



Clarke Caton Hintz

# **Amended Third Round Housing Element & Fair Share Plan**

**Pittsgrove Township, Salem County, New Jersey**

**Adopted by the Planning Board December 29, 2008**



Clarke Caton Hintz

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Prepared for Pittsgrove Township by:

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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.

Pittsgrove 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 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.

This third round Amended Housing Element and Fair Share Plan has been prepared in accordance with the rules of the New Jersey Council on Affordable Housing (hereinafter "COAH") for Pittsgrove Township, Salem County. This Plan will serve as the foundation for the Township's application for a Judgment or Compliance and Order of Repose by the Court or a grant of substantive certification by COAH.

There are 3 components to a municipality's affordable housing obligation: the rehabilitation share, the prior round obligation and the third round obligation.

As assigned by COAH, the Township's affordable housing obligations are as follows:

- Rehabilitation Share: 17 units
- Prior Round Obligation: 58 units





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- Third Round Obligation: 141 units

The Township satisfied the prior round obligation through 49 credits without controls, 4 accessory apartments and one group home. The third round obligation will be satisfied with 2 surplus credits from the prior round, a group home, a 31 unit rental and sale market to affordable program and 5 municipally sponsored construction projects totaling 26 units.



## AFFORDABLE HOUSING IN NEW JERSEY

### Introduction to COAH

In its landmark 1975 decision referred to now 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.<sup>1</sup> In its 1983 “*Mount Laurel II*” decision, the Supreme Court extended the obligation to all municipalities, designated the State Development Guide Plan or any successor State Plan as a critical touchstone to guide the implementation of this obligation and created an incentive for private developers to enforce the “*Mount Laurel doctrine*” by suing municipalities which are not in compliance.<sup>2</sup>

In 1985, the Fair Housing Act (hereinafter “FHA”) (*N.J.S.A. 52:27D-310*) was adopted as the legislative response to the *Mt. Laurel* court decisions. The FHA created the Council on Affordable Housing as the administrative alternative to the Courts. COAH is responsible for establishing housing regions, estimating low and moderate income housing needs, setting criteria and guidelines for municipalities to determine and address their fair share numbers, and reviewing and approving housing elements and fair share plans.

Municipalities have the option of filing their adopted and endorsed housing elements and fair share plans with COAH and petitioning for COAH’s approval, known as “substantive certification”. Similarly, under the FHA, a municipality can apply to the Superior Court for a Final Judgment of Compliance and Repose, which is the judicial equivalent of COAH’s grant of substantive certification. Municipalities that opt to participate in the COAH or Court process are granted a measure of legal protection against exclusionary zoning litigation. By petitioning COAH or requesting a judgment of repose from the Court, a municipality is able to maximize control of its planning and zoning options in addressing its affordable housing obligation.

Under the Municipal Land Use Law (hereinafter “MLUL”), a municipal Planning Board must adopt the housing element as part of the Master Plan. COAH’s process also requires the governing body to endorse the housing element by resolution. In addition, the governing body’s resolution requests that COAH review the housing element and fair share plan along with supporting documents for substantive certification action.

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<sup>1</sup> Southern Burlington NAACP v. Borough of Mt. Laurel, 67 NJ 151 (1975)

<sup>2</sup> Southern Burlington NAACP v. Borough of Mt. Laurel, 92 NJ 158 (1983)



Once the municipality's housing element and fair share plan have been granted substantive certification by COAH or a Judgment of Compliance and Order of Repose from Superior Court, the municipality's zoning ordinance enjoys a presumption of validity against any lawsuits challenging it. Pittsgrove Township is currently under Court's jurisdiction and must request a Judgment of Compliance and an Order of Repose with its amended third round plan by December 31, 2008 to remain so.

### **First and Second Round Methodology**

The FHA empowered COAH to create criteria and guidelines for municipalities to determine and address their respective fair share numbers. In response, COAH established a formula for determining municipal affordable housing obligations for the 6 year period between 1987 and 1993 (*N.J.A.C. 5:92-1 et seq.*), which became known as the "first round." That formula was superseded by the 1994 COAH regulations (*N.J.A.C. 5:93-1.1 et seq.*) which recalculated a portion of the 1987-1993 affordable housing obligation for each municipality and computed the additional municipal affordable housing need from 1993 to 1999; this 12 year cumulative period from 1987 through 1999 is known as the "second round."

### **Third Round Methodology**

On December 20, 2004, COAH's first version of the third round rules became effective. At that time the third round was defined as the time period from 1999 to 2014 condensed into an affordable housing delivery period from January 1, 2004 through January 1, 2014. The third round rules marked a significant departure from the methodology utilized in COAH's 2 prior rounds. 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 with future residential and non-residential development within a municipality. Each municipality was required to project the amount of residential and nonresidential 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 (expressed as non-residential building square footage).

However, in a unanimous decision in January 2007, the New Jersey Appellate Court invalidated key aspects of COAH's third round rules which govern the size of each municipality's fair share obligation and the manner in which the obligation can be

satisfied. The Court ordered COAH to propose and adopt amendments to its rules to address the deficiencies identified by the Court. COAH's revised rules, effective on June 2, 2008 as well as a further rule revision, adopted September 22, 2008 and effective on October 20, 2008, provide residential development and job projections for the third round (which was expanded to encompass the years 2004 through 2018). Additionally, COAH revised its ratios to require one affordable housing unit for every 4 market rate housing units developed and one affordable housing unit for every 16 jobs created, still expressed as non-residential building square footage. Municipalities must set forth in the Housing Element and Fair Share Plan how they intend to accommodate the affordable housing obligation generated by COAH's revised third round growth projections. However, COAH's substantive rules also require that a municipality provide a realistic opportunity for affordable housing in proportion to its actual growth during the third round as expressed in certificates of occupancy issued for residential and nonresidential development.

In addition, on July 17, 2008 Governor Corzine signed P.L. 2008, c.46 (also known as the "Roberts Bill" after NJ Assembly Speaker Joseph Roberts), which amended the Fair Housing Act in a number of ways. Key provisions of the bill include the following:

- Establishing a statewide 2.5% nonresidential development fee instead of a nonresidential growth share delivery for affordable housing;
- Elimination of regional contribution agreements; and
- Requirement for 13% of affordable housing units and 13% of all units funded by the Balanced Housing Program and the Statewide Affordable Housing Trust Fund to be restricted to very low income households (30% or less of median income).

COAH has not yet promulgated rules to effectuate the "Roberts Bill". It is anticipated that COAH will propose revised regulations, consistent with P.L. 2008, c.46, in early 2009.

A municipality's third round fair share plan must address (1) its rehabilitation share, (2) the prior round obligation and (3) COAH-projected third round obligation. The rehabilitation share is the estimated number of existing substandard housing units in a municipality that are occupied by low or moderate income households, as determined by COAH (Appendix B. to *N.J.A.C. 5:97*). The prior round obligation is a municipality's adjusted second round new construction component brought forward to the third round (Appendix C. to *N.J.A.C. 5:97*). Third round housing plans must document how existing or proposed affordable housing units satisfy this prior round obligation.

As stated above, the third round obligation is based on household and job projections developed by COAH (Appendix F. to *N.J.A.C. 5:97*). To determine the third round obligation, the following ratios must be applied to the projections:

- For residential development, the affordable housing ratio is 1 affordable unit for every 4 market rate residential units. Thus COAH initially requires a municipality to divide its total housing projection by 5;
- For non-residential development, the affordable housing ratio is 1 affordable unit for every 16 new jobs created as expressed in new square footage of non-residential space issued a certificate of occupancy from January 1, 2004 through December 31, 2018. See Table 1, *Non-residential Growth Share Calculation*, for additional detail.

**Table 1. Non-residential Growth Share Calculation**

Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B	Office buildings	5,714	2.8
M	Mercantile uses	9,412	1.7
F	Factories where people make, process, or assemble products	13,333	1.2
S	Storage uses, excluding parking garages	16,000	1.0
H	High hazard manufacturing, processing, generation and storage uses	10,000	1.6
A1	Assembly uses, including concert halls and TV studios	10,000	1.6
A2	Assembly uses, including casinos, night clubs, restaurants and taverns	5,000	3.2
A3	Assembly uses, including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship	10,000	1.6
A4	Assembly uses, including arenas, skating rinks and pools	4,706	3.4

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Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
A5	Assembly uses, including bleachers, grandstands, amusement park structures and stadiums	6,154	2.6
E	Schools K – 12	Exclude	Exclude
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	6,154	2.6
R1	Hotels and motels; continuing care facilities classified as R2	9,412	1.7
U	Miscellaneous uses, including fences tanks, barns, agricultural buildings, sheds, greenhouses, etc.	Exclude	Exclude

\*In its Comment and Response document published as part of the October 20, 2008 COAH rule adoption, COAH states that it will allow municipalities to present actual job count information for non-residential use groups if there is at least a 10% difference between actual jobs and the number of jobs determined through Appendix D of *N.J.A.C. 5:97*. COAH will be providing more guidance on this concept prior to the Township's first required plan evaluation whereby actual job growth is tallied and compared to actual affordable housing production.

Pursuant to *N.J.A.C. 5:96-10*, the actual growth of housing units and jobs (measured by the issuance of residential and nonresidential certificates of occupancy) will be monitored every 2 years and will be compared to the actual provision of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in a municipality and the number of units required pursuant to *N.J.A.C. 5:97-2.4* results in a pro-rated production shortage of 10 percent or greater COAH may require the municipality to amend its plan to address the higher affordable housing obligation. As such, it is important that the Township track the growth that occurs between January 1, 2004 and December 31, 2018.

## 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 Township 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. As required by the amended FHA (Roberts Bill), COAH has also included a very low-income category, which is defined as households earning 30% or less of the regional median income.

Through the Uniform Housing Affordability Controls at *N.J.A.C. 5:80-26.3(d)* and *(e)*, 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 which the rents and sale prices for affordable units are derived. See Tables 2 through 4 for additional information. These figures are updated annually and are available from COAH. The sample rents and sale prices are gross figures and do not account for the specified utility allowance.

**Table 2. 2008 Income Limits for Region 6**

Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person household	5 Person Household
Moderate Income	\$36,284	\$41,468	\$46,651	\$51,834	\$55,981
Low Income	\$22,678	\$25,917	\$29,157	\$32,397	\$34,988
Very Low Income	\$13,607	\$15,550	\$17,494	\$19,438	\$20,993

Source: COAH 2008 Regional Income Limits

**Table 3. Sample 2008 Affordable Rents for Region 6**

Household Income Levels	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate Income at 60%	\$729	\$875	\$1,011
Low Income at 46%	\$559	\$671	\$775
Very Low Income at 30%	\$364	\$437	\$505

Source: COAH Illustrative 2008 Low and Moderate Income Rents for New Construction and/or Reconstruction

**Table 4. Sample 2008 Affordable Sale Prices for Region 6**

Household Income Levels	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate Income at 70%	\$76,537	\$91,845	\$106,131
Low Income at 40%	\$43,736	\$52,483	\$60,647
Very Low Income at 30%	\$32,802	\$39,362	\$45,485

Source: COAH Illustrative 2008 Low & Moderate Income 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.

In addition, pursuant to COAH regulations (*N.J.A.C. 5:97-2.3*), the housing element and fair share plan must address the entire third round cumulative (1987-2018) affordable housing obligation consisting of the rehabilitation share, any remaining balance of the prior round obligation and the COAH-projected third round obligation. COAH's regulations require the following documentation to be submitted with the housing element and fair share plan:

- The minimum requirements of the Fair Housing Act, *NJSA 52:27D-310* (listed above);
- Household and employment projections created by COAH;
- Municipal rehabilitation, prior round and third round obligation;
- Descriptions of any credits intended to address any portion of the fair share obligation, including all information required by *N.J.A.C. 5:97-4*;
- Descriptions of any adjustments to any portion of the fair share obligation, including all information required by *N.J.A.C. 5:97-5*;
- Descriptions of any mechanisms intended to address the prior round obligation, the rehabilitation share and the third round obligation;
- An implementation schedule with a detailed timetable that demonstrates a "realistic opportunity" for the construction of affordable housing, as defined by *N.J.A.C. 5:97-1.4*.

- Draft and/or adopted ordinances necessary for the implementation of the mechanisms designed to satisfy the fair share obligation;
- A demonstration that existing zoning or planned changes in zoning provide adequate capacity to accommodate any proposed inclusionary developments, pursuant to *N.J.A.C. 5:97-6.4*;
- A demonstration of existing or planned water and sewer capacity sufficient to accommodate all proposed mechanisms;
- A spending plan, pursuant to *N.J.A.C. 5:97-8.10*;
- A map of all sites designated by the municipality for the production of low and moderate income housing;
- A copy of the most recently adopted Master Plan and, where required, the immediately preceding adopted Master Plan;
- A copy of the most recently adopted zoning ordinance;
- A copy of the most up-to-date tax maps; and
- Any other information required by *N.J.A.C. 5:97* or requested by COAH.



## **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. 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*. To date, no substantive review of this Housing Element has taken place.





## HOUSING STOCK AND DEMOGRAPHIC ANALYSIS

### Housing Stock Inventory

In 2,000 there were 3,155 housing units in Pittsgrove, of which 135 or 4.3% were vacant. Of the 3,020 occupied units, 90.4% were owner occupied and 9.6% were rented. Table 5, *Housing Units by Occupancy Status*, illustrates the occupancy status in 2000.

Table 5. Housing Units by Occupancy

	Housing Units	Owner Occupied	Renter Occupied
Occupied	3,020	2,729	291
Vacant	135		
<b>Total</b>	<b>3,155</b>		

Source: 2000 US Census

Single-family detached housing units dominate the housing stock in Pittsgrove Township, comprising 80.0% of all housing units. Of the owner occupied units, 82.7% are single family detached units. The Township has a significant number of mobile home units in 4 mobile home parks. Together these mobile homes account for 17.0% of the Township's total housing stock. See Table 6, *Housing Units by Number of Units in Structure* for a detailed explanation of the housing units in 2000.

Table 6. Housing Units by Number of Units in Structure

Number of Units	Owner Occupied	Rental	Vacant	Total
1, Detached	2,257	188	74	2,519
1, Attached	9	16	0	25
2	18	12	0	30
3 or 4	18	19	0	37
5 to 9	0	8	0	8
10 to 19	0	0	0	0
20 to 49	0	0	0	0
50 or more	0	0	0	0
Mobile Home	428	47	61	536





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Number of Units	Owner Occupied	Rental	Vacant	Total
Other	0	0	0	0
<b>Total</b>	<b>2,730</b>	<b>290</b>	<b>135</b>	<b>3,155</b>

Source: US Census, 2000

Table 7, *Housing Units by Age*, below illustrates the aging of the Township’s housing stock. The largest period of housing construction in Pittsgrove occurred between 1970 and 1979, and resulted in the creation of 838 new units or 26.6% of the total housing stock. The median year of construction for housing units in Pittsgrove is 1975; however, 12.4% of the total units predate WWII.

**Table 7. Housing Units by Age**

Year Built	Total Units	Percent	Owner Occupied	Renter Occupied	Vacant
1999- March 2000	49	1.6%	41	0	8
1995-1998	120	3.8%	106	14	0
1990-1994	314	10.0%	273	32	9
1980-1989	647	20.5%	632	15	0
1970-1979	838	26.6%	702	77	59
1960-1969	342	10.8%	318	16	8
1950-1959	327	10.4%	260	52	15
1940-1949	127	4.0%	118	9	0
1939 or Before	391	12.4%	280	75	36
<b>Total</b>	<b>3,155</b>	<b>100.0%</b>	<b>2,730</b>	<b>290</b>	<b>135</b>
<b>Median Year Built</b>	<b>1975</b>		<b>1976</b>	<b>1966</b>	

Source: US Census, 2000

The housing stock in Pittsgrove Township is diverse in terms of its size. While only 14.0% of the units have less than four rooms, a sizable portion of the remaining structures have 5, 6, 7, 8, or 9 or more rooms. See Table 8, *Housing Units by Number of Rooms* for additional information.



**Table 8. Housing Units by Number of Rooms, 2000**

Rooms	Number of Units	Percent
1	0	0.0%
2	18	0.6%
3	90	2.9%
4	331	10.5%
5	559	17.7%
6	864	27.4%
7	572	18.1%
8	363	11.5%
9+	358	11.3%
<b>Total</b>	<b>3,155</b>	<b>100.0%</b>

Source: US Census, 2000

Lower value units under \$150,000, of particular concern for affordable housing, made up approximately 70.0% of the total number of housing units in Pittsgrove Township. This data from the 2000 Census is a self-reported value. Past studies have noted that this value tends to be under reported because of the respondent's uncertainty about how the data will be used. In 2000, the median housing value in Pittsgrove Township was \$116,400, up by 21.5% from the 1990 median of \$95,800. This growth in home values exceeded that of Salem County, which experienced a 28.9% increase in the median home value between 1990 and 2000. Pittsgrove's median home value also was \$11,200 more than the County's 2000 median of \$105,200. See Tables 9 and 10, *Housing Values*, for additional information.

**Table 9. Housing Values, Owner Occupied, 1990**

Value	Housing Units	Percent
Less than \$50,000	75	4.7%
\$50,000-\$99,999	784	49.3%
\$100,000-\$149,999	453	28.5%
\$150,000-\$199,999	200	12.6%
\$200,000-\$249,000	71	4.5%



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Value	Housing Units	Percent
\$250,000-\$299,999	7	0.4%
\$300,000-\$399,999	0	0.0%
\$400,000-\$499,999	0	0.0%
\$500,000 or more	0	0.0%
<b>Total</b>	<b>1,590</b>	<b>100.0%</b>
<b>1990 Median Value</b>	<b>\$95,800</b>	

Source: US Census, 1990

Table 10. Housing Values, Owner Occupied, 2000.

Value	Housing Units	Percent
Less than \$50,000	433	15.9%
\$50,000-\$99,999	609	22.3%
\$100,000-\$149,999	868	31.8%
\$150,000-\$199,999	467	17.1%
\$200,000-\$249,000	245	9.0%
\$250,000-\$299,999	33	1.2%
\$300,000-\$399,999	39	1.4%
\$400,000-\$499,999	18	0.7%
\$500,000 or more	18	0.7%
<b>Total</b>	<b>2,730</b>	<b>100.0%</b>
<b>2000 Median Value</b>	<b>\$116,400</b>	

Source: US Census, 2000.

Table 11, *Comparison of Pittsgrove and Salem County Gross Monthly Rental Cost*, tabulates the differences in the gross costs of rental housing between Pittsgrove Township and Salem County. In 2000, Pittsgrove’s median gross monthly rental cost was \$728, \$126 more than the County median of \$602.





**Table II. Comparison of Pittsgrove and Salem County, Gross Monthly Rental Cost\***

Monthly Rent	Number in Pittsgrove	Percent	Number in Salem	Percent
\$0-\$99	0	0.0%	188	3.1%
\$100-\$149	0	0.0%	186	3.1%
\$150-\$199	0	0.0%	295	4.9%
\$200-\$249	0	0.0%	198	3.3%
\$250-\$299	0	0.0%	194	3.2%
\$300-\$349	0	0.0%	264	4.4%
\$350-\$399	0	0.0%	209	3.5%
\$400-\$449	7	2.8%	254	4.2%
\$450-\$499	31	12.4%	260	4.3%
\$500-\$549	28	11.2%	380	6.3%
\$550-\$599	17	6.8%	566	9.4%
\$600-\$649	8	3.2%	715	11.8%
\$650-\$699	14	5.6%	468	7.7%
\$700-\$749	35	14.1%	430	7.1%
\$750-\$799	18	7.2%	410	6.8%
\$800-\$899	62	24.9%	585	9.7%
\$900-\$999	14	5.6%	255	4.2%
\$1000-\$1249	7	2.8%	123	2.0%
\$1,250-\$1,499	0	0.0%	54	0.9%
\$1,500-\$1,999	8	3.2%	8	0.1%
\$2,000 +	0	0.0%	10	0.2%
<b>Total</b>	<b>249</b>	<b>100.0%</b>	<b>6,052</b>	<b>100.0%</b>
<b>Median Rent</b>	<b>\$728</b>		<b>\$602</b>	

\*Includes only those units with cash rents.

Source: US Census, 2000.

In the year 2000, Pittsgrove had 16 housing units that lacked complete plumbing facilities and 20 units that were overcrowded (defined as having 1.01 or more persons per room). It should be noted that overcrowding is often associated with substandard





housing due to overuse of facilities. Overcrowded housing is often occupied by lower income households who share space to save on housing costs. These households may not be able to afford to maintain the home, leading to deteriorated conditions. See Table 12, *Selected Quality Indicators*.

**Table 12. Selected Quality Indicators, Occupied Housing Stock, 2000.**

	<b>Overcrowded</b>	<b>Lacking Complete Plumbing</b>	<b>Combined Overcrowded and Lacking Complete Plumbing</b>
No. Units	29	16	0

Source: US Census, 2000

The population of Pittsgrove increased between 1970 and 2000, with the Township experiencing the greatest rate of growth between 1970 and 1980 when its population grew by 33.6% from 6,954 to 8,121 residents. Following that period, the population increase in Pittsgrove Township steadily declined, slowing to 16.8% between 1980 and 1990 and 9.5% between 1990 and 2000. This trend corresponded with the slowing of growth in Salem County. In fact, Salem County actually lost residents between 1990 and 2000. Pittsgrove Township has grown faster than the State since 1970, although the lag in growth to only a 9.5% increase in population between 1990 and 2000 is more consistent with the growth levels of the State. See Table 13, *Population Growth* for additional detail.

**Table 13. Population Growth**

	<b>1980</b>	<b>Percent Change</b>	<b>1990</b>	<b>Percent Change</b>	<b>2000</b>	<b>Percent Change</b>
Pittsgrove Township	6,954	33.6%	8,121	16.8%	8,893	9.5%
Salem County	64,676	7.2%	65,294	1.0%	65,285	0.0%
New Jersey	7,364,823	2.70%	7,730,188	4.96%	8,414,350	8.85%

Source: 1970, 1980, 1990, 2000 US Census

The number of individuals between the ages of 45 and 54 grew by 73.2% between 1990 and 2000 from 882 to 1,528. In contrast, the age brackets of 25 to 34 years of age and children under 5 declined by 19.3% and 12.4% respectively. See Table 14, *Age Distribution* for additional detail.



**Table 14. Age Distribution, 1990 – 2000**

Age Group	1990	Percent	2000	Percent	Percent Change
Under 5	539	6.6%	472	5.3%	-12.4%
5-14	1,329	16.4%	1,415	15.9%	6.5%
15-24	1,093	13.5%	1,196	13.4%	9.4%
25-34	1,151	14.2%	929	10.4%	-19.3%
35-44	1,494	18.4%	1,545	17.4%	3.4%
45-54	882	10.9%	1,528	17.2%	73.2%
55-64	695	8.6%	794	8.9%	14.2%
65-74	529	6.5%	547	6.2%	3.4%
75+	409	5.0%	467	5.3%	14.2%
<b>Total</b>	<b>8,121</b>	<b>100.0%</b>	<b>8,893</b>	<b>100.0%</b>	
<b>Median Age</b>				<b>38.1</b>	

Source: US Census, 1990-2000

### Household Characteristics

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. By comparison, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household. In 2000, there were 3,020 households in Pittsgrove, with an average of 2.90 persons per household and an average of 3.23 persons per family.

Table 15, *Households by Household Type*, breaks down the different household types. In 2000, families made up 80.2% of all households in Pittsgrove, with married couples comprising 81.0% of all family households. Of married couples, 53.3% did not have children whereas 46.7% did. The Township also was home to 490 one person households, 44.9% of which were male householders and 55.1% were female householders.



**Table 15. Households by Household Type**

	Number of Households	Percent
Family Households (2+ Person Households)	2,421	80.2%
<i>Married Couple with Children</i>	916	30.3%
<i>Married without Children</i>	1,045	34.6%
<i>Other Family Household</i>	460	15.2%
Non Family Households (2+ Person Households)	109	3.6%
<i>Male Household without Children</i>	66	2.2%
<i>Female Household without Children</i>	43	1.4%
1-person household:	490	16.2%
<i>Male householder</i>	220	7.3%
<i>Female householder</i>	270	8.9%
<b>Total Households</b>	<b>3,020</b>	<b>100.0%</b>

Source: US Census, 2000

### Employment & Income Characteristics

In 2000, persons residing in Pittsgrove Township had on average significantly higher incomes than in Salem County as a whole. The 2000 median household income in Pittsgrove Township was \$56,687 for households and \$63,266 for families. Comparable figures for the County were \$45,573 for households and \$54,890 for families.

Table 16, *Household Income by Income Brackets*, further illustrates these findings by noting the number of households in each of the income categories. Within the Township, 43.4% of all households had incomes under \$50,000, with 6.4% earning less than \$15,000.

**Table 16. Household Income by Income Brackets**

	Households	Percent
Less than \$10,000	86	2.9%
\$10,000-\$14,999	105	3.5%





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	Households	Percent
\$15,000-\$24,999	276	9.2%
\$25,000-\$34,999	363	12.1%
\$35,000-\$49,999	472	15.7%
\$50,000-\$74,999	733	24.4%
\$75,000-\$99,999	544	18.1%
\$100,000-\$149,999	372	12.4%
\$150,000-\$199,999	5	0.2%
\$200,000+	53	1.8%
<b>Total</b>	<b>3,009</b>	<b>100.0%</b>
<b>Median Income</b>	<b>\$56,687</b>	

Source: 2000 US Census

Based on the 2000 US Census, the Salem County median household income of \$45,573, the moderate-income threshold was \$36,458 (80% of \$45,573). Approximately, 28% of Pittsgrove Township households fell below this threshold.

Table 17, *Distribution of Persons and Households Below Poverty Level*, shows that 4.9% of all Pittsgrove residents and 3.7% of persons in families live below the poverty level as defined by the 2000 U.S. Census, compared to 9.3% of individuals and 8.3% of persons in families in Salem County.

**Table 17. Percent Distribution of Persons and Households Below Poverty Level**

	Persons	Percent	Persons in Families	Percent
Pittsgrove Township	434	4.9%	286	3.7%
Salem County	5,980	9.3%	4,451	8.3%

Source: 2000 US Census

Table 18, *Distribution of Employment by Industry*, shows the distribution of employment by industry for employed Pittsgrove Township residents. The education, health and social services industry captured the largest segment of the population at 22%, with manufacturing trailing at a distant second with 16.9% of the workforce.



**Table 18. Distribution of Employment by Industry, Employed Pittsgrove Residents**

Sector Jobs	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	64	1.5%
Construction	345	7.9%
Manufacturing	739	16.9%
Wholesale Trade	190	4.4%
Retail Trade	540	12.4%
Transportation and Warehousing, and Utilities	401	9.2%
Information	96	2.2%
Finance, Insurance, Real Estate, and Rental and Leasing	159	3.6%
Professional, Scientific, Management, Administrative, and Waste Management Services	242	5.5%
Education, Health and Social Services	960	22.0%
Arts, Entertainment, Recreation, Accommodation, and Food Services	172	3.9%
Public Administration	260	6.0%
Other Services (except public administration)	197	4.5%
<b>Total</b>	<b>4,365</b>	<b>100.0%</b>

Source: 2000 US Census

Table 19, *Employment by Occupation*, identifies the occupations of employed persons. While Pittsgrove residents worked in a variety of industries in 2000, 28.4% of residents were employed in management, professional, and related occupations. An additional 22.5% of residents were employed in sales and office occupations.

**Table 19. Employment by Occupation, Employed Pittsgrove Residents**

Sector Jobs	Number	Percent
Management Professional, and Related Occupations	1,240	28.4%
Service Occupations	637	14.6%
Sales and Office Occupations	983	22.5%
Farming, Fishing, and Forestry Occupations	24	0.5%
Construction, Extraction, and Maintenance Occupations	618	14.2%



Sector Jobs	Number	Percent
Production, Transportation, and Materials Moving Occupations	863	19.8%
<b>Total</b>	<b>4,365</b>	<b>100.0%</b>

Source: 2000 US Census

The number of employed people residing in Pittsgrove exceeded the number of jobs located within the Township by 1,264 jobs. The New Jersey Department of Labor tracks covered employment throughout the state. Covered employment data includes only those jobs for which unemployment compensation is paid. By definition it does not cover public employees (federal, state, county and municipal), nor the self-employed, unpaid family workers, most part-time or temporary employees, and certain agricultural and in-home domestic workers. See Table 20, *Covered Employment Estimates*.

**Table 20. Covered Employment Estimates, 2003**

Year	Pittsgrove Township	Salem County
2003	3,101	22,154

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, NJ Covered Employment Trends. Data are as of December 2003, which is the most current data available at the municipal level.

Construction and local government are the two largest sectors of in-town employment, with 80 and 78 jobs respectively. Employment opportunities in the town are primarily in non-basic industries, or industries that service the internal needs of the municipality. See Table 21, *Covered Employment Estimates by Sector, 2003*, for additional information.

**Table 21. Covered Employment by Sector, 2003**

	Employment					Wages	
	March	June	Sept.	Dec.	Average	Weekly	Annual
Private Sector Municipality Total	2,728	2,814	2,789	2,730	2,775	\$1,326	\$68,949
Agriculture, forestry, fishing and hunting	37	75	55	61	59	\$365	\$18,970
Utilities	.	.	.	.	.	.	.
Construction	90	92	96	92	92	\$609	\$31,684
Manufacturing	266	269	251	250	257	\$504	\$26,217





December 2008 Amended Housing Element & Fair Share Plan  
Pittsgrove Township, Salem County

Clarke Caton Hintz

	Employment					Wages	
	March	June	Sept.	Dec.	Average	Weekly	Annual
Wholesale trade	.	.	.	.	.	.	.
Retail trade	148	174	182	155	165	\$467	\$24,295
Transportation and warehousing	89	87	90	95	89	\$668	\$34,711
Information	.	.	.	.	.	.	.
Finance and insurance	.	.	.	.	.	.	.
Real Estate and rental and leasing	.	.	.	.	.	.	.
Professional and technical services	.	.	.	.	.	.	.
Administrative and waste services	31	50	52	47	45	\$622	\$32,350
Educational services	.	.	.	.	.	.	.
Health care and social assistance	.	.	.	.	.	.	.
Arts, entertainment, and recreation	.	.	.	.	.	.	.
Accommodation and food services	.	.	.	.	.	.	.
Other services, except public administration	20	23	23	22	22	\$330	\$17,185
Government Municipality Total	352	365	339	367	326		
Federal Government Municipality Total	2	2	2	2	2	\$567	\$29,492
Local Government Municipality Total	350	363	337	365	324	\$809	\$42,089
Total Covered Employment	3,080	3,179	3,128	3,097	3,101		

Source: <http://www.wnjpin.net/OneStopCareerCenter/LaborMarketInformation/lmi14/mun/salo3.xls>. Data have been suppressed (.) for industries with few units or where one employer is a significant percentage of employment or wages of the industry. Industry/Government sectors with zero employment or wages have been removed in each municipality. Industry/Government data are North American Industry Classification System (NAICS) based.



## **GROWTH TRENDS AND PROJECTIONS**

The Township's growth rates have varied since 1996. The Township's zone plan provides adequate capacity to meet or exceed COAH's projections for household and job growth during the third round (2004 through 2018) with development and redevelopment.

Pittsgrove's residential zoning provides adequate development and redevelopment capacity to meet or exceed the COAH projections of 434 households. The Township's zoning supports residential development throughout the majority of the Township at low and moderate densities. Additionally, it is likely that residential units will be incorporated into a portion of the redevelopment proposals the Township may see during the third round.

Pittsgrove's nonresidential zoning provides adequate development and redevelopment capacity to meet or exceed the COAH projections of 866 jobs. The Landis Avenue corridor and Route 40, as well as the other nonresidential districts, are able to accommodate a moderate amount of new commercial development and redevelopment.

The entire Township is served by individual septic systems and wells, with the exception of a few isolated existing developed nonresidential properties in the Township that have on-site package plants. The Township does not contemplate an expansion of these areas to surrounding lands. Notwithstanding, the Township's projections can be accommodated with the use of individual septic systems and wells.

While the current housing market is depressed due to national and international economic conditions, based on historic trends and when the market stabilizes, it is fully anticipated that there will be demand for the detached units permitted in the Township.

Municipal economic development policies, which include expanding opportunities for commercial development and encouraging redevelopment in the Redevelopment Area along Landis Avenue, support the household and job projections. These policies support new development in appropriate areas and redevelopment of underutilized property.

Pittsgrove lies entirely in Planning Areas 4 and 5 (pursuant to the State Development and Redevelopment Plan) and has many environmental constraints, such as wetlands, floodplains and steep slopes and Category 1 streams. However, the Township has preserved a significant amount of these constrained lands through open space.



preservation and set-asides, and the Township continues to have aggressive farmland and open space preservation programs. Furthermore, the Township has created regulations to allow development to occur without degrading the Township's environmentally sensitive lands. It is not anticipated that these constraints will impair the ability to meet or exceed its residential and nonresidential projections. Additionally, there are a number of contaminated sites in the Township; however, it is not anticipated that they will preclude the Township's ability to meet or exceed the growth projections.

## **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 developer of the property currently before the Planning Board for subdivision approval, Bridlewood Estates (Block 701, Lots 8 and 9; Block 903, Lot 1), has offered to provide affordable housing off site. However, the Board has not granted an approval for the project and the site is not needed to satisfy the Township's affordable housing obligation at this time. In addition, the Township may consider other properties offered for affordable housing, in the future for inclusionary housing or for a 100% affordable housing project.

## PITTSGROVE'S AFFORDABLE HOUSING OBLIGATION

COAH's third round methodology includes the rehabilitation obligation, the prior round obligation and the third round obligation. The Appendices to COAH's substantive rules, *N.J.A.C. 5:97 et seq.*, provide each municipality's affordable housing obligation. Pittsgrove's third round obligation can be summarized as follows:

- Rehabilitation Obligation: 17 (Appendix B.)
- Prior Round Obligation: 58 (Appendix C.)
- Third Round Obligation: 141 (Appendix F.)

### Rehabilitation Obligation

The rehabilitation obligation is defined as the number of deficient housing units occupied by low and moderate income households within a municipality (*N.J.A.C. 5:97-1.4*). COAH calculates this figure using indices such as overcrowding of units constructed prior to 1950, incomplete kitchen facilities, incomplete plumbing facilities and the estimated number of low and moderate income households in the municipality. COAH has calculated Pittsgrove's rehabilitation obligation to be 17 units. Please see Table 22, *Calculation of the Rehabilitation Obligation*, for additional information.

**Table 22. Calculation of the Rehabilitation Obligation.**

Overcrowding of units constructed prior to 1950	8
Incomplete plumbing facilities	+ 16
Incomplete kitchen facilities	+ 0
Low and moderate income share	*0.715
Rehabilitation share credit	- 0
<i>Rehabilitation Obligation</i>	<i>17 units</i>

Source: Appendix B to *N.J.A.C. 5:97*

### **Prior Round Obligation**

The prior round obligation can be defined as the cumulative 1987 through 1999 affordable housing obligation (*N.J.A.C. 5:97-1.4*). This time period corresponds to the first and second rounds of affordable housing. COAH has calculated Pittsgrove's prior round obligation to be 58 units (Appendix C. to *N.J.A.C. 5:97*).

### **Third Round Obligation**

COAH has taken a very different approach to calculating third round affordable housing obligations. The obligation is initially based solely on COAH's household and job projections for each municipality during the third round. For every 5 households, or units, projected during the third round, one affordable housing unit must be provided. For every 16 jobs projected, the Township must provide one affordable housing unit. COAH's substantive rules require that a municipality plan for the affordable housing obligation generated by the projections; however, a municipality must provide affordable housing in proportion to its actual growth (*N.J.A.C. 5:97-2.2(e)*). COAH has projected the creation of 434 households and 866 jobs in Pittsgrove during the third round (*N.J.A.C. 5:97 Appendix F, Allocating Growth to Municipalities*). As such, the Township's third round obligation is 141 units and is calculated as follows:

- Residential Obligation:  $434 \text{ units} / 5 = 86.80$  affordable units
- Nonresidential Obligation:  $866 \text{ jobs} / 16 = 54.13$  affordable units
- *Total Obligation:  $86.80 \text{ units} + 54.13 \text{ units} = 140.93 \text{ units}$*

## **PITTSGROVES'S AFFORDABLE HOUSING PLAN**

### **Satisfaction of the Rehabilitation Obligation**

COAH estimates that there are 17 substandard housing units occupied by low and moderate-income households in Pittsgrove Township as of April 1, 2000. Between April 1, 2000 and November 2008, the Township rehabilitated a total of 11 units. The Township administers the rehabilitation program and utilizes Small Cities funding to do so. The Township's rehabilitation program has, to date, been available to only owner-occupied units. However, to comply with *N.J.A.C. 5:97-6.2(b)6*, the Township will revise the rehabilitation manual to make the program available to rental units. The Township has applied for \$200,000 of additional Small Cities funding in order to continue the rehabilitation program. As stated, the rehabilitation program for 2009 and beyond will be open to rental units. The Township's rehabilitation program adheres to the remaining regulations in *N.J.A.C. 5:97-6.2*. Specifically, all rehabilitated units will comply with the definition of a deficient unit in *N.J.A.C. 5:97-1.4*, which states, "a housing unit with health and safety code violations that require the repair or replacement of a major system". Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by low or moderate income households and upon completion of the rehabilitation, 10 year affordability controls shall be placed on the property in the form of a lien or deed restriction. The program shall have an average per unit hard cost of \$10,000.

### **Satisfaction of the Prior Round Obligation**

Pittsgroves's prior round obligation (1987-1999), as recalculated by COAH, is 58 units (Appendix C. to *N.J.A.C. 5:97*). 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. Due to the recent amendments to the Fair Housing Act, P.L.2008, c.46, the Township is no longer eligible to enter into a regional contribution agreements for the prior round obligation. This is despite the fact that the Township had proposed a regional contribution agreement with the City of Bridgeton in the 2007 Housing Element and Fair Share Plan.

- Minimum Rental Obligation = 3 units  
.25 (prior round obligation – prior cycle credits– impact of the 20% cap – impact of the 1000 unit cap) = .25 (58-49-0-0) = 2.25, rounded up to 3
  - A rental unit available to the general public receives one rental bonus;
  - An age-restricted unit receives a 0.33 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 prior round rental obligation
- Maximum Age Restricted = 3 units  
.25 (prior round obligation + rehabilitation share – prior cycle credits – rehabilitation credits – impact of the 20% cap – impact of the 1000 unit cap – transferred or proposed prior round RCAs) = .25 (58+17-49-17-0-0-308) = 2.25, rounded up to 3

### **Prior Cycle Credits**

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 Facility**

The Parents and Friends Association for the Vineland Development Center (hereinafter “PAFACOM”) has 2 group homes in Pittsgrove Township; one facility will contribute toward the prior round and the other facility will contribute toward the third round.

PAFACOM operates a 4 bedroom group home that is located on Morton Avenue (Block 2901, Lot 15). This facility, which has been in operation since 2004, serves individuals

with developmental disabilities, and is funded by the New Jersey Division of Developmental Disabilities. This facility is administered by the provider. This facility will fulfill the Township’s 3 unit prior round rental obligation. As such, it is eligible for 3 bonus credits, as well as one credit for each bedroom, for a total of 7 credits.

**Accessory Apartments**

The Township’s 2000 second round Housing Element and Fair Share Plan included a 9 unit accessory apartment program as a mechanism for meeting its fair share obligation. The Township has had moderate success since 2000. To date, one accessory apartment has been approved and an additional 3 are currently proposed. The Township intends on using these 4 units to satisfy a portion of the prior round obligation and redoubling its marketing efforts in conjunction with a new invigorated 10 unit program to satisfy a portion of the third round. As will be discussed, it is fully anticipated that improved marketing and financial incentives will yield 10 accessory apartments during the third round.

The 4 prior round units will have 10 year affordability controls. Moreover, the units will be priced in accordance with *N.J.A.C. 5:94-7*, affirmatively marketed, and administrated in accordance with UHAC regulations. The program is administered by the Township’s Administrative Agent.

**Prior Round Summary**

The Township has met its 58 unit prior round obligation with prior cycle credits from credits without controls, 1 special needs facility, and 4 accessory Apartments. The 3 unit rental obligation has been satisfied with the special needs facility. The Township has 2 surplus units from the special needs facility that will be carried over to the third round.

**Table 23. Affordable Units Meeting the 58 Unit Prior Round Obligation**

Development	Rental	Senior	Units	Bonus Credits	Total Credits
Prior Cycle Credits					
Credits without Controls			49	0	49
Special Needs Units					

Development	Rental	Senior	Units	Bonus Credits	Total Credits
PAFACOM – Morton Avenue	x		4	3	7
Accessory Apartments					
Various	x		4	0	4
<b>Total</b>			57	3	60

### Satisfaction of the Third Round Obligation

Pittsgrove’s third round obligation (2004-2018) is 141 units (Appendix F. to N.J.A.C. 5:97, with exclusions). In addition to satisfying the total obligation, the Township must also adhere to the minimum total family units, minimum rental obligation, minimum family rental units, a maximum age-restricted units, maximum bonus credits and minimum very low income units. Due to the recent amendments to the Fair Housing Act, P.L.2008, c.46, the Township is no longer eligible to enter into a regional contribution agreement for the third round obligation.

- Minimum Family Obligation = 52 units  
 $.50(\text{third round affordable units}) = .50(106 - 2 \text{ prior round carry over units}) = 52$
- Minimum Rental Obligation = 36 units  
 $.25 (\text{third round obligation}) = .25 (141) = 35.25, \text{ rounded up to } 36$
- Minimum Family Rental Obligation = 18 units  
 $.50(\text{third round rental obligation}) = .5(36) = 18$
- Maximum Age-restricted Units = 35 units  
 $.25 (\text{third round obligation}) = .25 (141) = 35.25, \text{ rounded down to } 35$
- Maximum Bonus Credits = 35 credits  
 $.25 (\text{third round obligation}) = .25 (141) = 35.25, \text{ rounded down to } 35$
- Minimum Very Low Income = 14 units  
 $.13(\text{third round affordable units}) = .13(106 - 2 \text{ prior round carry over units}) = 13.52$   
 rounded up to 14



\*P.L.2008, c.46 amended the Fair Housing Act to require 13% of all third round units to be reserved for very low income households. COAH has stated that half of all very low income units must be family units.

### **Prior Round Surplus Credits**

The 58 unit prior round obligation was satisfied with a total of 60 credits. The Township will carryover 2 surplus credits from the PAFACOM facility on Morton Avenue to the third round.

### **Special needs**

As stated previously, the Parents and Friends Association for the Vineland Development Center (hereinafter “PAFACOM”) has 2 facilities in the Township, one of which is used to satisfy the prior round obligation. The remaining facility is a group home on Jesse Bridge Road (Block 503, Lot 45) with four bedrooms for individuals with developmental disabilities. PAFACOM receives funding from the state to operate this facility, which has been in place since 1991. Each bedroom will contribute one credit toward the third round obligation and since the facility exceeds the rental obligation, each bedroom is eligible for a .25 rental bonus credit. As such, this facility is eligible for 5 third round credits. Additionally, the 4 bedrooms in this facility will contribute toward the very low income obligation.

### **Accessory Apartments**

The Township is proposing a 10 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 district, all residential zones permit accessory apartments. In addition, Pittsgrove Township’s housing structures are generally large. In fact, 23% of the total housing stock has over eight rooms 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, as evidenced by the fact that one accessory apartment has been approved and 3 are proposed, there is ample opportunity for lands in the Township to support the septic and well demands of 10 additional accessory apartment units. The Township's program will comply with all regulations in *N.J.A.C. 5:97-6.8*, including but not limited to 10 year affordability controls and subsidies in the amount of \$20,000 for a moderate income unit and \$25,000 for a low income unit. The program will be administered by the Township's Administrative Agent.

This program will provide the Township a total of 10 credits toward the third round obligation and will be used to satisfy a portion the rental obligation, including the family rental obligation. Pursuant to *N.J.A.C. 5:97-3.5(a)* rental units addressing the prior round rental obligation that do not have 30 year affordability controls are not eligible for rental bonus credits.

### **Market to Affordable Program**

The Township will administer a 31 unit market to affordable program; 11 units shall be family sale units and 20 units shall be family rental units. The Township will target existing homes that are for sale and/or are in the process of being foreclosed upon. There are sufficient units in the Township to support the 31 unit program; between January 2005 and April 2007, there have been 99 units sold in Pittsgrove that were below \$200,000. The median sale price is \$145,000 and the average sale price of these units is \$135,692. The availability of units for the program is further supported by the glut of housing on the market and available in the multiple listing service. While, pursuant to *N.J.A.C. 5:97-6.9(b)*, the Township will provide a minimum subsidy of \$25,000 for each moderate income unit and \$30,000 for each low income unit, it is anticipated, based on an analysis of recent home sales, that the Township will have to provide a larger subsidy in order to bring the sales prices and rents down to an affordable level. It is also expected that each unit may require approximately \$20,000 of rehabilitation work in order to meet the applicable building code.

All units will be certified to be in sound condition through an inspection by a licensed building inspector. All units created through this program shall be marketed and administered by the Township's Administrative Agent. All units will have 30 year affordability controls and will be in compliance with the Uniform Housing Affordability

Controls, N.J.A.C. 5:80-26, with the exception that these affordable units shall be exempt from bedroom distribution requirements. The Township will fund this program with monies from the Affordable Housing Trust Fund and will also be seeking outside sources of funding.

The Township requests a waiver from COAH's initial 20-unit market to affordable program limit for a 31 unit program – 11 additional units (although COAH has no ultimate limit on the number of units in the program and specifically states in N.J.A.C. 5:97-1.4 that a municipality may address its entire fair share through this program). The waiver request meets the requirements in N.J.A.C. 5:96-15.2(a):

- *The strict application of the rule would create an unnecessary financial, environmental or other hardship.* A strict application of N.J.A.C. 5:97-6.14(a)2. would create an unnecessary hardship by denying the Township the opportunity to take full advantage of a program that is particularly suited for rural municipalities, such as Pittsgrove Township. Constructing new affordable housing is very expensive where the units must rely on individual well or septic systems. Furthermore, constructing affordable housing projects and inclusionary projects is often disruptive to the community since these projects are done at higher densities and often include different unit types than that which is permitted – single family detached homes. Comparatively, granting the waiver will allow the municipality to forgo an additional municipally sponsored site and instead create affordable housing from existing housing stock. Converting units to affordable housing is one of the most efficient uses of financial resources and societal resources. It must be also considered that additional market rate housing is a financial burden to municipalities. Using inclusionary housing – one of the few ways a municipality can provide affordable housing without a direct financial subsidy – to create the 11 additional housing units, which the waiver is sought, would require an additional 55 housing units in the Township (11 x 5). Furthermore, with the ongoing slump in the housing market, the Township is in an excellent position to purchase units at low cost. The Township desires to take advantage of this situation; if the waiver is denied on the premise that the Township can reapply after the program is proven successful, it is possible that housing prices will rise and opportunities will be lost. To prove success with the program will take a minimum of one year and additional time for the Court to review the request. The Township wishes to move forward on the program *immediately*.
- *Granting the waiver fosters the production of affordable housing.* The waivers will directly support the *immediate* creation of affordable housing from the existing housing stock.

- *Granting the waiver fosters the intent, if the not the letter of, the Council's rules.* The intent of *N.J.A.C. 5:96-15.2(a)* is to provide assurance that the municipality is capable of administering the program and providing the proposed number of units. Pittsgrove Township will be purchasing units in the near future and, in the short time since it was decided to include the program, the Township has been evaluating properties for sale which would be appropriate for the program. As such, Pittsgrove Township has the capability to complete 31 market to affordable units. Furthermore, the waiver is consistent with *N.J.A.C. 5:97-1.4* which states a municipality may address the entire growth share obligation with the market to affordable program.
- *The Housing Element and Fair Share Plan provides a mix of housing options.* The Township currently offers special needs units and accessory apartments. Planned for the third round are family and non-family rental units. The expansion of this program to 31 units will complement the Township's existing and proposed affordable housing stock as this will be the only program that will allow low and moderate income households to be integrated into the existing community in a house of their own. Additionally, more than 85% of the 106 third round affordable units are rentals, far in excess of COAH's 25% rental requirement, thus, overwhelmingly addressing an underserved housing need in the region.

For all the reasons stated above, Pittsgrove Township respectfully requests that the Court grant a waiver, pursuant to *N.J.A.C. 5:96-15*, to exceed the initial 20-unit program limitation for the proposed market to affordable rental and sales program.

Each of the 31 units in this program will contribute 1 credit toward the third round obligation. Additionally, the 10 rental units, which will not be used to satisfy the rental obligation, will also provide one rental bonus each. As such, this program will contribute 41 credits toward the third round obligation. The program will also satisfy a portion of the family obligation, including the family rental obligation.

### **Municipally Sponsored Construction**

The Township is proposing 5 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, Brotmanville and Centerton and the Redevelopment Area.

### *Centerton Road Property*

The Township proposes the construction of 20 rental units – 6 family and 14 age-restricted – on a Township-owned property. The property, known as Block 903, Lot 19, is an 8.01 acre property in the Rural Residential district and is also located within the village of Centerton. The property is located along Centerton Road and is currently undeveloped. The lot is not located in a workforce housing census tract. The Township will partner with an affordable housing developer to have the 20 rental (6 family and 14 age-restricted) affordable units constructed on land donated by the Township. As such, the density on this site will be .4 dwelling units per acre.

The rental affordable 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 *N.J.A.C. 5:97-3.14*, accessible and adaptable affordable units. The family unit will be administered by the affordable housing developer the Township partners with for the construction of the project.

The site is available, approvable, developable and suitable.

The site meets COAH's site suitability standards, pursuant to *N.J.A.C. 5:97-3.13*.

- *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 over 300 feet of frontage on Centerton Road. West of the site is the Municipal Building and adjacent to the north is the Department of Public Works; both are in the Public district. East and southeast of the site is undeveloped land in the Rural Residential district. The lands adjacent to the east are permanently preserved. South of the site, along Centerton Road, are single family homes and undeveloped lands in the R-2 Residential district.
- *Adequate sewer and water capacity is available.* The site will be served by a package treatment plant. The Township will identify this site in the upcoming wastewater management plan as a site whose development will be accommodated with a package treatment plant.

- *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. The site is located within the village of Centerton – one of Pittsgrove’s population centers and service centers. Located within proximity to the site are municipal facilities, a small amount of retail and a house of worship.
- *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 or Category One streams 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.

The site will contribute one credit per unit. Additionally, the 14 age-restricted rental units will contribute toward the rental obligation. Each of the 6 family rental units exceed the rental obligation and are therefore eligible for rental bonus credits. As such, the site will contribute a total of 26 credits toward the third round obligation and it will also meet a portion of the family obligation and rental obligation. Additionally, 3 of the age-restricted units and one family unit will be reserved for very low income households.

### *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 duplexes, for a total of 4 units on the property. All units will be family rental affordable housing units.

As mentioned, 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 family affordable 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 *N.J.A.C. 5:97-3.14*, accessible and adaptable affordable units. The units will be administered by the affordable housing developer the Township partners with for the construction of the project.

The site is available, approvable, developable and suitable.

The site meets COAH's site suitability standards, pursuant to *N.J.A.C. 5:97-3.13*.

- *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 off-set 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.

The 4 family rental units on the site will contribute one credit for each unit and since they exceed the rental obligation, each is also eligible for a bonus credit. Additionally, this site will contribute toward satisfaction of the family obligation. One of the units at this site will be reserved for very low income households.

### *Habitat for Humanity – Maple Road*

The Township is proposing a municipally sponsored construction program on Block 1508, Lot 1. The property is a .58 acre Township-owned lot along Maple Avenue 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 family sale affordable unit



constructed on land donated by the Township. The unit is under construction and nearly complete.

The family affordable unit 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 *N.J.A.C. 5:97-3.14*, accessible and adaptable affordable units. Ongoing occupancy will be administered by the Township's affordable housing administrative agent.

The site is available, approvable, developable and suitable.

The site meets COAH's site suitability standards, pursuant to *N.J.A.C. 5:97-3.13*.

- *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 was donated by the Township and is now owned by Habitat for Humanity.
- *The site is adjacent to compatible land uses and has access to appropriate streets.* The site is located within a single-family detached residential neighborhood. The site can be considered a corner property because it is located on a sharp curve of Maple Road. As such, it has over 375 feet of frontage on Maple Road
- *Adequate sewer and water capacity is available.* The single family home is served by on-site well and septic systems – consistent with the surrounding lots.
- *The site can be developed in accordance with R.S.I.S.* Development of the site is 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. The site is located within an existing neighborhood of modest sized homes, thus allowing the unit to be fully integrated in the community. Additionally, it should be noted that the site is located within the village of Centeron – one of Pittsgrove's population and service 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.

The 1 family sale unit will contribute 1 credit toward the third round and will contribute toward satisfaction of the family obligation.

#### *Henry Avenue Site*

The Township is proposing a municipally sponsored construction program on Block 2203, Lot 11. The property is a .82 acre Township-owned lot along Henry Avenue in the R-4 Residential district. The lot is not located in a workforce housing census tract. The Township will partner with an affordable housing developer to have one family sale affordable unit constructed on land donated by the Township.

The family affordable unit 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 *N.J.A.C. 5:97-3.14*, accessible and adaptable affordable units. The family unit will be administered by the affordable housing developer the Township partners with for the construction of the project.

The site is available, approvable, developable and suitable.

The site meets COAH's site suitability standards, pursuant to *N.J.A.C. 5:97-3.13*.

- *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 is located within a single-family detached residential neighborhood. It is a long narrow lot along Henry Avenue with approximately 70 feet of frontage. Surrounding the lot to the north, east and west, across Henry Avenue, are single family detached homes. South of the site is undeveloped land.
- *Adequate sewer and water capacity is available.* The single family home will be served by on-site well and septic systems – consistent with the surrounding lots.
- *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. The site is located within an existing neighborhood of modest sized homes, thus allowing the unit to be fully integrated in the community. Additionally, it should be noted that the site is located within the village of Brotmanville – 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.

The 1 family sale unit will contribute 1 credit toward the third round and will contribute toward satisfaction of the family obligation.

### *Future Site*

The Township will construct 33 family rental units on one or more sites that have not yet been identified. Thirteen of the units will be age-restricted rental units and 20 of the units will be family rental units. These rental units will not be needed in early years of the third round; as such the Township will identify the site within 2 years of beginning construction as identified on the implementation schedule (*N.J.A.C. 5:97-6.7(d)*). This program will contribute one credit for each of the 33 units as well as rental bonus credits for the family rental units. However, due to the 25% maximum bonus credits, this program may only contribute 14 rental bonus credits. As such this site will contribute 47 credits toward the third round obligation. Additionally, 5 units on this site will be reserved for very low income household.

### **Third Round Summary**

Pittsgrove has met its 141 unit third round obligation and has satisfied the family, rental, maximum age-restricted and very low income requirements.

- The 52 unit family obligation has been satisfied with units in the Habitat for Humanity, Henry Avenue and Centerton Road municipally sponsored construction projects, the 10 accessory apartment units and 31 unit market to affordable program.
- The 36 unit rental obligation has been satisfied with 2 bedrooms at the PAFACOM group home on Morton Avenue that was carried over from the prior round, 14 age-restricted units at the Centerton Road municipally sponsored construction project, 10 accessory apartments and 10 market to affordable rental units.
- The 18 unit family rental obligation has been satisfied with 10 accessory apartments and 10 market to affordable rental units.
- The Township is proposing 27 age-restricted units where the maximum permitted is 35 units.
- The Township is proposing 35 bonus credits where the maximum is 35.
- The Township has met the 14 unit very low income requirement with 4 units in the PAFACOM group home on Jesse Bridge Road, one unit at the Gershal Avenue municipally sponsored construction site, 4 units at the Centerton Road municipally sponsored construction site (1 family and 3 age-restricted) and 5 units at the Future municipally sponsored construction site.

**Table 24. Affordable Units Meeting the 141 Unit Third Round Growth Share Obligation.**

Project	Family	Rental	Senior	Units	Bonus Credits	Total Credits
Prior Round Surplus						
PAFACOM – Morton Avenue		X		2	0	2
Special Needs Facilities						
PAFACOM – Jesse Bridge Road		X		4	1	5
Accessory Apartments						
Various	X	X		10	0	10
Market to Affordable						
Rental	X	X		20	10	30
Sale	X			11	0	11
Municipally Sponsored Construction						
Gershal Avenue Site	X	X		4	4	8
Habitat for Humanity Site	X			1	0	1
Henry Avenue Site	X			1	0	1
Centerton Road Site – Age-restricted		X	X	14	0	14
Centerton Road Site – Family	X	X		6	6	12
Future Site – Age-restricted		X	X	13	0	13
Future Site – Family	X	X		20	14	34
<b>TOTAL</b>				<b>106</b>	<b>35</b>	<b>141</b>
<b>Surplus</b>						<b>0</b>

## SUMMARY AND IMPLEMENTATION SCHEDULE

As stated above, the Township has fulfilled the obligation to rehabilitate 17 deteriorated units occupied by low and moderate income households; however, the Township will continue the program in order to make it available to rental units. The prior round obligation has been satisfied with 49 credits without controls, one 4 bedroom group

home and 4 accessory apartments. The third round obligation will be satisfied with 2 surplus credits, one 4 bedroom group home, 10 accessory apartments, a 31 unit market to affordable program and 5 municipally sponsored construction program consisting of 26 units. These 26 municipally sponsored construction units will be located on the following sites: the Gershal Avenue site, the Habitat for Humanity Site, the Henry Avenue site, the Centerton Road site and a Future site.

Nearly all of the affordable units satisfying the prior round have been built – only the accessory apartment units have not been completed. It is anticipated that these units will be completed in 2010. A portion of the third round units must be built. The Township anticipates, based on actual and projected growth, that an adequate number of affordable units will be provided at the time of the first plan evaluation (assumed to 2012) pursuant to N.J.A.C. 5:96-10.1. Please see Tables 25, *Implementation Schedule* for additional information.

**Table 25. Third Round Implementation Schedule.**

Program	Credits Complete	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Credits
PAFACOM Units (Morton Avenue)	2	0	0	0	0	0	0	0	0	0	0	2
PAFACOM Units (Jesse Bridge Road) – Units	4	0	0	0	0	0	0	0	0	0	0	4
PAFACOM Units (Jesse Bridge Road) – Bonus Credits	1	0	0	0	0	0	0	0	0	0	0	1
Third Round Accessory Apartment Units	0	2	3	3	2	0	0	0	0	0	0	10
Market to Affordable Rental Units	0	5	5	5	5	0	0	0	0	0	0	20
Market to Affordable Rental Bonus Credits	0	0	0	5	5	0	0	0	0	0	0	10
Market to Affordable Sale Units	0	3	3	3	2	0	0	0	0	0	0	11
Gershal Avenue Site Units	0	0	0	0	4	0	0	0	0	0	0	4
Gershal Avenue Site Bonus Credits	0	0	0	0	4	0	0	0	0	0	0	4
Habitat for Humanity Site Unit	0	1	0	0	0	0	0	0	0	0	0	1
Henry Avenue Site Unit	0	0	0	0	1	0	0	0	0	0	0	1

December 2008 Amended Housing Element & Fair Share Plan  
Pittsgrove Township, Salem County

Program	Credits Complete	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Credits
Centerton Road Site Units	0	0	0	0	20	0	0	0	0	0	0	20
Centerton Road Site Bonus Credits	0	0	0	0	6	0	0	0	0	0	0	12
Future Site Units	0	0	0	0	0	0	33	0	0	0	0	33
Future Site Bonus Credits	0	0	0	0	0	0	14	0	0	0	0	9
<b>Third Round Total</b>	<b>7</b>	<b>11</b>	<b>11</b>	<b>16</b>	<b>49</b>	<b>0</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>141</b>













## **COST GENERATION**

Pittsgrove Township's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (*N.J.A.C. 5:21-1 et seq*) and the mandate of the Fair Housing Act regarding unnecessary cost generating features. The focus of such development review shall not be whether the site is appropriately zoned. Pittsgrove shall comply with COAH's requirements for unnecessary cost generating requirements, *N.J.A.C. 5:97-10.2*, procedures for development applications containing affordable housing, *N.J.A.C. 5:97-10.3*, and requirements for special studies and escrow accounts where an application contains affordable housing, *N.J.A.C. 5:97-10.4*.

## **MONITORING**

In accordance with *N.J.A.C. 5:96-11*, beginning two years from the Judgment of Compliance and Repose, Pittsgrove Township shall complete the annual monitoring reports of the Affordable Housing Trust Fund and of the affordable housing units and programs. Furthermore, the Township will assist COAH with the biennial plan evaluation, pursuant to *N.J.A.C. 5:96-10*, where the actual growth of housing units and jobs is compared to the provision of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in a municipality and the number of units required pursuant to *N.J.A.C. 5:97-2.4* results in a pro-rated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedule pursuant to *N.J.A.C. 5:97-3.2(a)4*, or the mechanisms addressing the projected third round obligation no longer present a realistic opportunity for the creation of affordable housing, the Township may be required by COAH to amend its plan in conformance with *N.J.A.C. 5:96-14* to address the affordable housing obligation set forth in *N.J.A.C. 5:97-2.5*.

## **FAIR SHARE ORDINANCES AND AFFIRMATIVE MARKETING**

Pittsgrove Township has prepared an Affirmative Marketing and Fair Share Ordinance in accordance with COAH's substantive rules, *N.J.A.C. 5:97-9*, and the Uniform Housing Affordability Controls (hereinafter "UHAC") at *N.J.A.C. 5:80-26*. 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 for all affordable housing units, with the exception of the special needs units and municipally sponsored construction projects aside from the initial occupancy of the Habitat for Humanity site.

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. The costs of implementing the affirmative marketing plan (i.e., the costs of advertising the affordable units, etc.) are the responsibilities of the developers of the affordable units. This requirement is included in the Township's fair share ordinances and shall be a condition of any municipal development approval.

## **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.

The Township's spending plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance to *N.J.A.C. 5:97-8.10*. 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, pursuant to *N.J.A.C. 5:97-8.7(a)*:

- 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;
- Green building strategies designed to be cost-saving for low- and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units;
- 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.

Pittsgrove Township intends to spend development fee revenues pursuant to *N.J.A.C. 5:97-8.7* and in conjunction with the housing programs outlined in this document. The municipality will dedicate funds for affordability assistance up to 20% of collected development fees will be spent on administration. Any shortfall of funds will be offset by securing outside sources of funding and/or revenue or bonding.