

2015 HOUSING ELEMENT & FAIR SHARE PLAN

Pittsgrove Township, Salem County, New Jersey

November 4, 2015

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Pittsgrove Township, Salem County, New Jersey

Adopted by the Planning Board on November 4, 2015

Endorsed by the Township Committee on November 9, 2015

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EXECUTIVE SUMMARY

Pittsgrove Township is a rural, agriculturally-based municipality occupying the eastern corner of Salem County. Spanning 45.42 square miles, Pittsgrove is bounded by Upper Pittsgrove Township to the west and north, Elmer Borough to the west, Franklin Township to the north, the City of Vineland to the east, Deerfield Township to the southeast and Upper Deerfield to the southwest.

The Township is accessible from major transportation routes that serve to connect the Township with Wilmington and Philadelphia to the west and New Jersey shore points to the east. The Township is traversed from east to west by New Jersey State Route 40 and Landis Avenue (State Highway 56), which serves as its commercial corridor. Additionally, the major north-south traffic artery in the area is State Route 55, located just outside of the Township to the east, and links to I-295, which provides access to both Philadelphia and northern points in New Jersey.

Pittsgrove Township is home to a wealth of natural resources that require protection, including its expansive agricultural lands. The Township attempts to balance the interests of residential and non-residential development and the goal of preserving farmland and environmentally sensitive open space. In particular, the Township's 2000 Master Plan emphasized the importance of accommodating future residential growth in the municipality's five existing villages: Centerton, Olivet, Willow Grove, Brotmanville, and Norma. However, the growth permitted by the villages is limited by the Township's reliance on septic for its waste water management.

On September 14, 2015, the Township entered into a consent order with the Fair Share Housing Center (hereinafter "FSHC") and the New Jersey Builder's Association (hereinafter "NJBA") and which was approved by the Hon. Anne McDonnell, PJ. The Consent Order established Pittsgrove's affordable housing obligation and this plan was prepared pursuant to that order. This Plan will serve as the foundation for the Township's application for a Judgment of Compliance and Order of



Repose by the Court. There are 3 components to a municipality's affordable housing obligation: the rehabilitation share, the prior round obligation, and the third round obligation. As established in the Consent Order, the Township's affordable housing obligations are as follows:

- Rehabilitation Share: 0 units
- Prior Round Obligation: 58 units
- Third Round Obligation: 14 units

The Township satisfied the prior and third round obligations through credits without controls and two special needs facilities, a 5 unit accessory apartment program, 3 units through inclusionary zoning, and 2 municipally-sponsored construction projects with 3 total units.



AFFORDABLE HOUSING JUDICIAL & LEGISLATIVE BACKGROUND

In its landmark 1975 decision now referred to as “Mount Laurel I”, the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing . In its 1983 “Mount Laurel II” decision, the Supreme Court extended the obligation to all municipalities with any “growth area” as designated in the State Development Guide Plan (NJDC 1978). Subject to a number of limitations, Mt. Laurel II also gave developers, under appropriate circumstances, the opportunity to secure a builder’s remedy. A builder’s remedy is where a developer is granted the right to develop what is typically a multifamily project on land that was not zoned to permit this use at the time of the suit and where a “substantial” percentage of the units are reserved for low and moderate income households.

In 1985, the Legislature enacted the Fair Housing Act in response to Mount Laurel II. The Fair Housing Act created the Council on Affordable Housing (COAH) and an administrative alternative to compliance in a court proceeding. The Legislature conferred “primary jurisdiction” on COAH and charged COAH with promulgating regulations: (i), to establish housing regions; (ii), to estimate low and moderate income housing needs; (iii), to set criteria and guidelines for municipalities to determine and address their fair share numbers, and (iv) to create a process for the review and approval of appropriate housing elements and fair share plans.

COAH’s First and Second Round

COAH created the criteria and guidelines for municipalities to determine and address their respective affordable housing obligation, or number of affordable dwellings. COAH originally established a formula for determining municipal affordable housing obligation for the six-year period between 1987 and 1993 (N.J.A.C. 5:92-1 et seq.), which became known as the “first round.” The first round formula was superseded by



COAH regulations in 1994 (N.J.A.C. 5:93-1.1 et seq.). The 1994 regulations recalculated a portion of the 1987-1993 affordable housing obligations for each municipality and computed the additional municipal affordable housing need from 1993 to 1999 using 1990 U.S. Census data. The regulations COAH adopted in 1994 to identify a municipality's "cumulative" obligations for the first and second round are known as "the second round" regulations. Under regulations adopted for round three, the obligation of municipalities to create new affordable housing for the first and second round is referred to as the "prior round" obligation. This plan will refer to the new construction obligation for the first and second housing cycles as the "prior round".

COAH's Third Round

On December 20, 2004, COAH's first version of the third round rules became effective some five years after the end of round two in 1999. At that time the third round was defined as the time period from 1999 to 2014 but condensed into an affordable housing delivery period from January 1, 2004 through January 1, 2014. In other words, 15 years of necessary affordable housing activity was to take place in 10 years. The third round rules marked a significant departure from the methods utilized in COAH's prior round. Previously, COAH assigned an affordable housing obligation as an absolute number to each municipality. These third round rules implemented a "growth share" approach that linked the production of affordable housing to future residential and non-residential development within a municipality. Each municipality was required to project the amount of residential and non-residential growth that would occur during the period 2004 through 2014. Then municipalities were required to provide one affordable unit for every 8 market rate housing units developed and one affordable unit for every 25 jobs created. Jobs were not counted directly but rather by using non-residential building square footage as a substitute for employment.

This set of rules changed, however, on January 25, 2007 the New Jersey Appellate Court invalidated key elements of the first version of the third round rules, including the growth share approach. The Court ordered COAH to propose and adopt amendments to its rules within six months to address the deficiencies identified by the Court. COAH missed this deadline but did issue revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008). COAH retained the growth share approach but provided residential and non residential projections with revised ratios to require one affordable housing unit for every four market rate housing units developed and one affordable



housing unit for every 16 jobs created. Additionally, the third round was expanded from 2014 to 2018. As such, this required 19 years of necessary affordable housing activity (1999-2018) to take place during a 10 year delivery period (2008-2018).

Just as various parties challenged COAH's initial third round regulations, parties challenged COAH's 2008 revised third round rules.

On October 8, 2010, the Appellate Division issued its decision with respect to the challenge to the second iteration of COAH regulations. The Appellate Division validated the COAH prior round regulations that assigned rehabilitation and prior round numbers to each municipality, but invalidated the regulations by which the agency assigned housing obligations in the Third Round. Specifically, the Appellate Division ruled that COAH could not allocate obligations through a "growth share" formula. Instead COAH was directed to use similar methods that had been previously used in the first and second rounds. The Court gave COAH five months to address its ruling. Other highlights of the Appellate Court's decision include:

- Municipally-sponsored or 100% affordable housing site must show site control, site suitability, and a proposed source of funding to be granted credit.
- COAH's rules do not provide sufficient incentive for the private construction of inclusionary developments (market-rate and affordable units). "Bright-line standards" (clearly defined) must be provided. The Court noted that a 20% affordable housing set-aside was typical.
- The Court invalidated prior round rental bonuses for developments that were not built within a reasonable time-frame. COAH was directed to return to a time limitation for rental bonuses.
- Bonuses for smart growth and redevelopment activities were upheld; however the Court invalidated third round compliance bonuses.
- The Court upheld its prior ruling on COAH's formula that did not reallocate present need (existing substandard housing) from urban municipalities to other municipalities in the region. The Court also questioned whether urban municipalities should be assigned prospective (e.g., growth) numbers.
- The Court declined to remove COAH's rule-making powers and to appoint a special master as several of the plaintiffs requested.



Legislative Activity

On July 17, 2008, Governor Corzine signed P.L.2008, c.46, which amended the Fair Housing Act in a number of ways. Key provisions of the legislation included the following:

- It established a statewide 2.5% nonresidential development fee instead of requiring nonresidential developers to provide affordable housing;
- It eliminated regional contribution agreements (“RCAs”) as a compliance technique available to municipalities whereby a municipality could transfer up to 50% of its fair share to a so called “receiving “ municipality; and
- It added a requirement that 13% of all affordable housing units and 13% of all similar units funded by the state’s Balanced Housing Program and its Affordable Housing Trust Fund be restricted to very low income households (30% or less of median income).
- It added a requirement that municipalities had to commit to spend development fees within four years of the date of collection after its enactment, which obligation commenced on the four year anniversary of the law (July 17, 2012).

As of this date, COAH has failed to promulgate rules to implement the Roberts Bill.

On July 27, 2009, about a year later as the economic recession deepened, Governor Corzine signed the “NJ Economic Stimulus Act of 2009”, which instituted a moratorium on the collection of non-residential affordable housing development fees through July 2010. This moratorium was later extended until July 1, 2013 (P.L. 2011, c. 122). Since the moratorium has now expired, municipalities are obligated to collect the fee of 2.5% of the equalized assessed value of a non-residential development.

Judicial Activity from 2011 to the Present

COAH sought a stay from the NJ Supreme Court of the March 8, 2011 deadline the Appellate Division had imposed in its October 2010 decision for the agency to issue new third round housing numbers. The Supreme Court granted COAH’s application for a stay on January 18, 2011 and on March 31, 2011, the Court granted petitions and cross-petitions to all of the various challenges to the Appellate Division’s 2010 decision. However, the Supreme Court did not hear oral argument on the various petitions and cross petitions until November 14, 2012.



On September 26, 2013 the NJ Supreme Court upheld the Appellate Court decision in In re Adoption of N.J.A.C. 5:96 and 5:97 by New Jersey Council On Affordable Housing, 215 N.J. 578 (2013), and ordered COAH to prepare the necessary rules. Subsequent delays in COAH's rule preparation and ensuing litigation led to the NJ Supreme Court, on March 14, 2014, setting forth a schedule for adoption. COAH approved draft third round rules on April 30, 2014. These draft rules assign affordable housing obligations to each municipality as the sum of the "unanswered prior obligation", consisting of the prior round obligation for 1987 to 1999 as determined under N.J.A.C. 5:93 and the obligation for 1999 to 2014; they define the prospective need as the affordable housing obligation for 2014 to 2024.

Although ordered by the NJ Supreme Court to adopt revised new rules on or before October 22, 2014, the Council on Affordable Housing ("COAH") deadlocked 3-3 at its October 20th meeting and failed to adopt the draft rules. An initial motion to table the rule adoption for 60 days to consider amendments also deadlocked at 3-3 and failed. In response, the Fair Share Housing Center ("FSHC") filed a motion in aid of litigant's rights with the NJ Supreme Court and oral argument on that motion was heard on January 6, 2015.

On March 10, 2015, the Supreme Court issued a ruling on the Motion In Aid of Litigant's Rights (In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing). This long-awaited decision provides a new direction for how New Jersey municipalities are to comply with the constitutional requirement to provide their fair share of affordable housing. The Court transferred responsibility to review and approve housing elements and fair share plans (housing plans) from COAH to designated Mt. Laurel trial judges. The implication of this is that municipalities may no longer wait for COAH to adopt third round rules before preparing new third round housing plans and municipalities must now apply to Court, instead of COAH, if they wish to be protected from exclusionary zoning lawsuits. These trial judges, with the assistance of an appointed Special Master to the Court, should review municipal plans much in the same manner as COAH previously did. Those towns whose plans are approved by the Court should receive a Judgment of Repose, the court-equivalent of COAH's substantive certification.

While the Supreme Court's decision set a process in motion for towns to address their third round obligation, it did not assign those obligations. Instead, that must be done by the trial courts. Additionally, the Court stated that municipalities should rely on COAH's second round rules (N.J.A.C. 5:93) and those components of COAH's 2008



regulations that were specifically upheld (including but not limited to Redevelopment Bonuses), as well as the Fair Housing Act (N.J.S.A. 52:27D – 301 et seq.), in their preparation of third round housing elements and fair share plans. This plan is prepared in response to and in compliance with the March 10, 2015 Supreme Court decision.

AFFORDABILITY REQUIREMENTS

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent that is within the financial means of households of low or moderate income as income is measured within each housing region. Pittsgrove is in COAH's Region 6, which includes Atlantic, Cape May, Cumberland, and Salem Counties. Moderate income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. In 2008, the State Legislature created an additional sub-category of low income – very-low income, which has been defined as households earning 30% or less of the regional median income.

Through the Uniform Housing Affordability Controls (hereinafter "UHAC") found at N.J.A.C. 5:80-26.3(d) and (e), et seq., COAH requires that the maximum rent for a qualified unit be affordable to households that earn no more than 60% of the median income for the region. The average rent must be affordable to households earning no more than 52% of the median income. The maximum sale prices for affordable units must be affordable to households that earn no more than 70% of the median income. The average sale price must be affordable to a household that earns no more than 55% of the median income.

The regional median income is defined by COAH using the federal Department of Housing and Urban Development (hereinafter "HUD") income limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH reallocates to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Table 1 for 2014 income limits for Region 6 and Tables 2 and 3 for illustrative sale prices and gross rents from



2014 (the latest figures available). The sample rents and sale prices are illustrative and are gross figures which do not account for the specified utility allowance.

Table 1. Sample 2014 Income Limits for Region 6

Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
Moderate	\$40,868	\$46,707	\$52,545	\$58,383	\$63,054
Low	\$25,543	\$29,192	\$32,841	\$36,490	\$39,409
Very Low	\$15,326	\$17,515	\$19,704	\$21,894	\$23,645

Source: NJDCA 2014 Affordable Housing Regional Income Limits

Table 2. Illustrative 2014 Affordable Rents for Region 6

Household Income Levels (% of Median Income)	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate (60% of Median)	\$821	\$985	\$1,138
Low (46% of Median)	\$629	\$755	\$873
Very Low (30% of Median)	\$411	\$493	\$569

Source: NJDCA 2014 Illustrative Rents

Table 3. Illustrative 2014 Affordable Sales Prices for Region 6

Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate (70% of Median)	\$98,322	\$117,986	\$136,339
Low (50% of Median)	\$64,946	\$77,935	\$90,058
Very Low (30% of Median)	\$31,569	\$37,883	\$43,776

Source: NJDCA 2014 Illustrative Sales Prices for New Construction



HOUSING ELEMENT/FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (NJSA 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. The housing element must contain at least the following, as per the FHA at NJSA 52:27D-310:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends;
- An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate its present



and prospective housing needs, including its fair share of low and moderate income housing; and

- A consideration of the lands most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.



PITTSGROVE TOWNSHIP AFFORDABLE HOUSING HISTORY

Pittsgrove Township first addressed its affordable housing obligation with the adoption of a Housing Element of the Master Plan on May 2, 1988. Subsequently, the Governing Body passed resolutions to petition COAH for substantive certification on May 25, 1988. The actual filing of the plan with COAH, however, was made on October 1, 1991. The Township's petition for substantive certification was denied on March 9, 1993. In its report, COAH recommended that the Township request a durational adjustment for lack of public infrastructure.

In 1998, Edgewood Estates, Inc., a builder-plaintiff, sued the Pittsgrove Township Committee and Planning Board in an effort to gain authorization from the Court to construct an inclusionary development at 4 units per acre on a site in the RR - Rural Residential (2 acre lot) zoning district. The parties settled the builder's remedy lawsuit with a Settlement Agreement that did not provide for the construction of affordable housing on the Edgewater Estates Property.

Following the lawsuit, Pittsgrove Township developed a first and second round housing element and fair share plan (hereinafter the "2000 plan"), for which it received a Judgment of Repose from Superior Court on August 20, 2001 (see the Appendices for a copy of the Judgment of Repose). The 2000 plan satisfied a 58 unit new construction obligation through 49 credits without control units and nine accessory apartment units. The plan also satisfied a 32 unit rehabilitation obligation.

On May 15, 2007, the Township filed a third round Housing Element and Fair Share Plan with Superior Court, as required by COAH's transitional procedures in N.J.A.C. 5:95-15.3. On June 22, 2007, Judge James Rafferty entered an order granting the Township continued immunity from Mount Laurel lawsuits, which is still in full force and effect today.



In response to third round regulations adopted by COAH in September of 2008, the Township's Planning Board adopted a Housing Element and Fair Share Plan on December 29, 2008. It was endorsed by the Township Committee on the same day and was subsequently submitted to the Court for review and approval.

The Township prepared a new spending plan in June 2012 that committed money in the Affordable Housing trust fund to the Gershal Avenue municipally-sponsored construction project. On June 28, 2012, the Superior Court approved this Spending Plan. COAH subsequently approved the Township's Spending Plan on January 8, 2014.

In response to the March 10, 2015 Supreme Court decision, the Township filed for Declaratory Judgment and temporary immunity on June 12, 2015. In return, FSHC and the NJBA filed motions to intervene. Pittsgrove entered into a Consent Order with these parties on September 14, 2015 (see the Appendices for a copy of this Consent Order).



CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

The Township has a significant amount of developable lands. However, as a rural and agricultural area, Pittsgrove does not have significant concentrations of services and employment opportunities. As part of this housing element, the Township has considered land that is appropriate for the construction of low and moderate income housing. The Township may consider other properties in the future for inclusionary housing or for a 100% affordable housing project.



PITTSGROVE'S AFFORDABLE HOUSING OBLIGATION

Rehabilitation Obligation

The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units occupied by low and moderate income households. The Consent Order established Pittsgrove's rehabilitation obligation as zero units.

Prior Round Obligation

The prior round obligation can be defined as the cumulative 1987 through 1999 affordable housing obligation. This time period corresponds to the first and second rounds of affordable housing. The Consent Order established Pittsgrove's prior round obligation to be 58 units.

Third Round Obligation

The future demand for affordable housing also includes that portion of the Third Round that has already passed by, as well as a projected 10 years into the future. The 10-year period is derived from the Fair Housing Act that, when amended in 2001, set the projection for this length of time (N.J.S.A. 52:27D-310). As established in the Consent Order, Pittsgrove's third round obligation (1999-2025) is 14 units.

This plan satisfies the affordable housing obligation listed below, as set forth in the September 14, 2015 Consent Order between Pittsgrove, FSHC, and NJBA.

- Rehabilitation Obligation: 0
- Prior Round Obligation: 58
- Third Round Obligation: 14



PITTSGROVE'S AFFORDABLE HOUSING PLAN

Satisfaction of the Rehabilitation Obligation

As stated, Pittsgrove's rehabilitation obligation is 0 units. Therefore, no rehabilitation program is required. If the Township is assigned a rehabilitation obligation in the future, the Township will implement a rehabilitation program.

Satisfaction of the Prior Round Obligation

As established in the Consent Order, Pittsgrove's prior round obligation (1987-1999) is 58 units. COAH permits new construction credits and bonuses addressing a first or second round affordable housing obligation to be used to address the prior round obligation.

In addition to satisfying the total obligation, the Township must also adhere to a minimum rental obligation and maximum number of age-restricted units.

Minimum Rental Obligation = 2 units

.25 (third round obligation – prior cycle credits – impact of the 20% cap – impact of the 1,000 unit cap – rehabilitation obligation) = .25 (58-53-0-0-0) = 1.25, rounded up to 2

- A rental unit available to the general public receives one rental bonus;
- An age-restricted unit receives a .33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and
- No rental bonus is granted in excess of the rental obligation.



Maximum Age-Restricted = 1 units

.25 (third round obligation – prior cycle credits – rehabilitation credits – impact of the 20% cap – impact of the 1,000 unit cap) – age-restricted units from the prior round = .25 (58-53-0-0-0)-0 = 1.25, rounded down to 1

Credits Without Control

COAH certified a total of 49 credits without control in Pittsgrove Township. In 1999, Pittsgrove Township mailed out questionnaires and conducted a follow-up outreach campaign to maximize the number of respondents. As a result of its efforts, Pittsgrove Township documented 49 units that qualified for credits without control and that will contribute toward the prior round obligation. Credits without control units are defined as prior cycle credit units which, at the time of the petition for substantive certification when credit for the program is requested, are occupied by low and moderate income households and have a value which is affordable to low and moderate income households.

Special Needs Facilities

The AWS Foundation operates 2 group homes in Pittsgrove Township; both facilities will contribute toward the prior round in part. AWS is the non-profit arm of Benchmark Human Services, which is a for-profit company.

Both group homes were previously operated by the Parents and Friends Association for the Vineland Development Center (hereinafter “PAFACOM”). The New Jersey Department of Developmental Disabilities (“DDD”), which licensed both facilities, privatized both of them in December 2014. The AWS Foundation began operating both facilities at this time. Matthew Mason, Director of the AWS office in Vineland, stated there was no lapse in operations during the transfer in ownership or alterations to the physical structures or bedroom counts.

The AWS Foundation operates a 4 bedroom group home that is located on Morton Avenue (Block 2901, Lot 15). This facility serves individuals with developmental disabilities and is operated and administered by AWS under an agreement with DDD. This facility has been continuously operated since July 1985 and is a prior cycle credit. As such, the facility is not eligible to meet the rental obligation or generate bonus credits.



The other facility is a group home on Jesse Bridge Road (Block 503, Lot 45) with four bedrooms for individuals with developmental disabilities. The AWS Foundation operates this facility under an agreement with DDD. This facility was previously operated by PAFACOM under an agreement with DDD whose affordability control began in 1991. Three of the bedrooms and two associated bonus credits will contribute toward the prior round obligation. The fourth bedroom will carry over to the third round.

Prior Round Summary

The Township has met its 58 unit prior round obligation with prior cycle credits from credits without controls and 2 special needs facilities. The 2 unit rental obligation has been satisfied with the Jesse Bridge Road special needs facility.

Satisfaction of the Third Round Obligation

As established in the Consent Order, Pittsgrove's third round obligation (1999-2025) is 14 units. In addition to satisfying the total unanswered prior obligation, the Township must also adhere to a maximum number of age-restricted units, and minimum number of very low income units.

Minimum Rental Obligation = 4 units

.25 (third round obligation – prior cycle credits – impact of the 20% cap – impact of the 1,000 unit cap – rehabilitation obligation) = .25 (14-0-0-0-0) = 3.5, rounded up to 4

- A rental unit available to the general public receives one rental bonus;
- An age-restricted unit receives a .33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and
- No rental bonus is granted in excess of the rental obligation.



Maximum Age-Restricted = 3 units

.25 (third round obligation – prior cycle credits – rehabilitation credits – impact of the 20% cap – impact of the 1,000 unit cap) – age-restricted units from the prior round = .25 (14-0-0-0-0)-0 = 3.5, rounded down to 3

Very Low Income Units = 2

.13(units created after 7/2008) = .13(10) = 1.30, rounded up to 2

Special Needs Facilities

The Township will carry over one unit from the special needs facility on Jesse Bridge Road that is eligible for a bonus credit. See the earlier discussion about this project for additional information.

Accessory Apartments

The Township is proposing a 5 unit accessory apartment program to satisfy a portion of the third round obligation. Pittsgrove Township's housing stock is appropriate for an accessory apartment program due to the large size of the housing structures and the expansiveness of the lots. Pittsgrove is predominately zoned rural residential, which has a density ranging from one unit per 1.5 acres to one unit per 3.0 acres. While the majority of the Township is located in the rural residential or agricultural zoning districts, all residential zones permit accessory apartments. In addition, Pittsgrove Township's housing structures are generally large. In fact, 32% of the total housing stock has eight rooms or more per structure. Also, given the rural character of the Township and the absence of any public sewer system, the use of accessory apartments to meet the Township's fair share obligation is an appropriate approach to satisfying a portion of the Township's affordable housing obligation.

All accessory apartments will be created where the lots are served by individual water and sewer systems. While larger lot sizes are necessary in some parts of the Township, there is ample opportunity for lands in the Township to support the septic and well demands of 5 additional accessory apartment units. The Township's program will comply with all regulations in N.J.A.C. 5:93-5.9, including but not limited to 10-year affordability controls. The Township will provide a subsidy of



\$19,000 for a moderate income unit and \$24,000 for a low income unit. The program will be administered by the Township's Administrative Agent. The Township previously approved and funded the construction of one accessory apartment. However, it was recently discovered that this apartment was not properly occupied. The Township is not requesting credit for this unit at this time, but it may seek credit in the future should this apartment become compliant with the applicable affordability regulations.

Pittsgrove proposes to amend its accessory apartment ordinance to best accommodate accessory apartments while maintaining the rural residential character of the municipality. Under the proposed changes, an accessory apartment must be constructed within the footprint of the principal or an existing accessory structure on parcels with an area of 1.5 acres or less. On parcels over 1.5 acres, this requirement does not apply.

This program will provide the Township a total of 5 credits toward the third round obligation.

Municipally-Sponsored Construction

The Township is proposing 2 municipally-sponsored construction programs to satisfy a portion of the third round obligation. Consistent with smart growth principles, the Township has chosen sites which are in or within proximity to existing or planned population and/or service centers, such as the villages of Norma, Centerton, and the Redevelopment Area.

Gershal Avenue Site

The Township is proposing a municipally-sponsored construction program on Block 3101, Lot 20. The property is a 3.91 acre Township-owned lot along Gershal Avenue (County Route 636) in the MC-1 Industrial/Commercial district. The property is also located in the Township's Redevelopment Area. The lot is not located in a workforce housing census tract. The Township is proposing the construction of 2 affordable family sale units on the property.

As mentioned previously, the property is located in the Township's Redevelopment Area. The Redevelopment Plan and Master Plan policies envision this area for economic development. However, in light of COAH's regulations, the uses envisioned for this area will expand to include affordable



housing. Affordable housing is appropriate for the area since it is adjacent to the Village of Norma – a population center – and this area hosts a portion of the Township’s commercial uses.

The Township partnered with Habitat with Humanity to construct the 2 units and provided the organization with a total of \$170,000 to finance the construction of these units.

The affordable family units will be developed and occupied in accordance with the Uniform Housing Affordability Control rules, N.J.A.C. 5:26-1 et seq., including but not limited to bedroom distribution and affordability controls of at least 30 years. Additionally, the affordable units will comply with the Barrier Free Subcode (N.J.A.C. 5:23-7). Ongoing occupancy will be administered by Habitat for Humanity.

As stated in N.J.A.C. 5:93-5.3, affordable housing sites shall be approvable, developable, and suitable, as defined in N.J.A.C. 5:93-1.4., for the production of low and moderate income housing. As stated below, this Block 3101, Lot 20 meets these criteria.

- The site has a clear title and is free of encumbrances which preclude development of affordable housing. The site has a clear title and no legal encumbrances which would preclude its development as an affordable housing project. The property is owned by the Township.
- The site is adjacent to compatible land uses and has access to appropriate streets. The site has approximately 160 feet of frontage on Gershal Avenue. This will provide adequate access to both buildings. While the property is currently in the MC-1 district and the Redevelopment Area, it is surrounded by appropriate land uses. West of the site, across from Gershal Avenue are single family detached homes. East of the site is undeveloped land with significant environmental constraints. South of the site is a small house of worship. North of the site is undeveloped land.
- Adequate sewer and water capacity is available. The site will be served by on-site well and septic systems. This site will be identified in the Township’s wastewater management plan as an area where the nitrate dilution standards will be exceeded. In accordance with the waste water management planning rules, the Township will offset this increased density elsewhere in the HUC 11.



- The site can be developed in accordance with R.S.I.S. Development of the site will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq.

Development of the property is consistent with the State Development and Redevelopment Plan (hereinafter the “State Plan”) and the rules and regulations of all agencies with jurisdiction over the site.

- The site is consistent with the State Plan. The 2001 Adopted State Plan Map and the 2004 Preliminary State Plan Map designates the property as the Rural/ Environmentally Sensitive Planning Area (PA 4B). While Planning Areas 1, 2 and Centers are the preferred locations for affordable housing, the subject property is also consistent. This area of the Township is designated by the Master Plan for more intense development than other areas of the Township and redevelopment and development is encouraged by the Redevelopment Plan. Additionally, it should be noted that the site is located adjacent to the village of Norma – one of Pittsgrove’s population centers.
- The development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands.
- The site will comply with all applicable environmental regulations. There are no wetlands, floodplains, steep slopes, Category One streams or contaminated sites located on the property or in the immediate vicinity that will be impacted by the development or will preclude development of the property.
- The site will not impact any historic or architecturally important sites and districts. There are no historic or architecturally important sites or buildings on the property or in the immediate vicinity that will be impacted by the development or will preclude development of the property.

This site is located in the Landis Avenue Redevelopment Area. Since the 2 affordable units are on-site, they are eligible for redevelopment bonuses of 0.33 each ($2 \times .33 = .66$, rounded up to 1). As such, the 2 affordable family sale units on the site will contribute 3 credits.



Habitat for Humanity – Maple Road

The Township subsidized a municipally-sponsored construction program on Block 1508, Lot 1. The property is a .58 acre lot along Maple Road in the R-4 Residential district. The lot is not located in a workforce housing census tract. The Township partnered with Habitat for Humanity to have one affordable family sale unit constructed on land donated by the Township. The unit has been constructed and is now occupied.

The affordable family unit was developed and occupied in accordance with the Uniform Housing Affordability Control rules, N.J.A.C. 5:26-1 et seq., including but not limited to bedroom distribution and affordability controls of at least 30 years. The unit was deed restricted for 30 years as of November 25, 2008. Additionally, the affordable unit complies with Barrier Free Subcode (N.J.A.C. 5:23-7). Ongoing occupancy is administered by the Township's affordable housing administrative agent.

Inclusionary Zoning

The Township is proposing one inclusionary zoning site to satisfy a portion of the third round obligation.

Briar Hill Estates

The Pittsgrove Township Planning Board approved a residential development on April 9, 2013 (memorialized on April 23, 2013 in Resolution 2013-09) to construct 24 single family detached residential units at the Briar Hill Estates (Block 104, Lot 40), including 2 on-site and 1 off-site family affordable sale units in the Township. The property is a 95.69-acre parcel located and is partly in an RR-Rural Residential zoning district and partly in the PHB Public Highway Business zoning district. The site, which is currently vacant, has frontage on Route 40 and is located between Picnic Grove mobile home park and the residential neighborhood that includes Jefferson and Madison Roads. The lot will be subdivided, including into 23 single-family parcels ranging in size from 1.50 to 2.475 acres in the RR district portion of the property. The Township previously entered into a developer's agreement on July 28, 2010 to construct the affordable units and it was approved by Hon. James E. Rafferty, P.J.G.E., by Order on August 31, 2010. The 3 affordable units will contribute one credit for each unit and will be developed



pursuant to standards in the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26 et seq.).

Third Round Summary

Pittsgrove has met its 14 unit third round obligation and has satisfied the rental, bonus credit, and age-restricted requirements.

- The 4 unit rental obligation has been satisfied with the accessory apartment program.
- The Township is proposing 0 age-restricted units.
- The very low income units will be satisfied with the surplus special needs units.



Affordable Housing Site Description										
ID	Name	Block	Lot	Address	Zone	Existing Use	Acreage			Comments
							Gross	Const.	Devel.	
1	Credits without Controls	n/a	n/a	n/a	n/a	Single Family	n/a	n/a	n/a	Approved in 2001 Judgement of Repose
2	PAFACOM Group Home: Morton Ave.	2901	15	1381 Morton Ave.		Special Needs			0.00	Constructed
3	PAFACOM Group Home: Jesse Bridge Rd.	503	45	1375 Jesse Bridge Rd.		Special Needs			0.00	Constructed
4	Habitat for Humanity: Maple Rd.	1508	1	Maple Road	R-4	Single Family	0.58	0.00	0.58	Constructed
5	Briar Hill Estates	104	40	Harding Highway	PHB, RR	Vacant	95.69	n/a	95.69	Approved; executed Developers Agreement
6	Accessory Apartments	n/a	n/a	n/a	n/a	Single Family	n/a	n/a	n/a	Program Adopted
7	Habitat for Humanity: Gershal Ave.	3101	20.01, 20.02	Gershal Ave.	MC-1	Vacant	2.00	0.00	2.00	Developer Selected
<i>Total</i>							98.27	0.00	98.27	



Affordable Housing Programs											
ID	Name	Gross Acreage	Program Type	Unit Type	Housing Type	Sale / Rental	Density (du / ac)	Set-aside	Resulting Units		
									Total	Mkt.	Afford.
1	Credits without Controls	n/a	Credits without Controls	Not applicable	Single-family	Not applicable	n/a	n/a	49	0	49
2	PAFACOM Group Home: Morton Ave.	0	Prior Cycle Credits	Special Needs	Single-family	Not applicable	n/a	n/a	4	0	4
3	PAFACOM Group Home: Jesse Bridge Rd.	0	Special Needs	Special Needs	Single-family	Rental	n/a	n/a	4	0	4
4	Habitat for Humanity: Maple Rd.	0.58	Municipal Sponsored	Family	Single-family	Sale	n/a	n/a	1	0	1
5	Briar Hill Estates	95.69	Inclusionary Zoning	Family	Single-family	Sale	4	12.5%	24	21	3
6	Accessory Apartments	n/a	Accessory Apartments	Family	Multi-family	Rental	n/a	n/a	5	0	5
7	Habitat for Humanity: Gershal Ave.	2	Municipal Sponsored	Family	Single-family	Sale	n/a	n/a	2	0	2
Total									89	21	68



Satisfaction of Pittsgrove's Obligation

ID	Name	Gross Acreage	Program Type	Unit Type	Sale / Rental	Total Afford.Units	Prior Round: 58			Third Round: 14			
							Units	Bonus Credits	Credits	Units	Bonus Credits	Bonus Type	Credits
1	Credits without Controls	n/a	Credits without Controls	Not applicable	Not applicable	49	49	0	49	0	0		0
2	PAFACOM Group Home: Morton Ave.	0	Prior Cycle Credits	Special Needs	Not applicable	4	4	0	4	0	0		0
3	PAFACOM Group Home: Jesse Bridge Rd.	0	Special Needs	Special Needs	Rental	4	3	2	5	1	1	Rental: Family	2
4	Habitat for Humanity: Maple Rd.	0.58	Municipal Sponsored	Family	Sale	1	0	0	0	1	0		1
5	Briar Hill Estates	95.69	Inclusionary Zoning	Family	Sale	3	0	0	0	3	0		3
6	Accessory Apartments	n/a	Accessory Apartments	Family	Rental	5	0	0	0	5	0		5
7	Habitat for Humanity: Gershal Ave.	2	Municipal Sponsored	Family	Sale	2	0	0	0	2	1	Redevelopment	3
<i>Total</i>						68	56	2	58	12	2		14
<i>Surplus</i>													0



FAIR SHARE ORDINANCES & AFFIRMATIVE MARKETING

Pittsgrove Township has prepared an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC. The Fair Share Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Township's Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

The Township has contracted with a qualified affordable housing administrator, Community Grants, Planning and Housing (CGP&H) to serve as the administrative agent. CGP&H will administer the Township's affordable housing units, with the exception of the special needs and the Gershal Avenue units. These units will be administered by the projects' providers.

The affirmative marketing plan is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Township's housing region, Region 6, consisting of Atlantic, Cape May, Cumberland and Salem Counties.

The affirmative marketing plan includes regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to N.J.A.C. 5:80-26. All newly created affordable units will comply with the thirty-year affordability



control required by UHAC, N.J.A.C. 5:80-26-5 and 5:80-26-11. This plan must be adhered to by all private, non-profit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.



AFFORDABLE HOUSING TRUST FUND

Pittsgrove previously adopted a development fee ordinance and COAH approved the ordinance on February 11, 2003. The Township proposes to amend the development fee ordinance to permit collection of residential development fees equal to 1.5% of the equalized assessed value of new residential construction and nonresidential development fees equal to 2.5% of the equalized assessed value of new nonresidential construction.

While the Township received Spending Plan approval in 2012, a new spending plan has been prepared consistent with this Plan. The Spending Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Township's Affordable Housing Trust fund and will be dispensed for the use of affordable housing activities. The Township may use the funds in the trust fund for any of the below listed items:

- Rehabilitation program;
- New construction of affordable housing units and related development costs; in the case of inclusionary developments, eligible costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites; in the case of inclusionary developments, costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- Acquisition and/or improvement of land to be used for affordable housing;



- Purchase of existing market rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;
- Accessory apartment or market to affordable programs;
- ECHO housing and related repair or unit relocation costs;
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.
- However, the Township is required to fund the programs in the certified Housing Element and Fair Share Plan, as well as provide affordability assistance.

At least 30% of collected development fees, excluding expenditures made from the inception of the fund to June 2, 2008 on all new construction, previously funded RCAs and rehabilitation activities, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. Additionally, no more than 20% of the revenues collected from development fees each year, exclusive of the fees used to fund an RCA, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

