affordability are in place through 2022 for Wynnefield /Society Hill VIII.

<sup>&</sup>lt;sup>9</sup> Project is approved but not yet constructed.

Franklin Township Somerset County June 21, 2010

Florez Inclusionary Development <sup>9</sup>	2008	Family For-Sale	5	-	-	5
Franklin II Associates Inclusionary Development <sup>9</sup>	2006	Family For-Sale	0	-	-	0
Franklin II Associates Inclusionary Development <sup>9</sup>	2006	Family Rental	0	-	0	0
Habitat for Humanity II <sup>10</sup>	various	Family For-Sale	8	-	-	8
Horne Associates Development <sup>9</sup>	2006	Family For-Sale	1	-	-	1
Franklin Commons 100% Affordable Redevelopment Project(Renaissance 2000 Redevelopment Area) <sup>9</sup>	2007	Family Rental	65	Rental	65	130
Girard 444 Inclusionary Development <sup>9</sup>	2006	Family Rental	0	-	-	0
Kovacs Inclusionary Development <sup>9</sup>	2006	Family Rental	1	-	-	1
Cedar Manor Inclusionary Development <sup>11</sup>	2007	Family Rental	28	-	-	28
Berry Street Commons/Blair Avenue 100% Affordable Redevelopment Project (Renaissance 2000 Redevelopment Area) <sup>12</sup>	2007	Family Rental	92	Rental	88	180
Ramirez Inclusionary Development <sup>13</sup>	2006	Family Rental	1	-	-	1

<sup>&</sup>lt;sup>10</sup> Franklin has a developer's agreement with the Franklin Valley Habitat for Humanity for the construction of an additional 13 units (two previous units were completed as part of Habitat 1 in 2008). Of the 13 units in Habitat 2, five are completed and have received certificates of occupancy and three are under construction. The eight units were part of the "Schedule A" list in the Habitat agreement. "Schedule B" consists of an additional five units. <sup>11</sup> Cedar Manor is under construction. <sup>12</sup> Berry Street contains 94 units; however, two of the units are superintendent units, which are not eligible for

COAH credit. <sup>13</sup> Ramirez is constructed, but a deed restriction has not yet been placed on the unit.

Somerset Douglas	2005	Family For-Sale	8	-	-	8
Inclusionary						
Development-						
(Renaissance 2000						
Redevelopment Area)						
		TOTALS	507		156	663

## **Proposed Affordable Housing Mechanisms**

The Township proposes to address its remaining 302-unit projected growth share obligation through the following mechanisms:

## Habitat for Humanity II Sites - Municipally Sponsored 100 percent Affordable Development

Pursuant to <u>N.J.A.C.</u> 5:97-6.7, Franklin proposes to transfer an additional five municipally owned properties to Habitat for Humanity to provide an additional five family forsale units. On June 24, 2008, Franklin and the Franklin Valley Habitat for Humanity executed a developer's agreement for 13 total units. The contract provides that Habitat will compensate the Township \$5,000 per buildable lot. The agreement provides for two schedules. "Schedule A Properties" consists of eight units on the following properties:

37 Irvington Ave (Block 320, Lot 38.01
130 Girard Ave (Block 309, Lot 36.02)
131 Girard Ave (Block 309, Lot 1.01)
134 Girard Ave (Block 308, Lot 37.02)
135 Girard Ave (Block 307, Lot 7.01)
Clifton Street/Franklin Blvd:
(Block 280, Lot 4.01)
(Block 280, Lot 5)
(Block 280, Lot 6.01)

Of these, five units are completed and have received certificates of occupancy and three are under construction.

<sup>&</sup>lt;sup>14</sup> Somerset Douglas is under construction.

<sup>&</sup>lt;sup>15</sup> Franklin requested three redevelopment bonuses for this project. However, the project only has a 7.5 percent setaside. <u>N.J.A.C.</u> 5:97-3.19 requires a minimum 15 percent set-aside.

"Schedule B Properties" consists of five units on the following properties:

18 Viking Ave (Block 287.02, Lots 24-27)
Baier Ave/Lewis St (Block 217, Lot 101)
70 Garfield Ave (Block 558, Lots 6-9)
73 Garfield Ave (Block 554, Lots 17-20)
575 Garfield Ave/Equator Ave (Block 556, Lots 12-14)

The Township's spending plan allocates \$125,000 for the Habitat for Humanity scattered site infill project. The Township indicates that the funds will be used for public infrastructure improvement costs, such as roadway improvements and utility extensions. The Township has submitted a draft resolution of intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification.

Pursuant to <u>N.J.A.C.</u> 5:97-3.2(a)4, the Township has provided an implementation schedule that sets forth a detailed timetable demonstrating a realistic opportunity as defined under <u>N.J.A.C.</u> 5:97-1.4 and a timetable for the submittal of all information and documentation required by <u>N.J.A.C.</u> 5:97-6.7 for the additional five units. The Township's mechanism checklist form includes a timetable for each step of the development process in accordance with <u>N.J.A.C.</u> 5:97-6.7(d), with building permits anticipated to being issued by August 2011 and certificates of occupancy being issued by June 2014.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.7(e). [5 family for-sale units]

#### Summerfields Inclusionary Development

The Summerfields site was originally granted General Development Plan approval on September 21, 2005, minor subdivision approval on August 2, 2006, and preliminary major site plan and subdivision approval on September 20, 2006, for 900 total units, of which 750 would be age-restricted units. The project was to have an 11.33 percent set-aside under the original

approval, or 102 affordable units.

Subsequently, the developer proposed an alternative breakdown of the project to the Township. The Township's 2008 Fair Share Plan included the project for 796 total units, which included 58 affordable family rental units and 62 affordable age-restricted rental units. In addition, at that time, the Township anticipated deed restricting 35 of the family rental units as very-low income units. However, the project was never formally approved by the Township's Planning Board as presented in the Fair Share Plan.

On July 2, 2009, P.L. 2009, c. 82 was signed into law allowing developers to request that previously approved age-restricted developments be converted to non-age-restricted developments as long as 20 percent of the units are deed restricted for low- or moderate-income households. The law also states, "no affordable housing units complying with applicable Council on Affordable Housing standards or market-rate housing units associated with such a converted development shall be construed as generating any fair share affordable housing obligation for a municipality." Franklin's Planning Board granted the developer of the Summerfields development amended General Development Plan approval on February 3, 2010, as a "converted development" pursuant to P.L. 2009, c. 82. The development will now contain the following revised housing mix: 720 market rate units consisting of a mixture of single family detached units, townhouses and apartments; 180 affordable rental units, consisting of 130 family units, 50 age-restricted apartments, and 24 very-low income family units. Therefore, the project will now have a 20 percent set-aside. The number of very-low income units was reduced from 35 to 24 units. According to the legislation, the units associated with this development are eligible to be deducted from the Township's projected residential growth for the purpose of calculating a growth share obligation, which is reflected in a revised Worksheet A (Attachment 1).

Pursuant to <u>N.J.A.C.</u> 5:97-6.4(b)3.ii, Franklin has submitted an executed agreement between the Township and developer (executed May 25, 2010) setting forth mutually agreed to terms for the production of affordable housing on this site.

Pursuant to <u>N.J.A.C</u>. 5:97-3.13, the Township indicates that the portion of the site that will be developed is suitable. The Summerfields site is located in the northwestern part of the Township at the northwest corner of the intersection of Schoolhouse Road and Randolph Road

(Block 516, Lots 4.01, 6.04 & 15). The 169.55 acre site has frontage along Weston Canal Road and the site is owned by Summerfields at Franklin. The site is surrounded by the M1 Light Manufacturing Zone, Senior Village Zone, and Agricultural Zone.

The Summerfields site is located in Planning Area 2. There are wetlands surrounding a Category-2 stream (Randolph Brook) on Lot 6.04, but the majority of the site is developable. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). **[130 family rental units & 50 age-restricted rental units]** 

## Laduree Inclusionary Development

The Laduree site was originally proposed in the Township's Fair Share Plan for 384 total units, which included 26 affordable family rental units and 32 affordable age-restricted rental units. In addition, the Township was proposing to deed restrict 15 of the family rental units and 20 of the age-restricted units as very-low income units. The site was originally granted site plan approval on June 2, 1999, for 400 total market rate age-restricted units consisting of independent, assisted living and special needs units, a 25,000 square foot medical building and two additional buildings housing support services. On September 1, 2004, amended site plan approval was granted for 384 independent living age-restricted units, eliminating the other buildings and reducing the medical office building to 5,200 square feet. Subsequent to the 2004 amended approval, the developer agreed to provide a 15 percent set-aside.

In order to ensure compliance with the Federal Fair Housing Act, the Laduree development will be modified to be entirely non-age-restricted. Therefore, the total number of units would remain at 384 units, including 58 family rental units (15 percent set-aside). Of the 58 affordable family rental units, 35 of them will be very-low income units.

The site is presently zoned R-20. Franklin has submitted a revised draft amended zoning

ordinance changing the zoning to PRC (Planned Residential Community). The zoning ordinance must be adopted within 45 days of substantive certification. The site is proposed to be developed at a gross density of 10 units per acre with a 15 percent set-aside, which is below the minimum presumptive density for rental units pursuant to <u>N.J.A.C.</u> 5:97-6.4(b)6.i. Pursuant to <u>N.J.A.C.</u> 5:97-6.4(b)3.ii, Franklin has submitted an executed agreement between the Township and developer (executed June 16, 2010) setting forth mutually agreed to terms for the production of affordable housing on this site.

Pursuant to <u>N.J.A.C</u>. 5:97-3.13, the Township indicates that the portion of the site that will be developed is suitable. The Laduree site is located in the northeastern part of the Township at the corner of Easton Avenue and DeMott Lane (Block 424.01, Lot 39.07). The site is owned by Somerset Grand, LLC c/o Pinnacle Co. The site is approximately 42 acres. The site is surrounded by the R-40 and R-20 Residential Zones.

The Laduree site is located in Planning Area 1. There are wetlands associated with a Category-2 stream (Delaware and Franklin Canal), but the majority of the site is developable. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). **[58 family rental units]** 

#### Springhill Inclusionary Development

The Springhill site is included in the Township's plan for 127 total units in an independent senior living facility, which includes 38 affordable age-restricted rental units. In addition, the Township is proposing to deed restrict 10 of the age-restricted units as very-low income units. The site previously contained a nursing home, but the building has been demolished.

The site is presently zoned R-15. Franklin has submitted a draft amended zoning

ordinance changing the zoning to ISL (Independent Senior Living). The zoning ordinance must be adopted within 45 days of substantive certification. The site is proposed to be developed at a gross density of 25 units per acre with a 30 percent set-aside, which is above the maximum presumptive set-aside for rental units pursuant to <u>N.J.A.C.</u> 5:97-6.4(b)6.i. Pursuant to <u>N.J.A.C.</u> 5:97-6.4(b)3.ii, Franklin has submitted an executed agreement between the Township and developer (executed May 28, 2010) setting forth mutually agreed to terms for the production of affordable housing on this site.

Pursuant to <u>N.J.A.C</u>. 5:97-3.13, the Township indicates that the portion of the site that will be developed is suitable. The Springhill site is located in the northeastern part of the Township along Hamilton Street between Girard Avenue and Wheeler Place (Block 347, Lot 7). The site is owned by Spring Hills Senior Communities. The site is approximately five acres. The site is surrounded by the R-10 and R-20 Residential Zones.

The Springhill site is located in Planning Area 1. There are wetlands on the property, but the new building will be located in the same area that previously contained the nursing home, which is free from environmental constraints. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.4(k). [38 age-restricted rental units]

## Campus Drive 100 Percent Affordable Municipally Sponsored Project

Pursuant to <u>N.J.A.C</u>. 5:97-6.7, Franklin is proposing to construct 24 affordable for-sale units in a 100 percent affordable project on a 3.1 acre property that the Township owns.

The Campus Drive site is located in the northern portion of the Township at 201 Campus Drive (Block 536.01, Lot 2.03). Pursuant to <u>N.J.A.C</u>. 5:97-3.13, the portion of the site that will be developed is suitable. The site is located in Planning Area 1. DEP's GIS maps show that the parcel consists of 2.43 acres of wetlands; however, the Township's information maintains that

the site is mainly flat and dry and is free from wetlands. The Township has stated that it will obtain a Letter of Interpretation (LOI) from DEP prior to developing the property. The Township states that the site can accommodate the 24 units. The site has frontage along Campus Drive and commercial properties and single-family residential houses surround the property. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

The Campus Drive site is currently located in the CB (Corporate Business) Zone. Franklin has submitted a draft amended zoning ordinance changing the zoning to MR (Multifamily Residential) Zone. The zoning ordinance must be adopted within 45 days of substantive certification.

Franklin does not anticipate utilizing any affordable housing trust funds for this development. Since the parcel is Township owned, the Township anticipates that the Township subsidy would be in the form of reduced land cost to the development. However, the Township has submitted a draft resolution of intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification.

Pursuant to <u>N.J.A.C.</u> 5:97-3.2(a)4, the Township has provided an implementation schedule that sets forth a detailed timetable demonstrating a realistic opportunity as defined under <u>N.J.A.C.</u> 5:97-1.4 and a timetable for the submittal of all information and documentation required by <u>N.J.A.C.</u> 5:97-6.7. The Township's mechanism checklist form includes a timetable for each step of the development process in accordance with <u>N.J.A.C.</u> 5:97-6.7(d). The Township anticipates that it will issue a Request for Proposals subsequent to substantive certification and that the project will receive site plan approvals in January 2011. Franklin anticipates that the project will received certificates of occupancy in March 2013.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.7(e). [24 family for-sale units in a municipally sponsored 100 percent affordable development]

## Parkside 100 Percent Affordable Municipally Sponsored Project

Parkside is the redevelopment of a 100-unit HUD rental project that will contain 146 units after it is redeveloped. The Township's plan requests 46 family rental credits for the project. However, it was later determined by COAH staff that the Township could be eligible to receive full credit for the 146 units.

The Township later indicated that the project would contain 140 total affordable units, including a 70-unit senior apartment building, and 70 units in 35 two-family homes. Franklin indicates that 40 of the units will be very-low income. A total of three units will be caretaker residences, so the Township is requesting credit for 69 age-restricted rental units and 68 family for-sale units. Due to the age-restricted cap, only 68 out of the 69 age-restricted units are eligible for credit.

The Franklin Township Housing Authority owns the site and has conducted a feasibility study for the proposed redevelopment. Franklin has submitted an executed agreement between the Township and developer, RPM Development, LLC, (executed April 23, 2010) setting forth mutually agreed to terms for the production of affordable housing on this site. The Township amended the zoning to allow for this redevelopment on March 17, 2008.

The first phase of the project (70 age-restricted units) has received preliminary major site plan approval and minor subdivision approval from the Township Planning Board on April 1, 2009, and final site plan approval on January 6, 2010. Development of this phase is anticipated to start shortly. The second phase of the development (the remaining 70 non-age-restricted units) received preliminary major site plan approval and major subdivision approval from the Township Planning Board on January 20, 2010. Development of this phase is anticipated to start in August 2010.

The Parkside site is located in the northeastern portion of the Township on Parkside and Mark Streets (Block 146, Lots 1-40; Block 148, Lot 12; Block 150, Lots 1, 2.01). The Township indicates that the majority of the site is in the Renaissance 2000 Redevelopment Area. Pursuant to <u>N.J.A.C.</u> 5:97-3.13, the portion of the site that will be developed is suitable. The parcels consist of approximately eight acres collectively. The parcels are located in Planning Area 1 and there are no environmental constraints on the site. There are recreational and residential uses

surrounding the property. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

The Township indicates that the project will be funded with Low Income Housing Tax Credits, Replacement Housing Factor Funds, the Tax Credit Assistance Program, HMFA permanent loan, and a private construction loan. HMFA permanent mortgage for the 70-unit family component was approved by HMFA in February 2010. The Township has submitted a draft resolution of intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.7(e). [68 family rental units and 68 age-restricted rental units in a municipally sponsored 100 percent affordable development]

## Pennrose 100 Percent Affordable Municipally Sponsored Project

Pursuant to <u>N.J.A.C</u>. 5:97-6.7, Franklin is proposing to construct 50 affordable rental units in a 100 percent affordable project in conjunction with Pennrose Properties. Pennrose has committed to reserving 15 percent of the units, or eight units, as very-low income units.

The Pennrose site is located in the northeastern portion of the Township at 718 Hamilton Street (Block 154, Lot 9). The property is 8.14 total areas. The site is located in Planning Area 1 and does not contain any environmental constraints. The site has frontage along Hamilton Street and business and residential uses surround the property. There is a shopping center in the portion of the site fronting Hamilton Street. The new development will be located on the undeveloped rear portion of the site. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

The Pennrose site is currently located in the HBC (Hamilton Street Business) District. The Township indicates that the current zoning allows the development by right. Pursuant to <u>N.J.A.C.</u> 5:97-6.7(d)2, Franklin has submitted documentation demonstrating site control. The Township has submitted an executed agreement of sale between the current property owner, Levin Properties, L.P. and Pennrose Properties, LLC. Pursuant to <u>N.J.A.C.</u> 5:97-6.7(d)6, Franklin has submitted a breakdown of costs for the development of the project. Pennrose anticipates funding the project with Low Income Housing Tax Credits, HOME Express and the Township's affordable housing trust fund. Franklin indicates that site development plans have been prepared but that Pennrose has not yet applied for site plan approval. Franklin has submitted a construction schedule. The construction schedule indicates that building permits are anticipated to be issued in August 2011, which is within two years of substantive certification pursuant to <u>N.J.A.C.</u> 5:97-6.7(b)3.

Franklin is requesting 50 rental bonuses for the affordable units. Pursuant to <u>N.J.A.C.</u> 5:97-3.6(a)3ii, Franklin has submitted an executed developer's agreement with Pennrose confirming the commitment for rental units. The agreement was executed on April 1, 2009. The Township should note that in the event the units are not constructed in accordance with the construction schedule, Franklin may lose the rental bonuses pursuant to <u>N.J.A.C.</u> 5:97-3.6(a)3ii.

The Township has submitted a revised spending plan that allocates \$800,000 to Pennrose for the development of the project. The Township has submitted a draft resolution of intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (N.J.A.C. 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to N.J.A.C. 5:97-6.7(e). [50 family rental units plus 50 rental bonuses in a municipally sponsored 100 percent affordable development]

## Leewood Redevelopment Area

Pursuant to <u>N.J.A.C</u>. 5:97-6.6, Franklin is proposing to construct affordable rental units in the existing Renaissance 2000 Redevelopment Area. The Township's plan indicates that the

development will contain 212 total units, of which 106 will be affordable family for-sale units. Franklin has informed COAH staff that the development will now contain 209 total units, of which 105 will be affordable for-sale units.

Franklin indicates that the site was zoned MFR (Multifamily Residential) on November 25, 2008 to allow the development. In addition, there is an existing redeveloper's agreement with Leewood Renaissance at Franklin, LLC in place from April 28, 2006, which was amended on October 20, 2008, to reflect the current proposal.

Leewood has received HMFA funding approval for the first few phases of the project. Leewood received preliminary site plan approval from the Township Planning Board on May 20, 2009, and final site plan approval on December 16, 2009, for the first few phases as well. The preliminary approval was for 64 units, of which 40 would be affordable. The final approval reduced it to 40 units, of which 21 will be affordable.

Franklin has submitted a construction schedule. The construction schedule indicates that building permits are anticipated to be issued by October 2010, which is within two years of substantive certification, pursuant to <u>N.J.A.C.</u> 5:97-6.7(b)3, and that certificates of occupancy will be issued by June 2012.

The Leewood site is located in the northeastern portion of the Township bordered by Pine Street, Somerset Street, Oak Place and a park on Mark Street (Block 149, Lot 1-33; Block 150, Lots 26.01, 28-42, 52-85, 94-127, 136-50; Block 151, Lots 1-8, 24-50; Block 141.01, Lot 1-15). The property is approximately 10.24 total areas. The site is located in Planning Area 1 and business and residential uses surround the property. The site contains 4.11 acres of wetlands, leaving 6.13 acres as developable land. The Township indicates that the site will be served by public water and sewer and has submitted documentation demonstrating capacity.

There are existing homes and other structures on the property. The developer is in the process of acquiring all properties involved in the first two phases that have received site plan approval. The Township anticipates that Leewood will close on all the properties within the first two phases shortly. Removal of the structures will commence immediately after.

The Township's spending plan allocates \$1,000,000 for this project. The project will also receive funds from the CHOICE program. The Township has submitted a draft resolution of

intent to bond in the event of a shortfall in funding. The resolution must be adopted within 45 days of substantive certification.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (<u>N.J.A.C.</u> 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Franklin must submit the required items pursuant to <u>N.J.A.C.</u> 5:97-6.7(e).

Franklin is requesting 35 redevelopment bonuses for the affordable units. The affordable units in this development meet the criteria for redevelopment bonuses pursuant to <u>N.J.A.C.</u> 5:97-3.19. [105 family for-sale units in a municipally sponsored 100 percent affordable development, plus 35 redevelopment bonuses]

### C-R, GB & HBD Zoning Districts

Franklin has an existing ordinance in the C-R, BG & HBD zones that provide for a presumptive density of six units per acre with a 15 percent set-aside in every residential cluster or townhouse development, which increases to a 20 percent set-aside if the development is constructed at eight units per acre. At this time, the Township is not requesting credit for any affordable units that might be developed in these zones under this ordinance. Franklin should note that this ordinance is inconsistent with N.J.A.C. 5:97-6.4(b)1.i., which states that if any of these zones are within Planning Area 1, the minimum presumptive density to assure a financial incentive is eight units per acre with a maximum 25 percent set-aside. Pursuant to N.J.A.C. 5:97-6.4(b)4 and 6.1(b)7, the ordinance must also account for reduced bulk standards and contain a development size threshold below which affordable units would not be required. In addition, Franklin may want to include a payment in lieu provision for fractional affordable units, pursuant to N.J.A.C. 5:97-6.4(c). Therefore, the Township cannot receive credit for the ordinance at this time. **[0 credits]** 

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Habitat for Humanity II	Family For Sale	5	-	-	5
Summerfields Inclusionary Development	Family Rental	130	-	-	130
Summerfields Inclusionary Development	Age- restricted Rental	50	-	-	50
Laduree Inclusionary Development	Family Rental	58	-		58
Springhill Inclusionary Development	Age- restricted Rental	38	-	-	38
Campus Drive Municipally Sponsored 100% Affordable Project	Family For Sale	24	-	-	24
Leewood Redevelopment Area (Renaissance 2000 Redevelopment Area)	Family For Sale	105	Redevelopment	35	140
Parkside Municipally Sponsored 100% Affordable Project (Renaissance 2000 Redevelopment Area)	Family Rental	68	-	-	68
Parkside Municipally Sponsored 100% Affordable Project (Renaissance 2000 Redevelopment Area)	Age- restricted Rental	68			68
Pennrose Municipally Sponsored 100% Affordable Project	Family Rental	50	Rental	50	100
	TOTALS	596		85	681

## Proposed Affordable Housing Mechanisms

## **Growth Share Parameters**

Franklin Township has satisfied the applicable Growth Share parameters as follows:

Development/Project Name	Type of Affordable Unit	# Units	# Units Addressing Rental Obligation			
Somerset Park/Westminster Mews Inclusionary Development	Family Rental	84	84			
Franklin Commons 100% Affordable Redevelopment Project	Family Rental	65	0			
Kovacs Inclusionary Development	Family Rental	1	0			
Cedar Manor Inclusionary Development	Family Rental	28	0			
Berry Street Commons/Blair Avenue 100% Affordable Redevelopment Project	Family Rental	92	0			
Ramirez Inclusionary Development	Family Rental	1	0			
Summerfields Inclusionary Development	Family Rental	130	0			
Laduree Inclusionary Development	Family Rental	58	0			
Parkside Municipally Sponsored 100% Affordable Project	Family Rental	68	0			
Pennrose Municipally Sponsored 100% Affordable Project	Family Rental	50	0			
Hidden Brook at Franklin 100% affordable	Age-restricted Rental	85	85			
Summerfields Inclusionary Development	Age-restricted Rental	50	35			

## **Growth Share Rental Obligation:**<sup>16</sup> 242 Units

 $<sup>^{16}</sup>$  Projected Growth Share Rental Obligation: .25(Projected Growth Share) or .25(965)= 241.25 or 242 units - N.J.A.C. 5.97-3.10(b)3

Springhill Inclusionary	Age-restricted Rental	38	38
Development			50
Parkside Municipally	Age-restricted Rental	68	0
Sponsored 100% Affordable			U
Project <sup>17</sup>			
Devereux New Jersey group	Supportive/Special Needs	4	0
home	Housing		0
Enable, Inc. II	Supportive/Special Needs	4	0
	Housing		0
Phoenix Corp. group home	Supportive/Special Needs	3	0
	Housing		0
	TOTAL	829	242

## Growth Share Family Rental Requirement:<sup>18</sup> 121 Units

Development/Project Name	Type of Affordable Unit	# Units	# Bonuses*
Somerset Park/Westminster Mews Inclusionary Development	Family Rental	84	0
Franklin Commons 100% Affordable Redevelopment Project	Family Rental	65	65
Kovacs Inclusionary Development	Family Rental	1	0
Cedar Manor Inclusionary Development	Family Rental	28	0
Berry Street Commons/Blair Avenue 100% Affordable Redevelopment Project	Family Rental	92	88
Ramirez Inclusionary Development	Family Rental	1	0
Summerfields Inclusionary Development	Family Rental	130	0
Laduree Inclusionary Development	Family Rental	58	0

 <sup>&</sup>lt;sup>17</sup> Due to the age-restricted cap, only 68 out of 69 age-restricted units in this project are eligible for credit.
 <sup>18</sup> Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(242)= 121 units <u>N.J.A.C.</u> 5:97-3.4(b)

Parkside Municipally Sponsored 100% Affordable	Family Rental	68	0
Project			
Pennrose Municipally	Family Rental	50	50
Sponsored 100% Affordable			50
Project			
	TOTAL	577	203
	Surplus	456	

\*Subject to bonus maximum pursuant to N.J.A.C. 5:97-3.20

Development/Project Name	Type of Affordable Unit	# Units
Society Hill VI Inclusionary Development surplus units	Family For-sale	35
Wynnefield/ Society Hill VIII Inclusionary Development	Family For-sale	79
Somerset Park/Westminster Mews Inclusionary Development	Family Rental	84
Habitat for Humanity I (21, 31, 35 Alex Place; Block 137, Lots 10.01 & 12.01)	Family For-sale	3
Fama Inclusionary Development	Family For-Sale	1
Florez Inclusionary Development	Family For-Sale	5
Habitat for Humanity II	Family For-Sale	8
Horne Associates Development	Family For-Sale	1
Franklin Commons 100% Affordable Redevelopment Project	Family Rental	65
Kovacs Inclusionary Development	Family Rental	1
Cedar Manor Inclusionary Development	Family Rental	28

## Growth Share Minimum Family Requirement:<sup>19</sup> 362 Units

<sup>&</sup>lt;sup>19</sup> Projected Growth Share Family Requirement: .5 (Units Addressing the Growth Share Obligation) or .5(965-241)= 362 units <u>N.J.A.C</u>. 5:97-3.9

Berry Street Commons/Blair Avenue 100% Affordable Redevelopment Project	Family Rental	92
Ramirez Inclusionary Development	Family Rental	1
Somerset Douglas Inclusionary Development	Family For-Sale	8
Habitat for Humanity II	Family For Sale	5
Summerfields Inclusionary Development	Family Rental	130
Laduree Inclusionary Development	Family Rental	58
Campus Drive Municipally Sponsored 100% Affordable Project	Family For Sale	24
Leewood Redevelopment Area	Family For Sale	105
Parkside Municipally Sponsored 100% Affordable Project	Family Rental	68
Pennrose Municipally Sponsored 100% Affordable Project	Family Rental	50
	TOTAL	851

Development/Project Name	Type of Affordable Unit	# Units
Franklin Commons 100%	Family Rental	7
Affordable Redevelopment		
Project		
Summerfields Inclusionary	Family Rental	24
Development		
Laduree Inclusionary	Family Rental	35
Development		
Springhill Inclusionary	Age-restricted Rental	10
Development		
Parkside Municipally Sponsored	Family Rental	30
100% Affordable Project		
Parkside Municipally Sponsored	Age-restricted Rental	10
100% Affordable Project	_	
Berry Street Commons/Blair	Family Rental	10
Avenue 100% Affordable		
Redevelopment Project		
Pennrose Municipally Sponsored	Family Rental	8
100% Affordable Project		
	TOTAL	134

Very Low Income Minimum Requirement: <sup>2</sup>	<sup>0</sup> 94 Units
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## Age-Restricted Maximum:<sup>21</sup> 241 Units

Development/Project Name	Type of Affordable Unit	# Units
Hidden Brook at Franklin 100% affordable	Age-restricted Rental	85
Summerfields Inclusionary Development	Age-restricted Rental	50
Springhill Inclusionary Development	Age-restricted Rental	38
Parkside Municipally Sponsored 100% Affordable Project <sup>22</sup>	Age-restricted Rental	68
	TOTAL	241

 <sup>&</sup>lt;sup>20</sup> Growth Share Very Low Income Requirement: .13(Units Addressing the Growth Share Obligation) or .13(965-241) = 94.12 or 94 units N.J.S.A. 52:27D-329.1
 <sup>21</sup> Projected Growth Share Age Restricted Maximum: .25(Projected Growth Share) or .25(965)= 241.25 or 241 units

 $<sup>\</sup>frac{\text{N.J.A.C.}}{\text{22}}$  Due to the age-restricted cap, only 68 out of 69 age-restricted units in this project are eligible for credit.

Dovelonment/Droject Name	Type of Donus	# Bonuses
Development/Project Name	Type of Bonus	# Donuses
Devereux New Jersey group home	Group Home Rental	1
Enable, Inc. II	Group Home Rental	1
Phoenix Corp. group home	Group Home Rental	1
Pennrose Municipally Sponsored 100% Affordable Project	Rental	50
Franklin Commons 100% Affordable Redevelopment Project	Rental	65
Berry Street Commons/Blair Avenue 100% Affordable Redevelopment Project (out of 92 total units)	Rental	88
Leewood Redevelopment Area	Redevelopment	35
	TOTAL	241

## Bonus Maximum:<sup>23</sup> 241 Bonuses

## **Actual Growth Share Obligation**

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of <u>N.J.A.C.</u> 5:97. At plan evaluation review pursuant to <u>N.J.A.C.</u> 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 2008, Franklin has issued certificates of occupancy for 2,371 housing units and for the non-residential square footage equivalent of 4,122 jobs, yielding an actual growth share obligation through September 30, 2008, of 732 affordable units.<sup>24</sup>

<sup>&</sup>lt;sup>23</sup> Projected Bonus Maximum: .25(Projected Growth Share) or .25(965)= 241.25 or 241 units <u>N.J.A.C.</u> 5:97-3.20

 $<sup>^{24}</sup>$  The number of residential COs (2,371) is divided by 5 to yield 474.2 units and the number of jobs (4,122) is divided by 16 to yield 257.6 units. Franklin's total estimated actual growth share is therefore 732 units

## D. Summary of Plan to Address Fair Share Obligation

## **REHABILITATION SHARE SUMMARY**

## **Rehabilitation Share: 142 Units**

Program Name	# Units
Rehab Credits	60
Rehab Program	82
TOTAL	142

## PRIOR ROUND SUMMARY

## **Prior Round Obligation: 766 Units**

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Prior Cycle Credits	Central Jersey Home for the Aging	100			100
	Society Hill I Inclusionary Development	26			26
Post-1986 Credits	Whitehall Gardens Inclusionary Development	100	Rental	100	200
	Countryside Apartments Inclusionary Development	48	Rental	40	88
	Society Hill II Inclusionary Development	56	-	-	56
	Society Hill III Inclusionary Development	64	-	-	64

<sup>(474.2+257.6).</sup> **Note:** this estimate does not take into account allowable exclusions permitted under <u>N.J.A.C.</u> 5:97-2.5; therefore, the actual growth share may vary.

H	Beacon Hill/Society Hill V Inclusionary Development	73	-	-	73
I	Society Hill VI nclusionary Development	37			37
E I	Quailbrook East/Quailcrest nclusionary Development	27	-	-	27
A	Alternatives, Inc. I	11	-	-	11
A	ARC group home	3	-	-	3
0	Venice Avenue Community Residence	3	-	-	3
S	Center for Family Support group nome	5	-	-	5
I	Developmental Disabilities group nome	3	-	-	3
F	Enable, Inc. I	4	-	-	4
N H	Matheny Group Home I	5	-	-	5
	Matheny Group Home II	6	-	-	6
I	NJ Assoc. of Deaf/Blind Inc. group home	4	-	-	4
A	Allies group home	5	-	-	5
	Allisa Care group	5	-	-	5
0	Community Options group Iome	3	-	-	3

			TOTAL	766
Subtotal	626		140	766
Perth Amboy RCA	29	-	-	29
Resource Center for Women & Families	6	-	-	6
Cedar Grove Development group home	3	-	-	3

## **GROWTH SHARE SUMMARY**

## Projected Growth Share Obligation: 965 Units

	Name of Mechanism	# Units/ Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Post-1986 Credits	Society Hill VI Inclusionary Development surplus units	35	-	-	35
	Wynnefield/ Society Hill VIII Inclusionary Development	79	-	_	79
	Somerset Park/Westminster Mews Inclusionary Development	84	-	-	84
	Center for Great Expectations	0	-	-	0
	Devereux New Jersey group home	4	Group Home Rental	1	5
	Enable, Inc. II	4	Group Home Rental	1	5
	Phoenix Corp. group home	3	Group Home Rental	1	4

Habitat for Humanity I (21, 31, 35 Alex Place; Block 137, Lots 10.01 & 12.01)	3	-	-	3
Hidden Brook at Franklin 100% affordable	85	-	-	85
Cerda Inclusionary Development	0	-	-	0
Fama Inclusionary Development	1	-	-	1
Florez Inclusionary Development	5	-	-	5
Franklin II Associates Inclusionary Development	0	-	-	0
Habitat for Humanity II	8	-	-	8
Horne Associates Development	1	-	-	1
Franklin Commons 100% Affordable Redevelopment Project(Renaissance 2000 Redevelopment Area)	65	Rental	65	130
Girard 444 Inclusionary Development	0	-	-	0
Kovacs Inclusionary Development	1	-	-	1
Cedar Manor Inclusionary Development	28	-	-	28
Berry Street Commons/Blair	92	Rental	88	180

	Avenue 100% Affordable Redevelopment Project (Renaissance 2000 Redevelopment Area) Ramirez Inclusionary Development	1	-	-	1
	Somerset Douglas Inclusionary Development- (Renaissance 2000 Redevelopment Area)	8	-	-	8
	Subtotal	507		156	663
Proposed	Habitat for	5	-	-	5
Mechanisms	Humanity II				
	Summerfields Inclusionary Development family rental	130	-	-	130
	Summerfields Inclusionary Development age-restricted rental	50	-	-	50
	Laduree Inclusionary Development	58	-		58
	Springhill Inclusionary Development	38	-	-	38
	Campus Drive Municipally Sponsored 100% Affordable Project	24	-	-	24
	Leewood Redevelopment Area (Renaissance 2000 Redevelopment Area)	105	Redevelopment	35	140

Parkside	68	-	-	68
Municipally				
Sponsored 100%				
Affordable Project				
(Renaissance 2000				
Redevelopment				
Area) family rental				
Parkside	68	-	-	68
Municipally				
Sponsored 100%				
Affordable Project				
age-restricted rental				
Pennrose	50	Rental	50	100
Municipally				
Sponsored 100%				
Affordable Project				
Subtotal	596		85	681
			TOTAL	1,344
			Surplus	+379

## III. FAIR SHARE DOCUMENT REVIEW

## A. Development Fee Ordinance

Franklin's certified plan included a development fee ordinance that was adopted by the Township on October 14, 1997, and approved by COAH on March 10, 1998. Franklin received approval for amended development fee ordinance on October 12, 2005, and June 4, 2007. As part of its petition submitted to COAH on December 30, 2008 under the new third round rules, Franklin included an amended development fee ordinance, which was approved by COAH on December 11, 2009.

## B. Third Round Spending Plan

Franklin's prior round spending plan was approved by COAH on December 4, 2001. A revised third round spending plan was submitted by Franklin, which was approved by COAH on May 5, 2010.

## C. Affordable Housing Ordinance/Affordable Housing Administration

Franklin Township has an adopted affordable housing ordinance for its prior round obligation. Franklin has submitted a revised draft affordable housing ordinance that comports

with the requirements of the UHAC, which was amended on December 20, 2004, including compliance with the barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 <u>et seq</u>.) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison was adopted by the Township on November 6, 2006, and a resolution appointing a municipal housing liaison was adopted on January 1, 2008.

Franklin is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and must designate an experienced administrative entity for that purpose. The Somerset County Coalition on Affordable Housing (SCCOAH) administers Countryside Apartments, Somerset Park Apartments, the Society Hill developments, Beacon Hill, Wynnfield and Quailbrook. Piazza & Associates are the administrative agents for Whitehall Gardens, Berry Street and Cedar Manor. The group homes are administered by the special needs providers.

Prior to marketing affordable units in any of the Township's proposed project, Franklin must submit the following to COAH:

- 1. A draft or adopted operating manual that includes a description of the program procedures and administration in accordance with UHAC;
- 2. An affirmative marketing plan in accordance with UHAC; and
- 3. Designation of an experienced administrative agent, including a statement of his or her qualifications, in accordance with <u>N.J.A.C.</u> 5:96-18

## D. Affirmative Marketing Plan

Franklin has submitted an affirmative marketing plan. The affirmative marketing plan will be reviewed for conformance with the requirements of the Uniform Housing Affordability Controls, <u>N.J.A.C.</u> 5:80-26.1 *et seq.*, to ensure the units in the Township's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan

must be adopted by resolution by the Township and submitted to COAH.

## IV. SUMMARY OF MEDIATION

#### A. Objections

COAH initially received four objections to Franklin's Housing Element and Fair Share Plan: by American Properties, at Cedar Grove Lane, LLC (American Properties); JP Nash/Edgewood Properties (JP Nash); Kings Row Homes, LLC (KRH); and the Franklin Township Community Force (FTCF). The Fair Share Housing Center (FSHC) submitted comments to the Township's plan that the Township has addressed.

#### B. Mediation

Mediation between the Township and the parties took place in COAH's offices in Trenton on April 6, 2010. The mediation session did not result in an agreement between the Township and the other parties.

Mediation concluded on April 6, 2010. The Mediation Report prepared by the mediator, Matthew H. Rudd Esq., is attached hereto as Attachment 2. The mediator concluded that there are not any outstanding issues of material fact which necessitate referral to the Office of Administrative Law.

## V. MONITORING

Franklin must comply with COAH monitoring requirements as set forth in <u>N.J.A.C.</u> 5:96-11, including reporting the municipality's actual growth pursuant to <u>N.J.A.C.</u> 5:97-2.5. As indicated above, credits for built units will be validated and verified by COAH staff during monitoring prior to the first biennial plan evaluation. It should be noted that credits for affordable housing programs and/or affordable units must be in compliance with <u>N.J.A.C.</u> 5:97-4. If the units are determined not to be eligible for credit, COAH will notify Franklin in writing and the Township may be directed to amend its certified plan to address the shortfall.

Pursuant to <u>N.J.A.C.</u> 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Franklin's Housing Element and Fair Share Plan. The purpose of the

plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Franklin and the number of units required pursuant to <u>N.J.A.C</u> 5:97-2.5 results in a prorated production shortage of 10 percent or greater, Franklin is not adhering to its implementation schedules pursuant to <u>N.J.A.C</u>. 5:97-3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct the Township to amend its plan to address the shortfall.

## VI. RECOMMENDATION

COAH staff recommends that Franklin Township's Mediation Report be accepted and that the Township be granted third round substantive certification. Franklin must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption. This includes the affordable housing ordinance, resolution of intent to bond and all zoning ordinances.

# Attachment 1

### Workbook A: Growth Share Determination Using Published Data

(Using Appendix F(2), Allocating Growth To Municipalities)

#### **COAH Growth Projections** Must be used in all submissions Municipality Name: Franklin Township, Somerset Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. on Line 1 of this worksheet. Use the Tab at the bottom of this page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated. Use these figures in the Application for Substantive Certification. Non-Residential Residential **Enter Growth Projections From Appendix** 1 F(2) \* 3,583 6,853 Subtract the following Residential Click Here to enter Prior Round Exclusions pursuant to 5:97-2.4(a) from **Exclusions** "Exclusions" tab 2 COs for prior round affordable units built or projected to be built post 1/1/04 180 Inclusionary Development Supportive/Special Needs Housing 2 Accessory Apartments 0 **Municipally Sponsored** or 100% Affordable 0 Assisted Living 0 Other 0 Market Units in Prior Round Inclusionary development built post 1/1/04 720 Subtract the following Non-Residential 3 Exclusions (5:97-2.4(b) Affordable units 0 Associated Jobs 0 **Net Growth Projection** 2.681 6.853 4 Projected Growth Share (Conversion to Affordable Affordable 536.20 428.31 Affordable Units Dividing Households by 5 Units Units 5 and Jobs by 16) Affordable

6

\* For residential growth, see Appendix F(2), Figure A.1, Housing Units by Municipality. For non-residential growth, see Appendix F(2), Figure A.2, Employment by Municipality.

965

Units

**Total Projected Growth Share Obligation** 

## Affordable and Market-Rate Units Excluded from Growth Municipality Name: Franklin Township, Somerset

Prior Round Affordable Units NOT included in Inclusionary Developments Built post 1/1/04

Development Type	Number of COs Issued and/or Projected
Supportive/Special Needs Housing Accessory Apartments Municipally Sponsored and 100% Affordable Assisted Living Other	2
Total	2

## Market and Affordable Units in Prior Round Inclusionary Development Built post 1/1/04

N.J.A.C. 5:97-2.4(a)

(Enter Y for yes in Rental column if rental units resulted from N.J.A.C. 5:93-5.15(c)5 incentives)

Development Name	Rentals? (Y/N)	Total Units	Market Units	Affordable Units	Market Units Excluded
Summerfields (P.L. 2009, c. 82)	У	900	720	180	720
		0			0
		0			0
		0			0
		0			0
Total		900	720	180	720

## Jobs and Affordable Units Built as a result of post 1/1/04 Non-Residential Development N.J.A.C. 5:97-2.4(b)

Development Name	Affordable Units Provided	Permitted Jobs Exclusion
		0
		0
		0
		0
Total	0	0

Return To Workbook A Summary

## Attachment 2

#### FRANKLIN TOWNSHIP MEDIATION REPORT

Franklin Township/Somerset County COAH Mediator, Matthew H. Rudd, Esq. COAH Planner, Maria Connolly

On April 6, 2010, mediation was held between representatives for Franklin Township and four separate objectors. The Township was represented by Mayor Brian D. Levine, Planning Board Chairman Dr. Theodore Chase, Leslie G. London Esq. and Mark Healey, PP. The four objectors were represented as follows; (1) American Properties at Cedar Grove Lane, LLC, (American Properties) represented by Ronald L. Shimanowitz Esq., Art Bernard, PP, Randy Csik, Principal and Mark Fauci, Real Estate Consultant. (2) JP Nash/Edgewood Properties, LLC, (JP Nash) represented by Frank J. Petrino Esq., and Paul A. Phillips, PP. (3) Kings Row Homes, LLC, (KRH) represented by Robert Fourniadis Esq., Creigh Rahenkamp, PP and Steve Rubin, Principal. (4) Franklin Township Community Force, (FTCF) represented by Township resident Louise LeGoff.

#### **AMERICAN PROPERTIES**

American Properties is the contract purchaser for a site located at Block 468.09, Lot 34, which is presently zoned R-40, single family residential. American Properties objects to this zoning, and would like to see the site rezoned for Apartment Townhouse development. American Properties is proposing the development of 121-150 units with a 20-25% set aside for affordable housing, which could be rental units. American Properties envisions this development as three story walk up condominiums. American Properties noted that they have done a wetlands delineation study of the site. A traffic study has also been completed by the objector. The site has public water and sewer access. American Properties maintains that there will be no public resistance to the development of this site. American Properties also asserted that public funding for some of the other projects in the Township's Fair Share Plan, notably the Pennrose project, may not materialize.

The Township maintains that the Fair Share Plan as submitted to COAH was complete and sound. The Township made it clear that at this time they were not interested in amending their Fair Share Plan to include the American Properties site. The COAH Mediator, pursuant to <u>N.J.A.C.</u> 5:96-8.2(d), determined and stated that there are no outstanding contested issues of material fact that necessitate consideration by COAH or transfer to the Office of Administrative Law. The Township is not including the objector's site in a re-petition and does not have a shortfall in its Fair Share Plan. No agreement was entered into between the Township and American Properties. Mediation was completed and closed as to American Properties by the COAH Mediator.

### JP NASH

The JP Nash site, known as the Bennett's Lane-Veronica Avenue site, was previously included in the Township's 2005 Fair Share Plan. JP Nash noted that if the Park area is removed from the Bennett Lane Site, which is the common name used for this site, the 188 acres is reduced to about 80 acres for development. JP Nash advises that they have a Letter of Interpretation from the DEP pertaining to the wetlands issues on the site. Specifically, there is a C-1 tributary with two brooks on the site. The wetlands divide the site into two large parcels. Half of the site is zoned N-2, light manufacturing. The other half is zoned R-40. JP Nash noted that the objector's basic concept plan was in the Township's previous third round Fair Share Plan proposal. The inclusionary project would create 651 units. Twenty percent (20%) of these condominium units would be set aside for affordable housing. JP Nash notes that this proposal was previously deemed appropriate by the Township in the earlier third round submission. JP Nash states that they are ready, willing and able to commence the project.

JP Nash maintains that the Township's Fair Share Plan, although put forth in good faith, is overly ambitious. As to a number of the mechanisms, JP Nash asserts there is a lack of site control, funding, sewer issues and large affordable housing obligations that cannot be realistically met. Specifically, JP Nash questioned the integrity of the Leewood and Pennrose projects.

In response the Township maintains that the Fair Share Plan as presented actually exceeds the Township's obligation. The Township maintains that the process to decide on sites has been an open and transparent process. The Township asserts that JP Nash did not object to the removal of the Bennett's Lane site from the prior third round plan in December of 2005. The Township also addressed direct questions about the Pennrose and Leewood sites. It was also noted that the Township will be required to adhere to the construction schedules submitted as part of their implementation plan.

The COAH Mediator, pursuant to <u>N.J.A.C.</u> 5:96-8.2(d), determined and stated that there are no outstanding contested issues of material fact that necessitate consideration by COAH or transfer to the Office of Administrative Law. The Township is not including the objector's site in a re-petition and does not have a shortfall in its Fair Share Plan. No agreement was entered into between the Township and JP Nash. Mediation was completed and closed as to JP Nash by the COAH Mediator.

## KRH

KRH, the owner of a site located at Block 468.07, Lots 46 and 47, advised that it presently has litigation pending in New Jersey Superior Court pertaining to the site. The Township is a defendant in that action. KRH also has an application pending before the Township Zoning Board of Adjustment pertaining to a use variance for this site to allow for inclusionary development. Mr. Rahenkamp advised that the first scheduled hearing before the Zoning Board of Adjustment will be April 15, 2010. KRH requested that the mediation be adjourned until after the April 15<sup>th</sup> Zoning Board hearing. The Township opposed the adjournment request. The COAH Mediator determined that the mediation should go forward and denied the adjournment request. The COAH Mediator expressed that the adjournment request was denied due to the request being made at the time of the mediation and not prior to the scheduled mediation date, that no conflict issue arises between the COAH Mediation process and the Zoning Board hearing process, and the Township's representatives in the COAH Mediation process are not members of the Zoning Board. Further, the COAH Mediation process is part of

a determination pertaining to the Township's third round Fair Share Plan, as presently presented. If the rezoning is granted it may or may not include affordable housing. A use variance determination by the Township Zoning Board of Adjustment that may affect potential development of affordable housing is a municipal land use issue presently outside COAH's jurisdiction, and therefore not relevant to the COAH Mediation process.

On the merits of the objection, KRH notes that it has been an objector to the Township's Fair Share Plan since 2005. KRH maintains that it is unlikely that the Township will obtain all of the developer's agreements presently outstanding from the named developers in the Fair Share Plan. The Township noted that those developers' agreements are due to COAH within thirty days. KRH notes that it reserves the right to contest the Fair Share Plan in Superior Court regarding COAH's rules, phasing issues and proposed set asides. Mr. Rubin asserted that there are conflict of interest issues that COAH was supposed to settle per the pending Superior Court case. The COAH Mediator noted that conflict of interest issues are not the type of matter usually associated and decided in a COAH Mediation. The COAH Mediator asked as to whether there was a court order pertaining to the conflict of interest. No court order was presented. The Township also stated that they did not believe it had ever acted in bad faith as both the Township and the Township Planning Board had acted appropriately and in an open straight forward manner pertaining to the previous applications and proposals for development put forth by KRH.

The COAH Mediator, pursuant to <u>N.J.A.S.</u> 5:96-8.2(d), determined and stated that there are no outstanding contested issues of material fact that necessitate consideration by COAH or transfer to the Office of Administrative Law. The Township is not including the objector's site in a re-petition and does not have a shortfall in its Fair Share Plan. No agreement was entered into between the Township and KRH. Mediation was completed and closed as to KRH by the COAH Mediator.

## FTCF

The Township representatives met with the last objector FTCF, who was represented by a resident of the Township, Ms. Louise LeGoff. FTCF is specifically opposing the inclusion of the Laduree inclusionary development site in the Township's Fair Share Plan. FTCF represents residents in the immediate community around the Laduree site. FTCF had previously opposed the age-restricted development on the site before the Township Planning Board. Final site plan approval for an age-restricted development was previously granted for the site by the Township Planning Board. The Township explained that future inclusionary development on the site would require another Township Planning Board site plan approval. FTCF maintains that a proper traffic study was never done for the site and asserts that the Historical Society should have reviewed the prior application. FTCF also argued that the distance from the site to bus stop transportation and food shopping locations make the site impractical for potential affordable housing individuals who rely on mass transportation.

The Township explained that it attempted to address some of the concerns raised by Ms. LeGoff. They explained that a limited traffic study was provided for third round Fair Share Plan review. The Township agreed with FTCF that any future site plan application before the Township Planning Board would require a detailed traffic study. FTCF would have an opportunity at any future Planning Board application hearing to comment and even present a traffic expert report. The issue of Historical Society review would also have to be addressed in any future Planning Board application. It was also noted that site suitability does not necessarily require that the site be in walking distance to transportation and other amenities. The Laduree site is in a State Planning Area 1, which COAH deems a suitable location. The Laduree site was previously approved for five story construction as permitted. A height variance was not necessary. The Fair Share Plan calls for a fifteen percent set aside for affordable housing. The COAH Mediator explained to FTCF that the issues raised in mediation can be appropriately considered again before the Township Planning Board if FTCF decides to object to any future site plan application for the site. The proposed Laduree inclusionary development would require future site plan approvals.

The COAH Mediator, pursuant to <u>N.J.A.S.</u> 5:96-8.2(d), determined and stated that there are no outstanding contested issues of material fact that necessitate consideration by COAH or transfer to the Office of Administrative Law. The Township is not eliminating the Laduree inclusionary site from the Township's proposed third round Fair Share Plan. No agreement was entered into between the Township and FTCF. Mediation was completed and closed as to FTCF by the COAH Mediator.

# Exhibit B

## COAH REPORT IN RESPONSE TO COMMENTS RECEIVED REGARDING COMPLIANCE & MEDIATION REPORTS FRANKLIN TOWNSHIP/ SOMERSET COUNTY REGION #3 July 15, 2010

Franklin Township, Somerset County, petitioned the Council on Affordable Housing (COAH) for third round substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation on December 31, 2008. During the 45-day objection period, Adam M. Gordon, on behalf of Fair Share Housing Center (FSHC), submitted a letter commenting on Franklin's Fair Share Plan. The letter was not intended as an objection to the Township's plan pursuant to <u>N.J.A.C.</u> 5:96-4.1; however FSHC did express concerns regarding second round exclusions that the Township was requesting, inclusionary zones that did not meet COAH's presumptive densities, and clarification of the Parkside redevelopment as to whether it qualifies as rehabilitation or "gut reconstruction."

On June 21, 2010, COAH issued a Mediation Report and a Compliance Report recommending approval of Franklin Township's petition for third round substantive certification. The Compliance Report indicated that the Township had addressed all of FSHC's comments. During the 14-day comment period to submit comments to the COAH Compliance Report and Mediation Report, pursuant to <u>N.J.A.C.</u> 5:96-6.2(b), COAH received comments from Adam M. Gordon, on behalf of FSHC, unrelated to the original comments received to the Fair Share Plan. The comments do not alter the Compliance Report.

## **FSHC's Comments**

On July 5, 2010, COAH received comments from FSHC regarding Franklin's Compliance Report. FSHC states that they do not object to the granting of substantive certification to Franklin, and actually support it because the Township's plan provides a surplus of affordable units. However, FSHC is objecting to COAH's interpretation of the age-restricted conversion statute, P.L. 2009, c. 82. The Summerfields project in the Township's Fair Share Plan received approval as a "converted development" pursuant to P.L. 2009, c. 82, and, therefore, 900 residential units were subtracted from the Township's residential projection. FSHC argues that COAH has interpreted the legislation in a way contrary to statutory language and the

constitution, and without rulemaking required pursuant to the Administrative Procedures Act (APA). FSHC maintains that COAH's interpretation of P.L. 2009, c. 82 is contrary to the constitutional obligation to calculate and allocate the need for low- and moderate-income housing and double counts units in these developments. FSHC states that COAH is interpreting the phrase in the statute that states "generating any fair share affordable housing obligation," to mean that the converted units must be deducted both from projected growth share and actual growth share. FSHC argues that the deduction of the converted units should only be from the actual growth share obligation, which would be deducted at the biennial reviews, and not from the projected growth share obligation. FSHC maintains that by deducting the converted units from the statewide projected growth share of 115,666, and then also allowing them to credit the affordable units against the growth share obligation is reducing the statewide need number and also double counting. FSHC argues that N.J.A.C. 5:97-2.2(e) actually requires the units to be deducted from the actual growth share and in fact, the rule requires that if the actual growth share generated in a municipality is less than the projected growth share, "the municipality shall continue to provide a realistic opportunity for affordable housing to plan for the projected growth share." Therefore, FSHC maintains that the Legislature intended for the converted market rate and affordable units to be subtracted from the actual growth share because of COAH's rule.

FSHC further argues that COAH cannot make this administrative policy decision without notice and comment rulemaking. FSHC states that the APA and due process require a notice and comment process, and that this policy decision is a general interpretation of a statute that COAH intends to apply in future cases, and not specific to the facts in Franklin.

FSHC again emphasizes that they are not objecting to COAH granting Franklin Township substantive certification in that the Township would be eligible for substantive certification even without COAH's interpretation of P.L. 2009, c. 82 because of its surplus affordable housing units.

### **COAH's Response**

COAH staff is in agreement that the units should be deducted from the Township's actual growth share obligation. However, COAH staff recognizes that the "generating any fair share housing obligation" language included in P.L. 2009, c. 82 indicates that a municipality that converts age-restricted units to non-age-restricted units in accordance with P.L. 2009, c. 82, may incur an affordable housing obligation that is less than that based on the projected growth share obligation. This is due to the statutory requirement that the units in the converted development shall be subtracted when determining a municipality's actual growth share obligation. See <u>N.J.S.A.</u> 45:22A-46.5(c). Since the projected growth share obligation includes the Summerfields project, Franklin's actual obligation will always be 900 units less than the projected growth share obligations (with exclusions pursuant to <u>N.J.A.C.</u> 5:97-2.4). Therefore, in the case of converted units in accordance with P.L. 2009, c. 82, the statutory subtraction of an inclusionary development that goes toward meeting a municipality's prior round obligation and thus can be excluded from the municipal projection. See <u>N.J.A.C.</u> 5:97-2.4.

## APPENDIX K



## State of New Jersey Council on Affordable Housing

CHRIS CHRISTIE

KIM GUADAGNO Lt. Governor 101 SOUTH BROAD STREET PO Box 813 TRENTON, NJ 08625-0813 (609) 292-3000 (609) 633-6056 (FAX)

RICHARD E CONSTABLE, III Commissioner SEAN THOMPSON Acting Executive Director

February 17, 2015

Mark Healey Franklin Township Municipal Housing Liaison 475 De Mott Lane Somerset, New Jersey 08873

Dear Mark:

It is time once again to prepare annual affordable housing monitoring reports for your projects and units. Pursuant to the New Jersey Fair Housing Act at <u>N.J.S.A.</u> 52:27D-329.4, the Council on Affordable Housing (COAH) is required to collect information concerning the number of housing units actually constructed, construction starts, certificates of occupancy granted, rental units maintained, and with respect to units actually constructed, the information shall specify the characteristics of the housing, including housing type, tenure, affordability level, number of bedrooms, and whether occupancy is reserved for families, senior citizens, or other special populations.

Monitoring is required every year to track changes to your affordable housing stock. This must include the entry of specific unit information into the COAH Tracking and Monitoring (CTM) system that is used to determine whether units are eligible to be counted or not. For each completed or partially completed project in the CTM system, **information about each completed unit in that project must be entered**. Until that occurs, COAH cannot determine whether the units in that project meet the requirements for eligibility, and whether Franklin can claim credit for these units.

This letter includes a breakdown of the number of units in projects reported as completed in the CTM system in Franklin and the number of units in those projects where information has been recorded in the CTM system. If these two numbers are different, your municipality has not provided detailed unit information for units that have been created or rehabilitated in your municipality, and you risk not being able to claim credit for having created or rehabilitated those units not properly reported.

Franklin currently has indicated that 1446 new units have been completed, and has recorded specific unit information for 1261 new unit(s). That means that 185 new construction unit(s) may currently not be eligible for credit as COAH cannot accurately determine unit compliance with the Uniform Housing Affordability Control regulations. Similarly, 101 rehab units have been reported as complete and specific unit information has been entered for 101 rehab units resulting in a 0-unit discrepancy of rehab units that may not be eligible for credit. The following chart shows information on

the comparison of general vs. specific unit information in the CTM system for Franklin. A project-specific breakdown of this information is also included at the end of this letter.

Reported New Units	New Units Documented in CTM	New Units Lacking CTM Documentation	g CTM Reported in Documented entation CTM in CTM		Rehab Units Lacking CTM Documentation
1446	1261	185	101	101	0

Please note that the above comparison, as well as the project level detail provided below, reflects CTM entries made through February 6, 2015. Any information recorded after that date is not reflected in this letter. Also, the projects and units reflected in this letter only represent projects and units included in the Franklin fair share plan and **DO NOT include units created under the provisions of a Regional Contribution Agreement (RCA)**. Projects and corresponding units funded under an RCA will be the subject of specific RCA monitoring requirements during the next month.

All project and unit information through December 31, 2014 must be entered and updated in the CTM system and you must certify that all unit information has been entered. Upon completion of the update, please sign and return the monitoring certification form. Please note that the certification form has changed this year. If you have already submitted a certification form, you must resubmit the correct form in order to complete monitoring for 2014. Blank copies of all required forms are available on our website for your convenience. The main monitoring is located page at www.nj.gov/dca/services/lps/hss/2014monitoring.html and links to forms can be found in the "More Information" box on the right side of that page.

In addition, example copies of deed restriction documents and administrative agent information must be supplied for completed units. For a list of the information we need for each type of unit, please visit this webpage: <a href="https://www.nj.gov/dca/services/lps/hss/projectforms.html">www.nj.gov/dca/services/lps/hss/projectforms.html</a>. If you have already sent in this information, YOU DO NOT NEED TO SEND IT IN AGAIN.

Final 2014 monitoring is due by April 30, 2015. ALL UNITS MUST BE ENTERED INTO THE CTM SYSTEM PRIOR TO THAT DATE. If you have questions about monitoring, please contact <u>heather.mahaley@dca.nj.gov</u>, or your <u>assigned planner</u> for information about your affordable housing projects.

Thank you,

tean Thompson

Sean Thompson Acting Executive Director

c Mayor Brian Levine Ann Marie McCarthy, Clerk As indicated above, the following table provides detail at the project level concerning documented and un-documented units that have been entered by Franklin in the CTM system. For each completed project in the CTM system, information about each unit in that project must be entered. Until that occurs, COAH cannot determine whether the units in that project meet the requirements for eligibility, and whether municipality can claim credit for these units.

Please note that the above comparison, as well as the project level detail provided below, reflects CTM entries made through February 6, 2015. Any information recorded after that date is not reflected in this letter. Also, the projects and units reflected in the table below only represent projects and units included in the Franklin fair share plan and **DO NOT include units created under the provisions of a Regional Contribution Agreement (RCA).** Projects and corresponding units funded under an RCA will be the subject of specific RCA monitoring requirements during the next month.

Project	Units Reported Complete	Documented Units	Undocumented Units	
Allies, Inc.	5	0	5	
Allisa Care	5	0	5	
Alternatives - 37 Johnson Road	4	0	4	
Alternatives, Inc. I	11	0	11	
Avalon at Somerset	58	58	0	
Beacon Hill	73	73	0	
Berry Street Commons	94	94	0	
Campus Drive	0	0	0	
Cedar Grove	3	0	3	
Cedar Manor	28	28	0	
Center for Family Support	5	0	5	
Central Jersey Home for the Aged	100	0	100	
Community Options	3	0	3	
Countryside Apartments	48	48	0	
Developmental Disabilities - 2	3	0	3	
Devereux New Jersey	4	0	4	
Enable, Inc. I	4	0	4	
Enable, Inc. II	4	0	4	
Fama Subdivision	0	0	0	
Florez - Franklin Blvd	0	0	0	
Franklin Commons	66	66	0	
Franklin Rehab Program	101	101	0	
Habitat for Humanity I	7	7	0	
Habitat for Humanity II	9	9	0	
Hidden Brook at Franklin	85	85	0	
Horne Associates	0	0	0	
Independence Crossing	63	63	0	
Kovaks	0	0	0	
Leewood	21	21	0	
Matheny Group Home I	6	0	6	
Matheny Group Home II	5	0	5	
NJ Assoc. of Deaf/Blind Inc.	4	0	4	

Project and Unit Monitoring Detail for Franklin Township, Somerset County

Parkside Senior and Family	140	140	0
Pennrose	0	0	0
Phoenix Corp.	3	0	3
Quailbrook East	27	27	0
Ramirez Subdivision	0	0	0
Reformed Church of Highland Park Aff Hsg	4	0	4
Corp			
Resource Center for Women and Families	6	0	6
Society Hill I	26	26	0
Society Hill II	56	56	0
Society Hill III	64	64	0
Society Hill VI	72	72	0
Somerset ARC - 3	3	0	3
Somerset Douglas Realty, LLC	0	0	0
Somerset Park Apartments	84	84	0
Springhill Senior Development	0	0	0
Summerfields at Franklin	0	0	0
Venice Avenue Community Residence	3	0	3
Voorhees Station	61	61	0
Whitehall Gardens	100	100	0
Wynnefield	79	79	0

## APPENDIX L

## RESOLUTION OF BOARD OF ADJUSTMENT OF THE TOWNSHIP OF FRANKLIN, SOMERSET COUNTY, NEW JERSEY

#### HUGO & GRACE FLOREZ

### DOCKET NO. ZBA 2006-0737

WHEREAS, the Applicants, Hugo and Grace Florez, (hereinafter the Applicants) have applied to the Franklin Township Board of Adjustment for a D Variances and Bulk Variances in order to construct town homes located at 453-455 Franklin Boulevard, Block 235, Lots 9 and 10 on the Franklin Township Tax Map, pursuant to N.J.S.A. 40:55D-70(d); and

WHEREAS, a public hearing was held on said application by the Board of Adjustment on January 18, 2007 and on March 15, 2007; and

WHEREAS, members of the public were given the opportunity to speak on the application and question witnesses; and

WHEREAS, the Board, after carefully considering the evidence presented to it by the Applicants, the application and the documents filed by the Applicants and the comments of the appropriate Township officials and agencies together with the public comment has made the following findings of fact:

1. The property is located at 453-455 Franklin Boulevard, Block: 235, Lots 9 and 10 in the R-7 Residential Zone on the tax map.

2. The Applicants are proposing new residential town homes in the R-7 Zone where single family and 2-family dwellings are permitted.

### January 18, 2007 Meeting

3. Peter Lanfrit, Esq. appeared on behalf of the Applicants. He stated that the within application is a bifurcated development application. The Applicants would remove all of the existing structures in order to construct the proposed 40 town homes on the 5.2-acre site. The proposed development consists of the town homes being constructed in two (2) separate sections of the property. The development proposes 16 units on the northern end of the property and 24 units on the southern end of the site with the stream and NJDEP stream corridor located in the middle portion of the site being largely undisturbed. There is one (1) parking spot and a one-car garage proposed for each unit. There are two (2) retention basins and two (2) entrances off of Franklin Boulevard being proposed. Mr. Lanfrit stated that a formal site-plan would be prepared and presented to the board at a later date which would address any bulk variances which may be necessary. He further stated that the existing fire violations which were attached to the property

prior to the Applicants purchasing the property in 2005 would be resolved prior to the commencement of construction.

- 4. The following variances are required:
  - A) D-1 Variance Town homes are not a permitted use in the R-7 Zone
  - B) D-5 Density Variance the site could only yield 15-20 dwellings, where the Applicants are proposing 40 dwellings.

C) Maximum Height – 2 ½ stories permitted with no living space above

the second floor – 3 stories proposed with living space above the second floor.

D) Minimum Tract Size: 10 acres required – 5.2 acres proposed.

5. The following Exhibits were entered into the record:

A-1	Existing Condition Plan
A-2	Proposed Development Plan
A-3	Architectural renderings prepared by GRA Architects
A-4	Rendering of the external elevations
A-5	Floor plans.
A-6	Existing conditions photographs

6. Rich Beitle, Partner and Project Manager with the Reynolds Group was sworn in and the board accepted his qualifications. He explained that if the application was granted, that permits were required from the DEP regarding wetlands and stream encroachments together with sewer encroachment and storm water management were necessary since the application was bifurcated. He further stated that the Board could reserve the right to limit the number of units based on the site plan and the DEP reports. Mr. Beitle stated that the concept plan being presented is realistic since delineation of wetlands had been done together with a fair amount of engineering. The Board questioned Mr. Beitle regarding sewer capacity. He stated that the intent is to utilize the sewer system and that the Sewerage Authority was testing flow levels, but that until a formal Site Plan application was filed, there will be no approval until exact usage and flow capacity can be established. 7. Mr. Lanfrit clarified to the Board that the developer would set up a homeowners association in conjunction with the approval from the DCA and the State of New Jersey to manage the homes. After approximately 75% of the units were sold, the homeowners could take over and amend some of the rules and regulations. He further clarified that the language in the homeowners association can state that the one-car garage, which is oversized and can accommodate storage, must be left clear so that a car can be parked in the garage.

8. James J. Ramentol, architect, was sworn in and the board accepted his qualifications. He gave an overview of the proposed site and addressed questions from the Board and from the public.

9. Craig Perefoy, Civil Engineer/Traffic Engineer, was sworn in and the Board accepted his qualifications. He reviewed his traffic report with the Board and addressed questions regarding traffic flow within the development. Mr. Peregoy stated that the base layout of the project is adequate for on-site circulation of traffic. He further stated that the proposed plan provides for 96 parking spaces where RSIS standards require 92 parking spaces.

10 Due to the late hour, Mr. Lanfrit requested that the hearing be carried to the February 15, 2007 meeting. Subsequently the application was carried to the March 15, 2007 meeting.

### March 15, 2007 Meeting

11. Peter Lanfrit, Esq. appeared on behalf of the Applicants. He gave a synopsis of the application and the January 18, 2007 meeting as more fully set forth above. Mr. Lanfrit reminded the Board of the expert testimony given at the January 18, 2007 meeting. He further stated that that the architect, James Rametol, would be giving additional testimony regarding the Applicants' revised plan. Mr. Lanfrit further indicated that the Applicants' revised plan proposes thirty six (36) units. The application has been modified in response to comments made at the prior meeting.

### 12. The following Exhibits were entered into the record:

A-7	Revised Development Plan
A-8	Concept Plan
A-9	Two-Sided Photo Board Including Aerial Photographs
A-10	Photographs

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A-11	6 Photographs
A-10	Photo Board with 2 Photographs

13. James J. Ramentol, architect, was sworn in and the Board accepted his qualifications. He advised the Board that after several meetings with the Applicants, the plan had been revised. Mr. Ramentol introduced the revised plan as Exhibit A-7. The new plan eliminated 4 units, increased visitor parking and included recreational or retreat spaces. He also indicated that they are trying to incorporate a walking path into the plan if the within application is approved. On the revised plan, the floor plans and square footage of the units have been kept relatively the same. The only difference is the elimination of a half bath on the first floor and possibly some balconies. However, there would be differences in the finish of the interior and utilities for cost cutting purposes. The revised plan has maintained the eight (8) affordable housing units that were on the original plan. The space to be utilized by the roadways/parking spaces and recreation areas throughout the proposed development were discussed.

14. Hugo Florez, Applicant, testified in support of his application. He described the condition of the property when it was purchased in 2005. He stated that his original intent was to build affordable housing on the site, and had discussed his intentions with the Township Manager. Mr. Florez further stated that there was not enough time to apply to COAH for certification to proceed with his original plan. He went on to explain that in the event this application was not granted, he already has an alternative plan.

15. Mr. Lanfrit introduced the alternative plan as Exhibit A-8 which proposed 18 units based on the requirements of the R-7 Zone. After discussion by the Board, it was determined that the idea of a multiple unit town home development would be more beneficial to the Township as opposed to the 18 units since it would involve affordable housing units being provided with the 36 unit town home plan (where no affordable housing units would be required with an as-of-right development) and since townhouse development allows for more efficient use of the land than as-of-right development including lesser overall site disturbance and greater opportunities for buffering.

16. Mr. Furmanec, Planner, was sworn in and the board accepted his qualifications. He introduced Exhibits A-9, A-10, A-11 and A-12 and explained to the Board the various photographs. He described the proposed town homes in detail including parking areas, recreation areas and walking paths. The affordable housing units would be dispersed among all of the units. It was indicated, after discussion, that the fiscal burden on the Township would be more cost effective

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with the town home development. There was discussion as to the additional variances being requested, particularly the height of the units and the density. Mr. Furmanec discussed the project as it relates to the Township's Master Plan.

17. The Board discussed the density of the project. The prevailing opinion of the Board was that while town home development of the site was appropriate for the reasons stated above, the proposed density of 36-units was still too high for the site. Mark Healey, P.P., AICP, the Planner for the Board offered an opinion that concurred with the Board's discussion. The Board also discussed the relative public benefit resulting from the net gain of affordable units which would result from granting of the requested use and density variances, which was calculated by Mr. Healey as 6 units (based upon the affordable housing obligation resulting from as-of-right and the proposed development and the difference in affordable unit required/proposed under each). Based upon this discussion and the Board's review of the application in general, the Board determined that the number of units should be reduced to 28, which would include five affordable housing units.

WHEREAS, the Board has made the following ultimate findings and conclusions based upon the foregoing findings of fact:

- A. The Applicants have shown special reasons to satisfy the requirements for granting the D Variances and bulk variances pursuant to the provisions of N.J.S.A. 40:55D-70(d). The Board finds that the Application for town home units, given the site and the surrounding area, would be better developed as a townhouse development than as a traditional residential subdivision.
- B. The Applicants have demonstrated that the proposed use, as hereinafter conditioned, promotes the general welfare of the community in that a townhouse development is consistent with the surrounding area particularly development with a density of 28 units which is similar to the site's R-7 zoning. This will allow for a significant amount of clustering which is not possible under R-7 single family zoning; reduced public costs associated with public roads infrastructure; better buffering and affordable housing.
- C. The Board concludes that there are no significant detrimental impacts on the neighborhood in that traffic to and from the site will be minimal. The Board concludes that the conditions to be imposed reduce or eliminate any negative impact the project may have on the neighborhood.

- D. The application for the variances as hereinafter conditioned, can be granted without substantial detriment to the public good and will not substantially impair the intent and purpose of the Zone Plan and Zoning Ordinance.
- E. The Applicants have demonstrated that the proposed development with the associated variances can be done in a manner which will minimize any negative visual impact.

WHEREAS, at the conclusion of the hearing on March 15, 2007 the Board has taken action by voting on said application in accordance with N.J.S.A. 40:55D-10(g) of the Municipal Land Use Law and has directed that a resolution memorializing such action be prepared.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Adjustment on this 18th day of October, 2007, on the basis of the evidence presented to it, the foregoing findings of fact and ultimate findings and conclusions, that the Board does hereby grant the Use Variance approval applied for by the Applicants for the construction of 28 town homes which are to include 5 affordable housing units, subject to the following conditions:

1. The granting of the D Variances and the other Bulk Variances identified above shall not be construed to eliminate satisfaction of any other requirements of the zoning ordinance or requirements of the agencies, boards, and authorities of the Township of Franklin, County of Somerset or State of New Jersey.

2. Compliance with Applicants' representations and agreements as well as the conditions set forth in the findings of fact hereinabove.

3. Any and all fees properly due and owing the Municipal Board of Adjustment for hearing the application must be paid.

- 4. Applicants will comply with all the comments in the staff reports, unless specifically addressed otherwise in this Resolution.
- 5. Applicants shall return to this Board for Site Plan review

OLGA M. BURKE Board Secretary

## VOTE ON MOTION: 3/15/07 FOR:

Raymond Betterbid Grace Evans Laura Graumann Bruce McCracken Robert Shepherd Daniel Higgins Robert Thomas

## **VOTE ON RESOLUTION: 10/18/07** FOR:

Raymond Betterbid Laura Graumann Bruce McCracken Robert Thomas

## **AGAINST:**

None

ABSTENTIONS: None

## AGAINST: None

**ABSTENTIONS:** None

## RESOLUTION OF BOARD OF ADJUSTMENT OF THE TOWNSHIP OF FRANKLIN, SOMERSET COUNTY, NEW JERSEY

## HUGO & GRACE FLOREZ DOCKET NO. ZBA 2007-00051

WHEREAS, the Applicants, Hugo and Grace Florez, (hereinafter the Applicants) have applied to the Franklin Township Board of Adjustment for Site Plan approval and bulk variance approval to erect 28 townhomes located at 453-455 Franklin Boulevard, Block 235, Lots 9 and 10 on the Franklin Township Tax Map, pursuant to N.J.S.A. 40:55D-70(d); and

WHEREAS, a public hearing was held on said application by the Board of Adjustment on February 7, 2008; and

**WHEREAS**, members of the public were given the opportunity to speak on the application and question witnesses; and

WHEREAS, the Board, after carefully considering the evidence presented to it by the Applicants, the application and the documents filed by the Applicants and the appropriate township officials and agencies together has made the following findings of fact:

1. The property is located at 453-455 Franklin Boulevard, Block: 235, Lots 9 and 10 in the R-7 Residential Zone.

2. The Applicant received a D (1) Use Variance from the Zoning Board of Adjustment (Docket # ZBA 2006-0737) for construction of 28 Townhomes on the site including five (5) affordable housing units. The previous resolution is included herein by reference.

3. Pursuant to N.J.S. 40:55D-76b, the Board of Adjustment retained jurisdiction to hear this Site Plan application with bulk variance requests.

4. The zoning officer has determined that the following additional variances are required as part of this Site Plan application:

 <u>Minimum Recreation Area</u>- 400 square feet per unit required- the applicant has proposed "open space" areas in excess of the requirement but these areas do not technically qualify as "recreation area".

- <u>Minimum Width of Private Streets</u>- 30ft minimum required 26ft proposed.
- <u>Minimum Setback from curbline</u>- 25 ft minimum required 18ft proposed
- Minimum Side Yard at end of each row of housing units –20ft minimum required – 15.6ft, 14.1ft, 13ft and 12ft proposed.

5. The Application is subject to Article XXXIV of the Franklin Ordinance concerning parkland dedication.

6. Peter Lanfrit, Esq. appeared on behalf of the Applicants. Mr. Lanfrit indicated and gave a brief description of changes made to the plans since the Board's approval of the Use Variance.

7. Mr. James Ramentol, Architect was sworn in and the Board accepted his professional qualifications. Mr. Ramentol provided the board with testimony found to be relevant and credible. He offered the following testimonial points concerning the application.

- Exhibit A-1 shows revised renderings of the new layout on the buildings on site. The floor plans for the revised buildings are contained in Exhibit A-2. Additionally, Exhibit A-3 was entered into the record and shows a new scheme for the size of the individual proposed buildings.
- He stated that there is to be (3) 6-plex structures on one side of the site to include 18 units. The other side of the site includes a 4-plex and a 6-plex, to include the remaining 10 units for the project.
- Exhibit A-4 is the revised Site Plan showing the current plans for the project. Mr. Ramentol stated that the current plans have many of the original characteristics within a less dense development. He also added that the buildings were reduced in number on the site, however, the bottom floor units were increased in square footage from 753 sq. ft to 1005 sq. ft making the units longer and wider than in the original plans. The revised buildings are now 2½ stories.
- Exhibit A-5 is an additional rendering of what the original scheme looked like including the three-floor design.
- The only significant difference between the affordable units (COAH) and the Market units was the inclusion of two full-size baths on the second floor in the

Market units and one full-size bath unit and a sitting area in the COAH unit. The attic space in the COAH units will be completely unfinished while the Market units will be insulated and will be habitable for recreation in the 7ft-center area with storage areas in the shorter side areas. That space will not be used as a bedroom.

- Exhibit A-6 is a flat elevation rendering of one of the proposed 6-plexes.
- Mr. Ramentol suggested in response to Board concern over a third bedroom proposed, that the area could be converted into a den/office area with removal of the closet to ensure that it would not be made into a bedroom.

8. The Applicant agreed that it would market the units as two bedrooms with a den that does not include a closet. The Board agrees to this as same was in accordance with the prior Use Variance approval which was predicated upon the fact that there would be 28 two-bedroom units.

9. Mr. Adonis Crispo, Engineer was sworn in and the Board accepted his professional qualifications. Mr. Crispo provided testimony, which the Board found to be relevant and credible. He provided the following testimonial points.

- All buildings and impervious coverage has been removed from wetlands and a wetlands delineation has been received. Further, wetlands delineation and buffering is noted on the plans.
- NJDEP will require a split rail fence around the wetlands buffer area prior to construction in order to preserve the stream.
- He gave an overview of the Site Plan, which includes detention basins, and a passive recreational area.
- He addressed parking concerns indicating that in addition to the two parking spaces provided per unit, there will also be 15 visitor parking spaces on one side and 8 visitor parking spaces on the other. There will be approximately 2.6 spaces per unit, which is above the required amount of parking required for the site.
- A design waiver is requested for the sidewalks based upon his opinion that same would negatively affect stormwater management. The Board granted this waiver.

- The buildings were moved approximately 11ft. from the property line. Every
  effort to preserve any trees and vegetation along the property lines will be
  taken and will be done in coordination with the Township's Engineering and
  Planning Departments. Additional evergreens will be provided in gap areas
  around the perimeter.
- Solid waste will be privately removed from the Site.
- The applicant engineer's 1/8/08 letter indicates that the 5 affordable units will be distributed 1 per building.
- Applicant can comply with all items contained in the Township Engineers report dated January 31, 2008.

10. Attorney Lanfrit, Esq. indicated that the Applicant will come up with an active recreation plan and will work with the Township Planer regarding same and with regards to landscaping and fencing. He further stated that Applicant will comply with the re-striping request and the left turn lane on Franklin Boulevard as suggested in the January 28, 2008, Traffic Safety Bureau report. All other staff reports will be satisfied.

11. Applicant will address with the Township Engineering department regarding the required number of handicapped spaces and will comply with the requirements of the ADA.

12. The Board will permit an additional Variance of 1% concerning impervious coverage in the event the recreation site increases impervious coverage. The maximum coverage would be 32%.

**WHEREAS**, the Board has made the following ultimate findings and conclusions based upon the foregoing findings of fact:

- A. The Applicants have demonstrated that the proposed Site Plan and additional Bulk Variances, as hereinafter conditioned, represent good sound planning and satisfied the provisions of N.J.S.A. 40:55D-70(d), 40:55D-76b.
- B. The Board is satisfied that the Site Plan submitted with the additional Bulk Variances can be granted in accordance with the reasoning set fourth in the Use Variance approving resolution (ZBA# 2006-0737) and same is incorporated by reference herein. That prior resolution remains in full force and effect.

- C. The Board concludes that there are no significant detrimental impacts on the neighborhood in that traffic to and from the site will be minimal. The Board concludes that the conditions to be imposed reduce or eliminate any negative impact the project may have on the neighborhood.
- D. The application for the Site Plan with Bulk Variances hereinafter conditioned can be granted without substantial detriment to the public good and will not substantially impair the intent and purpose of the Zone Plan and Zoning Ordinance.
- E. The Applicants have demonstrated that the proposed development with the associated variances can be done in a manner which will minimize any negative visual impact.

**WHEREAS**, at the conclusion of the hearing on February 7, 2008 the Board has taken action by voting on said application in accordance with N.J.S.A. 40:55D-10(g) of the Municipal Land Use Law and has directed that a resolution memorializing such action be prepared.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Adjustment on this 5<sup>th</sup> day of June 2008, on the basis of the evidence presented to it, the foregoing findings of fact and ultimate findings and conclusions, that the Board does hereby grant the Site Plan and applied for Variances for the construction of 28 town homes which are to include 5 affordable housing units, subject to the following conditions:

1. The granting of the Site Plan and the other Bulk Variances identified above shall not be construed to eliminate satisfaction of any other requirements of the zoning ordinance or requirements of the agencies, boards, and authorities of the Township of Franklin, County State of New Jersey.

2. Compliance with Applicants' representations and agreements as well as the conditions set forth in the findings of fact hereinabove.

3. All conditions of the Use Variance approval shall remain in effect except as specifically modified in this resolution.

4. Any and all fees properly due and owing the Municipal Board of Adjustment for hearing the application must be paid.

5. Applicants shall comply with all the comments in the staff reports, unless specifically addressed otherwise in this Resolution.

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6. The deeds for each unit shall include a condition that the garage space is for the storage of a vehicle and the space on the third floor is not be used as sleeping space and den on the second floor not be used as a bedroom.

7. Once twenty of the units are sold, the applicant shall seek a determination by the Director of Planning as to what type of recreational amenities shall be placed in the recreation areas. Such determination shall be made based upon the demographics of the development (e.g., the presence or absence of families with children). The applicant shall provide all demographic information necessary for the Director of Planning to make this determination.

8. If necessary, to accommodate the recreational facilities, the impervious coverage shall be allowed to increase up to 32% of the total area of the property.

9. That there are improvements to proposed landscaping and fencing satisfactory to the Director of Planning.

10. If the Engineering Dept. allows the handicapped parking to be reduced, those areas will be used for additional visitor parking.

11. The Applicant shall re-stripe Franklin Boulevard after the completion of the project if the Engineering Dept determines it is necessary.

12. The Applicant shall abide by all applicable requirements of the Council on Affordable Housing (COAH) including the Uniform Housing Affordability Controls (UHAC) including but not limited to pricing, bedroom mix, low/moderate income split, affirmative marketing, and assignment of a COAH-qualified Administrative Agent. The Developer may choose the Administrative Agent for the Proposed Development or may use the Township's Administrative Agent. The Developer shall be solely responsible for all payments required for the services of the Administrative Agent. The Administrative Agent shall be COAH-qualified, shall be approved by the Township, and shall perform all duties and responsibilities of an administrative agent as set forth in the COAH Rules and UHAC, including those set forth in N.J.A.C. 5:80-26.14, 16 and 18 thereof, which duties and responsibilities include, but are not limited to: affordability controls; affirmative marketing; household certification; communication and education; and enforcement. If the Developer chooses the Administrative Agent, the Developer shall provide the Township, with at least 60 days prior written notice of its intent to change the Administrative Agent.

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13. The Developer shall record a deed restriction which shall maintain the affordability of each of the 5 Affordable Units in a form substantially similar to the form specified in N.J.A.C. 5:80-26.1 et. seq. The Developer shall provide the Township with proof of recordation of said deed restriction. Said deed restriction shall be recorded by the Developer after the appeal period for all relevant governmental approvals has expired and prior to the issuance of the first certificate of occupancy for the Proposed Development.

14. This application is subject to the Article XXXIV regarding parkland dedication. Per Article XXXIV, the application would be responsible for 0.4928 acres of parkland within the Township. The developer proposes to make a cash contribution in lieu of dedicating improved parklands. If said proposal is accepted by the Township Council, the contribution shall be calculated by multiplying the acreage for which contribution is to be substituted times a cost of \$40,000 per acre (i.e. \$19,712). The Applicant shall: (a) seek approval of this proposal by Township Council; and (b) if approved by Council, pay the \$19,712 payment-in-lieu of parkland dedication prior to receiving construction permits for in excess of 50% of the total residential units within the development in accordance with Township Code Section 112-270.

Christine Woodbury Board Secretary

## VOTE ON MOTION: 02/07/08 FOR

Raymond Betterbid Grace Evans Laura Graumann Bruce McCracken Robert Shepherd Donald Johnson Chairman Thomas

## VOTE ON RESOLUTION: 06/05/08 FOR

Raymond Betterbid Grace Evans Laura Graumann Bruce McCracken Robert Shepherd Donald Johnson Chairman Thomas

## AGAINST

None

## ABSTENTIONS None

## AGAINST None

ABSTENTIONS None

## APPENDIX M

RESERVANCE REPORTS

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April 24, 2015

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Hon, Edward M. Coleman, P.J.Ch. Superior Court of New Jersey Somerset County Courthouse 20 N. Bridge Street, 4th Floor Somerville, N.J. 08876

C: Mark H U.NTSA www.niba.org www.abconvention.com www.njmxd.com www.foundationforhousing.com



TOWNSHIP OF FRANKLIN CLERK'S OFFICE

#### New Jersey Supreme Court Decision Returning Mount Laurel Matters to the Re: Trial Courts (In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing; Docket No. 067126)

Dear Judge Coleman:

We write to you in your capacity as the designated <u>Mount Laurel</u> judge for your vicinage.

The New Jersey Builders Association ("NJBA") was one of the primary litigants in the abovereferenced matter. This matter is the culmination of a very long effort contesting the failure of the New Jersey Council on Affordable Housing ("COAH") to satisfy its constitutional and statutory duty to oversee compliance with the Mount Laurel doctrine, articulated in Southern Burlington County NAACP y. Tp. of Mount Laurel, 92 N.J. 158 (1983) ("Mount Laurel II"), and many other opinions.

Because COAH has failed to satisfy that duty for approximately 15 years, our Supreme Court has decided, through the motion decision referenced above, to bypass COAH and return primary jurisdiction over Mount Laurel disputes to the trial courts.

### THE BACKGROUND

The Supreme Court issued both an opinion and an order on March 10, 2015. Through its Opinion and Order, copies of which are enclosed, the Court holds that the duty to exhaust administrative remedies before COAH is dissolved, and the Court provides for the procedures that are to be employed by our trial courts when addressing Mount Laurel issues. A central (and threshold) issue to be determined by the trial courts is the magnitude of the fair share obligations to be satisfied by New Jersey municipalities going forward.

Per the Mount Laurel doctrine, each municipality is to provide, through zoning ordinance amendments and otherwise, for a realistic opportunity for satisfaction of the municipality's fair share of the regional need for low and moderate income housing. The Court has provided for time frames within which municipalities are to file compliance plans demonstrating how their fair share obligations are to be satisfied. To do that, the fair share obligations must be

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DWIGHT W, PITTENGER, ESO, Vice President • JOHN H, KIRKENIR Treasurer • THOMAS F. TROY Secretary • COREY T. WESCOE Builder Vice President JEANNE TOMLINSON Associate Vice President . JOHN J. HEALEY 2nd Associate Vice President MICHAEL J. GROSS, ESQ. Environmental Counsel . ROBERT M. WASHBURN, ESQ. General Counsel . THOMAS F. CARROLL III, ESQ. Land Use Counsel

200 American Metro Boulevard • Suite 123 • Hamilton, NJ 08619 • P: 609.587.5577 • F: 609.587.0044

NJBA

NJ Sup. Ct. Decision Returning Mt. Laurel Matters to Trial Judges Page 2 of 3

determined. Thus, within Mount Laurel cases that are to be filed (and/or within those cases that have already been filed), the designated Mount Laurel judges will be adjudicating fair share obligation and compliance issues.

#### FAIR SHARE OBLIGATIONS

The Court's March 10 opinion ("Opinion") provides some specific guidance to our trial courts (at pages 40 to 46), concerning the manner in which fair share obligations are to be calculated. In this regard, we enclose for your Honor's assistance statewide fair share numbers<sup>1</sup> that have been calculated using the second round methodology in accordance with the Opinion. Fair share obligations are comprised of three components: (1) the "rehabilitation" or "present need" component; (2) the "prior round" component; and (3) the "prospective need" component. These projections have been developed to encompass the lost years of the third round (i.e., 1999-2015), plus ten years prospectively to cover the entirety of the new third round (i.e., through the year 2025).

The "present need" figures on the enclosed spreadsheet ("Municipal Summary, Fair Share Housing Obligations, 2015") are derived from the 2010 Census data. The present need component has not been a subject of any considerable controversy over the years. See pages 45-46 of the Opinion.

The "prior round" figures on the enclosed spreadsheet are also not in dispute. The Supreme Court ordered that the prior round numbers calculated by COAH remain applicable going forward. See page 42 of the Opinion. These numbers were calculated by COAH in 1994 - the last time COAH adopted lawful regulations. They governed the period of 1987-1999 (i.e., the "prior round").

The prior round ended in 1999, and we are now within what is called the "third round" (i.e., the post-1999 time period). The third round numbers have engendered controversy over the years, principally because COAH had promulgated two sets of what were known as "growth share rules" (both sets having been invalidated by the courts). In its Opinion, the Supreme Court directed that the trial courts utilize the prior round fair share methodology, with updated data sources, in order to calculate prospective (third round) fair share numbers. See page 41 of the Opinion. We believe that, although not prepared by or for the NJBA, the enclosed spreadsheet is a proper implementation of the Supreme Court's directive. We hope your Honor finds these fair share numbers useful going forward when assigning fair share obligations to specific municipalities. In order to assist towns within your vicinage when developing compliance plans designed to meet their fair share obligations, we also provide copies of this letter and the enclosed spreadsheet to the municipalities within your vicinage. Similar letters are being sent to the other designated Mount Laurel judges and the municipalities within their vicinages.

<sup>1</sup> These figures have been prepared by Fair Share Housing Center, Inc.

NJBA NJ Sup. Ct. Decision Returning Mt. Laurel Matters to Trial Judges Page 3 of 3

#### THE OBLIGATION TO PROVIDE NOTICE OF LAWSUITS TO THE NJBA

The Opinion, at page 31, ruled that towns filing <u>Mount Laurel</u>-related declaratory judgment actions "will have to do so on notice and opportunity to be heard by FSHC [Fair Share Housing Center] and other interested parties. Courts assessing the notice requirement should understand that the term 'interested parties' presumptively includes, at a minimum, the entities on the service list in this matter." The NJBA was a major party in that appeal, and was therefore on the service list. Thus, municipalities are required to provide the NJBA with notice upon the municipalities' filing of declaratory judgment actions. We ask that your Honor screen such declaratory judgment actions upon their filing to ensure that the filing municipalities have met their service obligations, and that you order any municipalities failing to meet their notice obligations to do so. No judicial proceedings on those declaratory judgment actions should take place until proof of such service has been made by the filing municipalities.

We would be happy to address any questions your Honor may have.

Respectfully submitted,

George T: Vallone

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George Vallone, MBA, CRE, NJBA President

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Carol Ann Short, Esq., EVP, CEO

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Enclosures ("Municipal Summary, Fair Share Housing Obligations, 2015" and March 10, 2015 Supreme Court Opinion and Order)

cc: All Municipalities within Somerset, Hunterdon, and Warren Counties (w/enclosed "Municipal Summary, Fair Share Housing Obligations, 2015")

All Counsel on Service List for In the Matter of the Adoption of N.J.A.C. 5:96 and 5:97 by the New Jersey Council on Affordable Housing; Docket No. 067126 (w/enclosed "Municipal Summary, Fair Share Housing Obligations, 2015")

Municipal Summary, Fair Share Housing Obligations, 2015							
Muni Code	Múnicipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-202! (units)*	
0201	Allendale Borough	Bergen	1	6	137	40	
0202	Alpine Borough	Bergen	1	2	214	13	
0203	Bergenfield Borough	Bergen	1	121	87	33	
0204	Bogota Borough	Bergen	1	32	13	8	
0205	Carlstadt Borough	Bergen	1	24	228	43	
0206	Cliffside Park Borough	Bergen	1	117	28		
0207	Closter Borough	Bergen	1	6	110	56	
0208	Cresskill Borough	Bergen	1	37	70	50	
0209	Demarest Borough	Bergen	1	7	66	33	
0210	Dumont Borough	Bergen	1	27	34	25	
0212	East Rutherford Borough	Bergen	1	130	90	. 85	
0213	Edgewater Borough	Bergen	1	0	28	100	
0211	Elmwood Park Borough	Bergen	1	92	54		
0214	Emerson Borough	Bergen	1	51	74	44	
0215	Englewood City	Bergen	1	190	152	100	
0216	Englewood Cliffs Borough	Bergen	1	4	219	37	
0217	Fair Lawn Borough	Bergen	1	79	152	59	
0218	Fairview Borough	Bergen	1	207	20		
0219	Fort Lee Borough	Bergen	1	256	180	4:	
0220	Franklin Lakes Borough	Bergen	1	19	358	68	
0221	Garfield City	Bergen	1	257	0		
0222	Glen Rock Borough	Bergen	1	4	118	66	
0223	Hackensack City	Bergen	1	420	201		
0224	Harrington Park Borough	Bergen	1	0	56	30	
0225	Hasbrouck Heights Borough	Bergen	1	18	58	28	
0226	Haworth Borough	Bergen	1	0	64	2	
0227	Hillsdale Borough	Bergen	1	11	111	5	
0228	Ho-Ho-Kus Borough	Bergen	1	7	83	2	
0229	Leonia Borough	Bergen	1	76	30	2	
0230	Little Ferry Borough	Bergen	1	124	28		
0231	Lodi Borough	Bergen	1	159	0		
0232	Lyndhurst Township	Bergen	1	194	100	10	
0233	Mahwah Township	Bergen	1	84	350	10	
0234	Maywood Borough	Bergen	1	45	36	3	
0235	Midland Park Borough	Bergen	1	26	54		
0236	Montvale Borough	Bergen	1	0	255	5	
0237	Moonachie Borough	Bergen	1	21	95		
0238	New Milford Borough	Bergen	1	81	23		
0239	North Arlington Borough	Bergen	1	141	4		
0240	Northvale Borough	Bergen	1	7	86		
0241	Norwood Borough	Bergen	1	0	118	3	
0241	Oakland Borough	Bergen	1	20	220		
0243	Old Tappan Borough	Bergen	1	8	98		
0244	Oradell Borough	Bergen	1	37	89		
0245	Palisades Park Borough	Bergen	1	164	C		
0245	Paramus Borough	Bergen	1	177	698		
0240	Park Ridge Borough	Bergen	1	89	112		
0247	Ramsey Borough	Bergen	1	72	189	-	
0248	Ridgefield Borough	Bergen	1	133	47		
0250	Ridgefield Park Village	Bergen	1	135	25		
0251	Ridgewood Village	Bergen	1	11	- 229		

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> Prepared by Fair Share Housing Center April 2015 page 1 of 12

Muni Code	Municipality	County	Region	Present Need,	Prior Round Obligation,	Third Round N Prospective
Hulli Couc	internorpointy			2010 (units)	1987-1999 (units)	Need, 1999-20 (units)*
0252	River Edge Borough	Bergen	1	33	73	2
0253	River Vale Township	Bergen	1	32	121	4
0254	Rochelle Park Township	Bergen	1	0	64	2
0255	Rockleigh Borough	Bergen	1	0	84	
0256	Rutherford Borough	Bergen	1	114		4
0257	Saddle Brook Township	Bergen	1	65	127	
0258	Saddle River Borough	Bergen	1	42	162	
0259	South Hackensack Township	Bergen	1	45	50	
0260	Teaneck Township	Bergen	1	55	192	•
0261	Tenafly Borough	Bergen	1	41	159	
0262	Teterboro Borough	Bergen	11	0	106	
0263	Upper Saddle River Borough	Bergen	1	0	206	
0264	Waldwick Borough	Bergen	1	41	81	
0265	Wallington Borough	Bergen	1	84	5	
0266	Washington Township	Bergen	1	0	85	
0267	Westwood Borough	Bergen	1	30		
0268	Woodcliff Lake Borough	Bergen	1	18	170	
0269	Wood-Ridge Borough	Bergen	1	0	38	
0270	Wyckoff Township	Bergen	1	26	221	1
0901	Bayonne City	Hudson	1	632	0	
0902	East Newark Borough	Hudson	1	31	2	
0903	Guttenberg Town	Hudson	1	36	23	
0904	Harrison Town	Hudson	1	139	30	
0905	Hoboken City	Hudson	1	217	0	
0906	Jersey City City	Hudson	1	3370	0	1
0907	Kearny Town	Hudson	1	238	211	
0908	North Bergen Township	Hudson	1	603	0	
0909	Secaucus Town	Hudson	1	64	590	10
0910	Union City City	Hudson	1	1442	0	
0911	Weehawken Township	Hudson	1	211	3	
0912	West New York Town	Hudson	1	833	0	
1601	Bloomingdale Borough	Passaic	1	65	168	
1602	Clifton City	Passaic	1	2346	379	
1603	Haledon Borough	Passaic	1	52	5	
1604	Hawthorne Borough	Passaic	1	28	58	
1605	Little Falls Township	Passaic	1	85	101	-
1606	North Haledon Borough	Passaic	1	10	92	
1607	Passaic City	Passaic	1	4625	0	
1608	Paterson City	Passaic	1	3255	0	
1609	Pompton Lakes Borough	Passaic	1	50	102	
1610	Prospect Park Borough	Passaic	1	9	0	
1611	Ringwood Borough	Passaic	1	41	51	
1612	Totowa Borough	Passaic	1	174	247	
1613	Wanaque Borough	Passaic	1	124	332	
1614	Wayne Township	Passaic	1	201	1158	1
1615	West Milford Township	Passaic	1	107	98	1
1616	West Paterson Borough	Passaic	1	212	146	
1901	Andover Borough	Sussex	1	6	7	
1902	Andover Township	Sussex	1	9	55	
1903	Branchville Borough	Sussex	1	0	13	
1904	Byram Township	Sussex	1	10	33	

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Prepared by Fair Share Housing Center April 2015 page 2 of 12 

	Municipal Summ	iary, Fair Shi	are Hous	ing Obligations	, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)*
1905	Frankford Township	Sussex	1	16	36	191
1906	Franklin Borough	Sussex	1	15	9	387
1907	Fredon Township	Sussex	1	14		153
1908	Green Township	Sussex	1	0	20	114
1909	Hamburg Borough	Sussex	1	5	14	139
1910	Hampton Township	Sussex	1	4	44	166
1910	Hardyston Township	Sussex	1	17	18	672
1912	Hopatcong Borough	Sussex	1	21	93	729
1912	Lafayette Township	Sussex	1	0	27	128
1915	Montague Township	Sussex	1	0	9	31
	Newton Town	Sussex	1	72	24	
1915			1	3		65
1916	Ogdensburg Borough	Sussex		and the second se		
1917	Sandyston Township	Sussex	1	2	13	66
1918	Sparta Township	Sussex	1	29	76	820
1919	Stanhope Borough	Sussex	1	4	15	301
1920	Stillwater Township	Sussex	1	0		70
1921	Sussex Borough	Sussex	1	12	0	(
1922	Vernon Township	Sussex	1	57	60	
1923	Walpack Township	Sussex	1	0	0	
1924	Wantage Township	Sussex	1	31	35	180
0701	Belleville Township	Essex	2	768	0	(
0702	Bloomfield Township	Essex	2	547	0	
0703	Caldwell Township	Essex	2	11	0	144
0704	Cedar Grove Township	Essex	2	0	70	709
0717	City of Orange Township	Essex	2	845	٥	(
0705	East Orange City	Essex	2	546	0	(
0706	Essex Fells Township	Essex	2	0	40	145
0707	Fairfield Township	Essex	2	53	318	518
0708	Glen Ridge Borough	Essex	2	19	28	449
0709	Irvington Township	Essex	2	736		(
0710	Livingston Township	Essex	2	20	375	1000
0711	Maplewood Township	Essex	2	90	51	
0711	Millburn Township	Essex	2	111	261	
0712	Montclair Township	Essex	2	146		
0713	Newark City	Essex	2	3277	0	
			2	18	63	
0715	North Caldwell Borough	Essex	2	256	29	
0716	Nutley Township	Essex				
0718	Roseland Borough	Essex	2	0	182	
0719	South Orange Village	Essex	2	0	63	· _ · · · · · · · · · · · · · · · · · ·
0720	Verona Township	Essex	2	0	24	
0721	West Caldwell Township	Essex	2	0	200	
0722	West Orange Township	Essex	2	354	226	
1401	Boonton Town	Morris	2	21	11	
1402	Boonton Township	Morris	2	8	20	
1403	Butler Borough	Morris	2	28	16	
1404	Chatham Borough	Morris	2	0	77	48
1405	Chatham Township	Morris	2	43	83	72
1406	Chester Borough	Morris	2	10	16	13
1407	Chester Township	Morris	2	27	32	
1408	Denville Township	Morris	2	36	325	
1409	Dover Town	Morris	2	246	6	

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	Municipal Summ	iary, Fair Sh	でもういいいではい語言が行きた	ing Obligations,	2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)*
1410	East Hanover Township	Morris	2	31	262	770
1411	Florham Park Borough	Morris	2	107	326	82
1412	Hanover Township	Morris	2	24	356	100
1413	Harding Township	Morris	2	0	83	29
1414	Jefferson Township	Morris	2	37	69	26
1415	Kinnelon Borough	Morris	2	0	73	29
1416	Lincoln Park Borough	Morris	2	15	74	39
1430	Long Hill Township	Morris	2	0	62	47
1417	Madison Borough	Morris	2	31	86	100
1418	Mendham Borough	Morris	2	8	25	32
1419	Mendham Township	Morris	2	19	41	37
1420	Mine Hill Township	Morris	2	0	61	17
1421	Montville Township	Morris	2	11	261	100
1423	Morris Plains Borough	Morris	2	17	144	44
1422	Morris Township	Morris	2	. 0	293	79
1424	Morristown Town	Morris	2	188	227	35
1426	Mount Arlington Borough	Morris	2	10	17	22
1427	Mount Olive Township	Morris	2	131	45	100
1425	Mountain Lakes Borough	Morris	2	0	80	26
1428	Netcong Borough	Morris	2	19	0	2
1429	Parsippany-Troy Hills Township	Morris	2	261	664	100
1431	Pequannock Township	Morris	2	32	134	41
1432	Randolph Township	Morris	2	25	261	100
1433	Riverdale Borough	Morris	2	0	58	35
1434	Rockaway Borough	Morris	2	0	43	22
1435	Rockaway Township	Morris	2	80	370	100
1436	Roxbury Township	Morris	2	76	255	100
1437	Victory Gardens Borough	Morris	2	2	C	
1438	Washington Township	Morris	2	20	66	57
1439	Wharton Borough	Morris	2	76	42	30
2001	Berkeley Heights Township	Union	2	21	183	85
2002	Clark Township	Union	2	53	92	24
2002	Cranford Township	Union	2	45	148	80 80
2005	Elizabeth City	Union	2	4256	(	
2005	Fanwood Borough	Union	2	24	45	
2005	Garwood Borough	Union	2	40	19	20
2007	Hillside Township	Union	2	125	(	
2008	Kenilworth Borough	Union	2	0	83	55
2009	Linden City	Union	2	349	209	
2010	Mountainside Borough	Union	2	86	123	
2011	New Providence Borough	Union	2	74	135	5 44
2012	Plainfield City	Union	2	847	(	
2013	Rahway City	Union	2	195	70	
2013	Roselle Borough	Union	2	264	(	
2014	Roselle Park Borough	Union	2	46	(	
2015	Scotch Plains Township	Union	2	125	182	2 8
2010	Springfield Township	Union	2	15	135	5 5
2017	Summit City	Union	2	69	17:	1 10
2018	Union Township	Union	2	339	233	3 10
2019	Westfield Town	Union	2	48	139	10
2020	Winfield Township	Union	2	18	· · · · · · · · · · · · · · · · · · ·	

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				Present Need,	Prior Round Obligation,	Third Round Net Prospective
Muni Code	Municipality	County	Region	2010 (units)	1987-1999	Need, 1999-202!
				2010 (units)	(units)	(units)*
2101	Allamuchy Township	Warren	2	30	13	23
2102	Alpha Borough	Warren	2	0	13	
2103	Belvidere Town	Warren	2	12	0	19
2104	Blairstown Township	Warren	2	0	12	13
2105	Franklin Township	Warren	2	0	11	23
2106	Frelinghuysen Township	Warren	2	0	6	16
2107	Greenwich Township	Warren	2	0	41	36
2108	Hackettstown Town	Warren	2	68	62	26
2109	Hardwick Township	Warren	2	1	6	10
2110	Harmony Township	Warren	2	0	47	2(
2111	Hope Township	Warren	2	3	8	10
2112	Independence Township	Warren	2	o	10	10
2113	Knowlton Township	Warren	2	11	14	(
2114	Liberty Township	Warren	2	0	7	1!
2115	Lopatcong Township	Warren	2	0	56	3,
2116	Mansfield Township	Warren	2	15	3	41
2117	Oxford Township	Warren	2	16	2	20
2119	Phillipsburg Town	Warren	2	161	0	
2120	Pohatcong Township	Warren	2	7	47	2:
2121	Washington Borough	Warren	2	2	0	24
2122	Washington Township	Warren	2	0	48	50
2123	White Township	Warren	2	40	16	44
1001	Alexandria Township	Hunterdon	3 -	99	22	3,
1002	Bethlehem Township	Hunterdon	3	6	42	2
1003	Bloomsbury Borough	Hunterdon	3	2	17	
1004	Califon Borough	Hunterdon	3	0	21	
1005	Clinton Town	Hunterdon	3	10	51	1
1006	Clinton Township	Hunterdon	3	27	335	9
1007	Delaware Township	Hunterdon	3	60	23	2
1008	East Amwell Township	Hunterdon	3	0	40	2
1009	Flemington Borough	Hunterdon	3	57	38	
1010	Franklin Township	Hunterdon	3	0	36	1
1011	Frenchtown Borough	Hunterdon	3	4	2	
1012	Glen Gardner Borough	Hunterdon	3	3	7	
1013	Hampton Borough	Hunterdon	3	12	2	
1014	High Bridge Borough	Hunterdon	3	29	27	1
1015	Holland Township	Hunterdon	3	64	17	
1016	Kingwood Township	Hunterdon	3	0	19	1
1017	Lambertville City	Hunterdon	3	57	0	1
1018	Lebanon Borough	Hunterdon	3	0	34	1.
1019	Lebanon Township	Hunterdon	3	0	. 28	3
1020	Milford Borough	Hunterdon	3	0	5	
1021	Raritan Township	Hunterdon	3	20	360	
1022	Readington Township	Hunterdon	3	101	394	
1023	Stockton Borough	Hunterdon	3	0	6	
1024	Tewksbury Township	Hunterdon	3	0	119	
1025	Union Township	Hunterdon	3	0	78	<u>.</u>
1026	West Amwell Township	Hunterdon	3	0	16	
1201	Carteret Borough	Middlesey	2	176		1

Carteret Borough

Cranbury Township

Dunellen Borough

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Middlesex

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	Municipal Sumn	nary, Fair Sha	are Hous	ing Obligations,	2015	
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				Present Need,	Obligation,	Prospective
/luni Code	Municipality	County	Region	2010 (units)	1987-1999	Need, 1999-2025
-					(units)	(units)*
1204	East Brunswick Township	Middlesex	3	75	648	100
1204	Edison Township	Middlesex	3	421	965	100
1205	Helmetta Borough	Middlesex	3	6	26	11
1206	Highland Park Borough	Middlesex	3	55	0	35
1207		Middlesex	3	18	8	5
1208	Jamesburg Borough	Middlesex	3	40	99	58
1210	Metuchen Borough	Middlesex	3	64	105	31
1211	Middlesex Borough	Middlesex	3	30	64	22
1212	Milltown Borough	Middlesex	3	104	554	100
1213	Monroe Township	Middlesex	3	1322	0	
1214	New Brunswick City	Middlesex	3	197	395	100
1215	North Brunswick Township		3	127	439	·
1209	Old Bridge Township	Middlesex	3	731	0	
1216	Perth Amboy City	Middlesex	3	314	736	
1217	Piscataway Township	Middlesex		0	205	
1218	Plainsboro Township	Middlesex		67	263	
1219	Sayreville Borough	Middlesex	3	1		
1220	South Amboy City	Middlesex	3	41	841	
1221	South Brunswick Township	Middlesex	3	117		·
1222	South Plainfield Borough	Middlesex	3	48	379	
1223	South River Borough	Middlesex	3	96		
1224	Spotswood Borough	Middlesex	3	0	48	
1225	Woodbridge Township	Middlesex	3	381	955	
1801	Bedminster Township	Somerset	3	0	154	
1802	Bernards Township	Somerset	3	36	508	
1803	Bernardsville Borough	Somerset	3	0	12	
1804	Bound Brook Borough	Somerset	3	96	(	
1805	Branchburg Township	Somerset	3	7		
1806	Bridgewater Township	Somerset	3	229	71	
1807	Far Hills Borough	Somerset	3	3	3	
1808	Franklin Township	Somerset	3	171	76	
1809	Green Brook Township	Somerset	3	9	15	
1805	Hillsborough Township	Somerset	3	50	46	
1810	Manville Borough	Somerset	3	161		0
	Millstone Borough	Somerset	3	0	2	1
1812	Montgomery Township	Somerset	3	71		
1813	North Plainfield Borough	Somerset	3	368		0 1
1814	Peapack-Gladstone Borough	Somerset	3	0		2 · 1
1815	Raritan Borough	Somerset	3	39	8	2 4
1816		Somerset	3	2		5
1817	Rocky Hill Borough	Somerset	3	127	· · · · · · · · · · · · · · · · · · ·	3 3
1818	Somerville Borough	Somerset	3	79		0
1819	South Bound Brook Borough	Somerset	3	68		3 9
1820	Warren Township		3	16		
1821	Watchung Borough	Somerset	4	62		
1101	East Windsor Township	Mercer	4	140		
1102	Ewing Township	Mercer		310	·	
1103	Hamilton Township	Mercer	4	38		15 1
1104	Hightstown Borough	Mercer	4			19 1
1105	Hopewell Borough	Mercer	4		~	
1106	Hopewell Township	Mercer	4			-
1107	Lawrence Township	Mercer	4	96	20 85	

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	Municipal Sum	imary, Fair Sha	are Housi	ng Obligations	, 2015	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)*
1114	Princeton	Mercer	4	149	641	63
1111	Trenton City	Mercer	4	1015	0	
1112	Robbinsville Township	Mercer	4	20	293	1.00
1113	West Windsor Township	Mercer	4	158	899	100
1330	Aberdeen Township	Monmouth	4	63	270	61
1301	Allenhurst Borough	Monmouth	4	4	50	4
1302	Allentown Borough	Monmouth	4	10	28	13
1303	Asbury Park City	Monmouth	4	300	0	
1304	Atlantic Highlands Borough	Monmouth	4	61	86	21
1305	Avon-by-the-Sea Borough	Monmouth	4	9	20	17
1306	Belmar Borough	Monmouth	4	31	59	24
1307	Bradley Beach Borough	Monmouth	4	41	20	11
1308	Brielle Borough	Monmouth	4	30	159	37
1309	Colts Neck Township	Monmouth	4	5	218	55
1310	Deal Borough	Monmouth	4	0	54	7
1311	Eatontown Borough	Monmouth	4	71	504	83
1312	Englishtown Borough	Monmouth	4	36	65	13
1313	Fair Haven Borough	Monmouth	4	0	135	39
1314	Farmingdale Borough	Monmouth	4	3	19	4
1315	Freehold Borough	Monmouth	4	219	188	21
1316	Freehold Township	Monmouth	4	100	1.036	
1339	Hazlet Township	Monmouth	4	· 20	407	72
1335	Highlands Borough	Monmouth	4	41	20	13
1318	Holmdel Township	Monmouth	4	38	768	
1319	Howell Township	Monmouth	4	112	955	100
1320	Interlaken Borough	Monmouth	4	2	40	
1320	Keansburg Borough	Monmouth	4	91	0	
1322	Keyport Borough	Monmouth	4	.30	1	
1323	Little Silver Borough	Monmouth	4	7	197	
1324	Loch Arbour Village	Monmouth	4	0	31	
1324	Long Branch City	Monmouth	4	493	0	
1325	Manalapan Township	Monmouth	4	124	706	
1320	Manasguan Borough	Monmouth	4	10	149	
1328	Mariboro Township	Monmouth	4	113	1019	
1328	Matawan Borough	Monmouth	4	65	141	
	Middletown Township	Monmouth	4	161	1561	
1331 1332	Millstone Township	Monmouth	4	27	81	
	Monmouth Beach Borough	Monmouth	4	0	70	
1333	Neptune City Borough	Monmouth	4	0	33	
1335	Neptune Township	Monmouth	4	123	0	
1334		Monmouth	4	123	873	
1337	Ocean Township			0	873	
1338	Oceanport Borough	Monmouth	4	102	427	
1340	Red Bank Borough	Monmouth			427	
1341	Roosevelt Borough	Monmouth	4	3		
1342	Rumson Borough	Monmouth	4	11	268	
1343	Sea Bright Borough	Monmouth	4	8	37	
1344	Sea Girt Borough	Monmouth	4	0	115	1
1345	Shrewsbury Borough	Monmouth	4	17	277	+
1346	Shrewsbury Township	Monmouth	4 4	25	12	
1347	South Belmar Borough	Monmouth				

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Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Ne Prospective Need, 1999-202 (units)*
1349	Spring Lake Heights Borough	Monmouth	4	11	76	24
1336	Tinton Falls Borough	Monmouth	4	113	622	100
1350	Union Beach Borough	Monmouth	4	70	83	19
1350	Upper Freehold Township	Monmouth	4	52	43	33
1352	Wall Township	Monmouth	4	142	1073	100
1352	West Long Branch Borough	Monmouth	4	0	219	1!
1555	Barnegat Light Borough	Ocean	4	6	84	
1501	Barnegat Township	Ocean	4	0	329	9.
1502	Bay Head Borough	Ocean	4	6	65	
1502	Beach Haven Borough	Ocean	4	0	70	1
	Beachwood Borough	Ocean	4	33	123	2
<u>    1504                                </u>	Berkeley Township	Ocean	4	94	610	1
	Brick Township	Ocean	4	189	930	1.0
1506	Toms River Township	Ocean	4	243	2233	10
1507	Eagleswood Township	Ocean	4	0	36	
1508		Ocean	4	7	37	
1509	Harvey Cedars Borough	Ocean	4	2	31	
1510	Island Heights Borough	Ocean	4	105	1247	10
1511	Jackson Township	Ocean	4	54	580	
1512	Lacey Township	Ocean	4	16	66	
1513	Lakehurst Borough	Ocean	4	534	C	
1514	Lakewood Township	Ocean	4	0	82	
1515	Lavallette Borough		4	124	194	
1516	Little Egg Harbor Township	Ocean Ocean	4	23	41	
1517	Long Beach Township		4	120	370	
1518	Manchester Township	Ocean	4	0	59	
1519	Mantoloking Borough	Ocean	4	10	12	
1521	Ocean Gate Borough	Ocean	4	9	236	
1520	Ocean Township	Ocean	4	0	41	
1522	Pine Beach Borough	Ocean	4	21	47	
1523	Plumsted Township	Ocean	4	55	167	
1525	Point Pleasant Beach Borough	Ocean	4	26	343	
1524	Point Pleasant Borough	Ocean	4	95		······································
1526	Seaside Heights Borough	Ocean	4	33		
1527	Seaside Park Borough	Ocean	4	0	7:	
1528	Ship Bottom Borough	Ocean		47	5	
1529	South Toms River Borough	Ocean	4	94		
1530	Stafford Township	Ocean		0	49	
1531	Surf City Borough	Ocean	4	81		and the second descent desc
1532	Tuckerton Borough	Ocèan	4	4		
0301	Bass River Township	Burlington	5	3	1	
0302	Beverly City	Burlington	5	25		
0303	Bordentown City	Burlington	5			
0304	Bordentown Township	Burlington	5	5		
0305	Burlington City	Burlington	5			
0306	Burlington Township	Burlington	5	74		
0307	Chesterfield Township	Burlington	5	19		
0308	Cinnaminson Township	Burlington	5	10		
0309	Delanco Township	Burlington	5	23		
0310	Delran Township	Burlington	5	71		
0311	Eastampton Township	Burlington	5	0		
0312	Edgewater Park Township	Burlington	5	49	3	<u>u</u>

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Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Ne Prospective Need, 1999-202 (units)*		
0313	Evesham Township	Burlington	5	89	534	100		
0314	Fieldsboro Borough	Burlington	5	0	19	3		
0315	Florence Township	Burlington	5	96	114	54		
0316	Hainesport Township	Burlington	5	0	150	36		
0317	Lumberton Township	Burlington	5	13	152	39		
0318	Mansfield Township	Burlington	5	0	114	59		
0319	Maple Shade Borough	Burlington	5	10	0	47		
0321	Medford Lakes Borough	Burlington	5	0	60	18		
0320	Medford Township	Burlington	5	25	418	80		
0322	Moorestown Township	Burlington	5	40	621	100		
0323	Mount Holly Township	Burlington	5	77	0			
0324	Mount Laurel Township	Burlington	5	86	815	100		
0325	New Hanover Township	Burlington	5	0	- 4	12		
0326	North Hanover Township	Burlington	5	0	1	19		
0327	Palmyra Borough	Burlington	5	4	39	16		
0328	Pemberton Borough	Burlington	5	0	9	7		
0329	Pemberton Township	Burlington	5	10	0			
0330	Riverside Township	Burlington	- 5	23	6			
0331	Riverton Borough	Burlington	5	0	15			
0332	Shamong Township	Burlington	5	23	84			
0333	Southampton Township	Burlington	5	30	85			
0334	Springfield Township	Burlington	5	0	54			
0335	Tabernacle Township	Burlington	-5	0	106	31		
0336	Washington Township	Burlington	5	0	11			
0337	Westampton Township	Burlington	S	32	221	61		
0338	Willingboro Township	Burlington	5	78	268			
0339	Woodland Township	Burlington	5	2	19			
0340	Wrightstown Borough	Burlington	5	3	10			
0401	Audubon Borough	Camden	5	37	0			
0402	Audubon Park Borough	Camden	5	3	4			
0402	Barrington Borough	Camden	5	7				
0404	Bellmawr Borough	Camden	5	36	107			
0405	Berlin Borough	Camden	5	40	154			
0406	Berlin Township	Camden	5	14	109			
0407	Brooklawn Borough	Camden	· 5	9	23			
0408	Camden City	Camden	5	772				
0409	Cherry Hill Township	Camden	5	367	1829			
0410	Chesilhurst Borough	Camden	5	0	28			
0410	Clementon Borough	Camden	5	72				
0411	Collingswood Borough	Camden	5	106				
0412	Gibbsboro Borough	Camden	5	100	112			
0413	Gloucester City City	Camden	5	67				
**	Gloucester Township	Camden	5	146	359			
0415	Haddon Heights Borough	Camden	5	0	333			
0418	Haddon Heights Borough Haddon Township	Camden	5	34	35			
0416	Haddon Township Haddonfield Borough	Camden	5	10	192			
0417			5	16	192			
0419	Hi-nella Borough	Camden	5	3	17			
0420	Laurel Springs Borough	Camden	1					
0421	Lawnside Borough	Camden	5	2	33			
0422 0423	Lindenwold Borough Magnolia Borough	Camden Camden	5	113 0	0			

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Prepared by Fair Share Housing Center April 2015 page 9 of 12 ,

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Muni Code	Municipality	. County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Prospective Need, 1999-2025 (units)*
0424	Merchantville Borough	Camden	5	7	0	7:
0424	Mount Ephraim Borough	Camden	5	2	33	11
0425	Oaklyn Borough	Camden	5	13	1	8
0428	Pennsauken Township	Camden	5	200	0	
0427	Pine Hill Borough	Camden	5	19	22	
0428	Pine Valley Borough	Camden	5	0	47	
0429	Runnemede Borough	Camden	5	15	_40	
0431	Somerdale Borough	Camden	5	3	95	
0431	Stratford Borough	Camden	5	24	70	
	Tavistock Borough	Camden	5	0	80	
0433	Voorhees Township	Camden	5	247	456	21
	Waterford Township	Camden	5	0	102	29
0435	Winslow Township	Camden	5	63	377	100
0436	Woodlynne Borough	Camden	5	8	0	
0437	Clayton Borough	Gloucester	5	44	94	
	Deptford Township	Gloucester	5	92	522	
0802	East Greenwich Township	Gloucester	5	60	252	6
0803	Elk Township	Gloucester	5	7	127	
0804	Franklin Township	Gloucester	5	87	166	10
0805	Glassboro Borough	Gloucester	5	18	0	
0806	Greenwich Township	Gloucester	5	0	.308	
0807	Harrison Township	Gloucester	5	0	198	3 7
0808	Logan Township	Gloucester	5	19	455	
0809	Mantua Township	Gloucester	5	44	292	
0810	Monroe Township	Gloucester	5	62	439	
0811	National Park Borough	Gloucester	5	8	28	
0812	Newfield Borough	Gloucester	5	5	14	
0813	Paulsboro Borough	Gloucester	5	43	(	ס 🗌
0814	Pitman Borough	Gloucester	5	40	4	
0815	South Harrison Township	Gloucester	5	0	3.	
0816	Swedesboro Borough	Gloucester	5	15	2	3 1
0817	Washington Township	Gloucester	5	141	50	
0818	Wenonah Borough	Gloucester	5	0	3	
0819	West Deptford Township	Gloucester	5	34	36	8 10
0820	Westville Borough	Gloucester	5	36	2	
0821	Woodbury City	Gloucester	5	36		0 2
0822	Woodbury Heights Borough	Gloucester	5	0		
0823	Woolwich Township	Gloucester	5	0	20	
0824	Absecon City	Atlantic	6	61	14	the second se
0101	Atlantic City City	Atlantic	6	525	245	
0102		Atlantic	6	48	12	4 5
0103	Brigantine City	Atlantic	6	9	. 4	1
0104	Buena Borough Buena Vista Township	Atlantic	6	73	1	9
0105		Atlantic	6	2		.3
0106	Corbin City	Atlantic	6	27	4	2
0107	Egg Harbor City	Atlantic	6	186		3 10
0108	Egg Harbor Township	Atlantic	6	C		1
0109	Estell Manor City	Atlantic	6	5		10
0110	Folsom Borough	Atlantic	6	94		8 1
0111	Galloway Township	Atlantic	6	120		
0112	Hamilton Township Hammonton Township	Atlantic	6	184		

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Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Obligation, 1987-1999 (units)	Prospective Need, 1999-202 (units)*
0114	Linwood City	Atlantic	6	46	140	3
0115	Longport Borough	Atlantic	6	0	59	1
0116	Margate City	Atlantic	6	17	96	6
0117	Mullica Township	Atlantic	6	0	40	1
0118	Northfield City	Atlantic	6	4	190	
0119	Pleasantville City	Atlantic	6	201	0	
0120	Port Republic City	Atlantic	6	0	19	
0121	Somers Point City	Atlantic	6	6	103	
0122	Ventnor City	Atlantic	6	69	27	
0123	Weymouth Township	Atlantic	6	7	15	
0501	Avalon Borough	Cape May	6	0	234	2
0502	Cape May City	Cape May	6	9	58	3
0503	Cape May Point Borough	Cape May	6	0	34	
0504	Dennis Township	Cape May	6	48	220	3
0505	Lower Township	Cape May	6	71	324	
0506	Middle Township	Cape May	6	86	454	4
0507	North Wildwood City	Cape May	6	37	80	4
0508	Ocean City City	Cape May	6	76	411	10
0509	Sea Isle City	Cape May	6	2	109	
0510	Stone Harbor Borough	Cape May	6	2	141	:
0511	Upper Township	Cape May	6	20	317	ļ
0512	West Cape May Borough	Cape May	6	2	7	-
0513	West Wildwood Borough	Cape May	6	3	33	
0514	Wildwood City	Cape May	6	79	113	( 
0515	Wildwood Crest Borough	Cape May	6	0	42	
0516	Woodbine Borough	Cape May	6	3	88	1 :
0601	Bridgeton City	Cumberland	6	300	0	
0602	Commercial Township	Cumberland	6	0	45	
0603	Deerfield Township	Cumberland	6	ol	41	
0604	Downe Township	Cumberland	6	5	10	
0605	Fairfield Township	Cumberland	6	12	79	
0606	Greenwich Township	Cumberland	6	12	13	
0607	Hopewell Township	Cumberland	6	0	114	
0608	Lawrence Township	Cumberland	6	33	10	
0609	Maurice River Township	Cumberland	6	0	22	
0610	Millville City	Cumberland	6	141	0	
0611	Shiloh Borough	Cumberland	6	1	7	
0612	Stow Creek Township	Cumberland	6	0	14	
0613	Upper Deerfield Township	Cumberland	6	7	242	
0614	Vineland City	Cumberland	6	319	0	
1701	Alloway Township	Salem	6	4	17	
1713	Carneys Point Township	Salem	6	61	184	
1702	Elmer Borough	Salem	6	0	12	
1702	Elsinboro Township	Salem	6	13	26	
1703	Lower Alloways Creek Township	Salem	6	4	26	
1704	Mannington Township	Salem	6	3	19	
1705	Oldmans Township	Salem	6	3	19	
1700	Penns Grove Borough	Salem	6	76	4	
1708	Pennsville Township	Salem	6	56	228	
1708	Pilesgrove Township	Salem	6	37	35	
1709	Pittsgrove Township	Salem	6	0	<u>35</u> 58	

Prepared by Fair Share Housing Center April 2015 page 11 of 12

	Municipal Sum	mary, Fair Sh	iare Hous	ing Obligations	しきぶんち ワント そりかんがきかい しかわしん	
Muni Code	Municipality	County	Region	Present Need, 2010 (units)	Prior Round Obligation, 1987-1999 (units)	Third Round Net Prospective Need, 1999-2025 (units)*
1711	Quinton Township	Salem	6	7	15	72
1712	Salem City	Salem	6	33	0	0
1714	Upper Pittsgrove Township	Salem	6	9	27	130
1715	Woodstown Borough	Salem	6	0	85.964	85 201,382
TOTALS				62,057	60,904	201,002

NOTE:

\*1,000 unit cap subject to statute, N.J.S.A. 52:27D-307(e), and analysis of existing credits

SOURCE:

For the data, calculations, and allocations that are the sources of this summary, see the mult-tab Excel-based model;

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NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025

CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, APRIL 2015

Date: 4/14/15

Prepared by:

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## APPENDIX N

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Enable, Inc. 13 Roszel Rd Princeton, New Jersey 08540 Franklin Commons Urban Renewal Associates, LP c/o RPM Development, LLC 77 Park St Montclair, New Jersey 07042

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