

CHAPTER 5:94  
THE COUNCIL ON  
AFFORDABLE  
HOUSING



*Third Round Substantive Rules*

*For:*

*Buena Borough in Atlantic County*

*Washington Township in Morris County*

*White Township in Warren County*

**CHAPTER 94**  
**SUBSTANTIVE RULES OF**  
**THE NEW JERSEY COUNCIL ON AFFORDABLE HOUSING**  
**FOR THE PERIOD BEGINNING**  
**DECEMBER 20, 2004**  
(with amendments through June 2, 2008)

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**SUBCHAPTER 1. GENERAL PROVISIONS**

**5:94-1.1 Introduction**

- (a) The New Jersey Supreme Court stated in *Mount Laurel II* that, “The lessons of history are clear, even if rarely learned. One of those lessons is that unplanned growth has a price....” Further, the Court stated that, “Communities that are growing and creating jobs have a responsibility to house the poor who will arrive in these locations in pursuit of jobs.” The Court wanted municipalities to depend on long range land use planning rather than on purely economic forces to drive development.
- (b) The Council’s third round rules in this chapter which implement a “growth share” approach to affordable housing represent a significant departure from the Council’s first and second round methodologies in that they link the actual production of affordable housing with municipal development and growth. The Council believes that this approach will hew more closely to the doctrinal underpinning of *Mount Laurel* in that municipalities will provide a realistic opportunity for construction of a fair share of low- and moderate-income housing based on sound land use and long range planning. These rules will harness future growth to produce affordable housing by deeming that all growth-related construction generates an obligation.
- (c) Both the Court and the Legislature wanted to establish a system that would provide a realistic opportunity for housing, not litigation. As the Court stated in upholding the Fair Housing Act, “The legislative history of the Act makes it clear that it had two primary purposes: first, to bring an administrative agency into the field of lower income housing to satisfy the *Mount Laurel* obligation; second, to get the courts out of that field.” The Council’s “growth share” methodology allows each municipality to determine its capacity and desire for growth in a way that is consistent with the policies of the State Development and Redevelopment Plan; its *Mount Laurel* obligation arises as a share of that growth. These rules are, therefore, designed to be both more flexible and less negotiable.
- (d) There are three components to the third round Methodology: the rehabilitation share, any remaining Prior Round obligation for the period 1987-1999, and the “growth share.” Growth share is generated by Statewide residential and non-residential growth during the period from 1999 through 2014, and delivered from January 1, 2004 to January 1, 2014. As a result, for every eight market-rate residential units constructed, the municipality shall be obligated to provide one unit that is affordable to households of low or moderate income. Job creation carries a responsibility to provide housing as well. For every 25

newly created jobs as measured by new or expanded non-residential construction within the municipality in accordance with Appendix E, the municipality shall be obligated to provide one unit that is affordable to households of low- and moderate-income. This method tightens the working definition of “realistic opportunity” to meet the constitutional obligation with not merely a good faith attempt, but with the actual provision of housing for low- and moderate-income households.

#### **5:94-1.2 Short title; purpose; scope**

- (a) The provisions of this chapter shall be known as the “Substantive Rules of the New Jersey Council on Affordable Housing for the Period Beginning on December 20, 2004.
- (b) The purpose of this chapter is to establish criteria to be used by Buena Borough in Atlantic County, Washington Township in Morris County, and White Township in Warren County, for which substantive certification was granted by the Council prior to January 25, 2007 and upheld in *In re Adoption of N.J.A.C. 5:94 and 5:95* by the Council on Affordable Housing, 390 N.J. Super. 1, certif. denied, 192 N.J. 71(2007), in addressing their constitutional obligation to provide a fair share of affordable housing for low- and moderate-income households.
- (c) All municipalities that did not receive third round substantive certification prior to January 25, 2007 shall be governed by the provisions of N.J.A.C. 5:97.
- (d) For a municipality’s 1999-2014 rehabilitation share, the remaining balance of the prior rounds portion of any affordable housing obligation assigned by the Council for the 1987 through 1999 cumulative period, and the growth share obligation from 1999 through 2014, the following shall apply:
  - 1. A municipality’s rehabilitation share as of April 1, 2000, based on the 2000 census, shall be governed by the provisions of this chapter.
  - 2. A municipality’s remaining balance of the prior rounds portion of any affordable housing obligation previously assigned by the Council for the 1987 through 1999 cumulative period shall be governed by the provisions of N.J.A.C. 5:93. However, municipal minimum subsidy amounts for accessory apartments, buy-down units, and regional contribution agreements shall be governed by the provisions of this chapter if:
    - i. The municipality has not petitioned the Council for second round (1993-1999) substantive certification or interim substantive certification; or
    - ii. The municipality is including one of these housing activities for the first time to address a 1987-1999 affordable housing obligation.
  - 3. The growth share obligation from 1999 through 2014 shall be governed by the provisions of this chapter.

### **5:94-1.3 Severability clause**

If any part of this chapter shall be held invalid, the holding shall not affect the validity of remaining parts of this chapter. If a part of this chapter is held invalid in one or more of its applications, the rules shall remain in effect in all valid applications that are severable from the invalid application.

### **5:94-1.4 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

“Accessory apartment” means a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building.

“Act” means the Fair Housing Act of 1985, P.L. 1985, c.222 (N.J.S.A. 52:27D-301 et seq.).

“Adaptable” means constructed in compliance with the technical design standards of the Barrier Free Subcode N.J.A.C. 5:23-7.

“Affordable” means a sales price or rent within the means of a low or moderate income household as defined in N.J.A.C. 5:94-7.

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c.530 (N.J.S.A. 55:14K-1 et seq.).

“Age-restricted housing” means housing designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population where the head of the household is a minimum age of either 62 years, or 55 years and meets the provision of the 42 U.S.C. §§ 3601 et seq.. The developer determines the minimum age as permitted under 42 U.S.C. §§ 3601 et seq.

“Alternative living arrangement” means a structure in which households live in distinct bedrooms, and may share kitchen and plumbing facilities, central heat and common areas as delineated in N.J.A.C. 5:94-4.8.

“Assisted living residence” means a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor. Apartment units offer, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

“Assisted living services” means a coordinated array of supportive personal and health services, available 24 hours per day. Assisted living promotes resident self-direction and participation in decisions that emphasize independence, individuality, privacy and dignity in a homelike surrounding.

“Buy-down” means paying down the cost of market-rate units and offering them in sound condition at affordable prices to low- and moderate-income households to address all or a portion of the municipal share of affordable housing.

“Congregate living arrangements” means residential housing that consists of private dwelling units with an individual bathroom and an optional individual food preparation area, in addition to central dining facilities, and within which congregate housing supportive services such as meals, housekeeping, laundering, and personal care are provided.

“Conversion” means the conversion of existing commercial, industrial or residential structures for affordable housing purposes.

“Council” means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in the State.

“Cross-acceptance or cross-acceptance process” means the process of comparing planning policies among government levels with the purpose of obtaining consistency between municipal, county, regional, and State plans and the State Development and Redevelopment Plan. This definition is in accord with and derived from the State Development and Redevelopment Plan.

“DCA” means the New Jersey Department of Community Affairs.

“Deficient housing unit” means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

“DEP” means the New Jersey Department of Environmental Protection.

“Designated center” means a center that has been officially recognized as such by the State Planning Commission.

“Developer” means any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or purchase, or other person having an enforceable proprietary interest in such land.

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change

in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq.

“Development fee” means money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:94-6.

“Disabled person” means a person with a physical disability, infirmity, malformation or disfigurement which is caused by bodily injury, birth defect, aging or illness including epilepsy and any other seizure disorders, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impediment, deafness or hearing impediment, muteness or speech impediment or physical reliance on a service or guide dog, wheelchair, or other remedial appliance or device (see N.J.S.A. 52:27D-304k).

“Elder cottage housing opportunities (ECHO) units” means modular, self-contained units erected on sites containing an existing dwelling. ECHO units are restricted to individuals aged 55 years or older and/or the disabled and the units must be moved to another site when the unit is vacated.

“Endorsed plan” means a municipal, county or regional plan which has been approved by the State Planning Commission for initial or advanced plan endorsement as a result of finding it consistent with the State Development and Redevelopment Plan, pursuant to N.J.A.C. 5:85-7. This definition is in accord with and derived from the State Development and Redevelopment Plan.

“Equalized assessed value” means the assessed value of a property divided by the current State equalization ratio for the municipality. Estimates at the time of building permit may be obtained by the tax assessor utilizing estimates for construction cost. Final equalized assessed value shall be determined at project completion by the municipal assessor.

“Fair share,” for purposes of the period 1999 – 2014, means, in accordance with the provisions of N.J.A.C. 5:94-2, the sum of:

1. A municipality’s 1999 – 2014 rehabilitation share;
2. The remaining balance of the prior rounds portion of any affordable housing obligation previously assigned by the Council for the 1987 through 1999 cumulative period and not addressed by the municipality; and
3. The growth share obligation.

“Fair share round” means any one of three periods in time during which the Council has established municipal obligations to provide a fair share of affordable housing. The first fair share round includes the period 1987 through 1993. The second fair share round includes the first fair share round and adds the period 1993 through 1999. The third fair share round includes the first and second fair share rounds and adds the period from 1999 through 2014 for which municipal affordable housing needs are estimated, projected, actualized and/or addressed.

“Fair Share Plan” means that plan that describes the projects, strategies and the funding sources,

if applicable, by which a municipality proposes to address its affordable housing obligation as set forth in N.J.A.C. 5:94-2.4, and also includes the draft Fair Share Ordinances necessary to implement that plan, and addresses the requirements of this chapter.

“Growth share” means the affordable housing obligation generated in each municipality by both residential and non-residential development from 2004 through 2014 and represented by a ratio of one affordable housing unit for every eight market-rate housing units constructed plus one affordable housing unit for every 25 newly created jobs as measured by new or expanded non-residential construction within the municipality in accordance with Appendix E pursuant to the methodology detailed in N.J.A.C. 5:94-2.

“Gut rehabilitation” means the same as “reconstruction.”

“Household” means the person or persons occupying a housing unit.

“Housing Element” means that portion of a municipality’s master plan, as required by N.J.S.A. 40:55D-28b(3), consisting of at least those items identified in N.J.S.A. 52:27D-310 and the supporting information pursuant to N.J.A.C. 5:94-2.2(b) when part of a petition for substantive certification.

“Housing region” means a geographic area, determined by the Council, of no less than two nor more than four contiguous, whole counties, which exhibits significant social, economic and income similarities and which constitutes, to the greatest extent practicable, a Primary Metropolitan Statistical Area (PMSA) as last defined by the United States Census Bureau.

“Housing unit” means a house, apartment, room or group of rooms occupied or intended to be occupied by a household living independently of other households. The term shall also mean and include a unit occupied or intended to be occupied by a household in an alternative living arrangement.

“Inclusionary development” means a housing development containing both affordable units and market-rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a non-residential structure to residential and the creation of new affordable units through the reconstruction of a vacant residential structure.

“Judgment of compliance” means a determination issued by the Superior Court approving a municipality’s plan to satisfy its fair share obligation.

“Low income” means 50 percent or less of the median gross household income for households of the same size within the housing region in which the household is located, based upon the U.S. Department of Housing and Urban Development’s (HUD) Section 8 Income Limits (uncapped) averaged across counties for COAH’s housing region.

“Low income housing” means housing affordable according to Federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 50

percent or less of the median gross household income for households of the same size within the housing region in which the housing is located.

“Market-rate units” means housing not restricted to low- and moderate-income households that may sell at any price determined by a willing seller and a willing buyer.

“Medicaid waiver” means a term used to designate a form of insurance payment for certain assisted living care, health and medical services paid through the Enhanced Community Options (ECO) waiver program implemented in response to the Omnibus Budget Reconciliation Act (OBRA) of 1981, Section 2176, Public Law 97-35. The New Jersey Department of Health and Senior Services licenses Medicaid providers of assisted living services and allocates Medicaid waivers to specific licensed assisted living residences.

“Moderate income” means more than 50 percent but less than 80 percent of the median gross household income for households of the same size within the housing region in which the household is located, based upon the U.S. Department of Housing and Urban Development’s (HUD’s) Section 8 Income Limits (uncapped) averaged across counties for COAH’s housing regions.

“Moderate income housing” means housing affordable according to Federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to more than 50 percent but less than 80 percent of the median gross household income for households of the same size within the housing region in which the housing is located.

“Office of Smart Growth” means the Office in the Department of Community Affairs that staffs the State Planning Commission and provides planning and technical assistance as requested. This definition is in accord with and derived from the State Development and Redevelopment Plan.

“Order of repose” means the protection a municipality has from builder’s remedy lawsuits for a period of time from the entry of a judgment of compliance from the Superior Court. A judgment of compliance most usually results in an order of repose.

“Petition for substantive certification” means a request made by municipal resolution which a municipality files, or is deemed to have filed in accordance with N.J.A.C. 5:95, which engages the Council’s review process seeking a determination as to whether the Housing Element and Fair Share Plan of the municipality are consistent with the Act and compliant with rules promulgated by the Council.

“Plan endorsement,” “plan endorsement process” or “endorsement” means the process undertaken by a municipality, county or regional agency, counties and municipalities or any grouping thereof, to petition the State Planning Commission for a determination of consistency of the submitted planning documents with the State Development and Redevelopment Plan. This definition is in accord with and derived from the State Development and Redevelopment Plan.

“Planning area” means an area defined by a set of common criteria that focus on the degree and type of development or natural resources. Planning areas serve as organizing mechanisms for growth and development planning throughout the State. This definition is in accord with and derived from the State Development and Redevelopment Plan.

“Plan Projections” mean municipal population, household and employment growth projections for 2015 as adopted by the State Planning Commission and identified as such in the most recent State Development and Redevelopment Plan after December 20, 2004.

“Qualified non-profit” means an organization granted non-profit status in accordance with Section 501(c)(3) of the Internal Revenue Service code.

“Realistic opportunity” means a reasonable likelihood that the affordable housing in a municipality’s Housing Element and Fair Share Plan will actually be constructed or provided during the ten-year period of certification based upon a careful analysis of the elements in the municipality’s plan, including the financial feasibility as set forth in N.J.A.C. 5:94-4.2(a) and the suitability of specific sites as set forth in N.J.A.C. 5:94-4.5.

“Receiving municipality” means, for purposes of an RCA, a municipality that agrees to assume a portion of another municipality’s growth share obligation.

“Reconstruction” means a project to render an unoccupied, deficient housing unit habitable, where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress; where a new certificate of occupancy is required before the work area can be reoccupied; and where the cost exceeds 50 percent of the physical value of the unit or structure, or where the electrical, plumbing and heating systems of the unit or structure must be totally replaced to meet municipal or other applicable housing code standards.

“Regional asset limit” means the maximum housing value affordable to a four-person household with an income at or above 80% of the regional median as defined by the Council’s adopted Regional Income Limits as published annually by the Council.

“Regional contribution agreement (RCA)” means the transfer pursuant to N.J.S.A. 52:27D-312 of up to 50 percent of a municipality’s growth share obligation to another municipality within its housing region by means of a contractual agreement into which two municipalities voluntarily enter. Housing units developed pursuant to an RCA shall be included in the total number of affordable units developed in the sending municipality.

“Rehabilitation” means the renovation of a deficient housing unit, which is occupied by a low or moderate income household, to meet municipal or other applicable housing code standards as further described in N.J.A.C. 5:94-4.3.

“Rehabilitation share” means the number of deficient housing units occupied by low- and moderate-income households within a municipality, established in accordance with the provisions of N.J.A.C. 5:94-2.1(b) that must be addressed in a Fair Share Plan.

“Section 8 income limits” means a schedule of income limits according to Federal Department of Housing and Urban Development standards that define 50 percent and 80 percent of median income by household size. When used herein, Section 8 income limits shall refer to the “uncapped” schedule as published by the Council, in accordance with its rules.

“Sending municipality” means, for purposes of an RCA, a municipality that transfers a portion of its growth share obligation to another willing municipality.

“Set-aside” means the percentage of housing units devoted to low- and moderate-income households within an inclusionary development.

“State Development and Redevelopment Plan” means the plan prepared and adopted by the State Planning Commission pursuant to the State Planning Act, P.L. 1985, c.398 (N.J.S.A. 52:18A-196 et seq.).

“Substantive certification” means a determination by the Council approving a municipality’s Housing Element and Fair Share Plan in accordance with the provisions of the Act and the rules and criteria as set forth in this chapter. A grant of substantive certification shall run for a period of ten years beginning on the date that a municipality files a Housing Element and Fair Share Plan with the Council in accordance with N.J.S.A. 52:27D-313, but shall not extend beyond a period of ten years from December 20, 2005.

“Suitable site” means a site that has clear title and is free of encumbrances which preclude development of affordable housing; is adjacent to compatible land uses; has access to appropriate streets, water and sewer infrastructure; can be developed consistent with the Residential Site Improvement Standards and the rules or regulations of all agencies with jurisdiction over the site; is consistent with the Memorandum of Understanding (Appendix D) with the State Planning Commission; and is consistent with the site suitability criteria delineated in N.J.A.C. 5:94-4.5. A site may be deemed suitable although not currently zoned for affordable housing.

“Townhouse” shall mean a single family attached dwelling unit as defined in the Barrier Free Subcode of the Uniform Construction Code, N.J.A.C. 5:23-7.

“Weatherization” means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for rehabilitation.

## **SUBCHAPTER 2. PREPARING A HOUSING ELEMENT AND DETERMINING MUNICIPAL FAIR SHARE OBLIGATION**

### **5:94-2.1 General**

- (a) The need for affordable housing in the State, and in each of the State’s six housing regions, is determined on a municipal basis as explained in Appendix A, incorporated herein by reference, and is the sum of:

1. Deficient housing units occupied by low- and moderate-income households which is referred to as rehabilitation share;
  2. Remaining Prior Round (1987 – 1999) Obligation assigned to a municipality by the Council or the court for the period 1987 through 1999; and
  3. The share of the affordable housing need generated by a municipality's actual growth (2004 – 2014) based upon the number of new housing units constructed and the number of new jobs created as a result of non-residential development.
- (b) The rehabilitation share for affordable housing is the number of existing housing units as of April 1, 2000 that are both deficient and occupied by households of low or moderate income as determined through the methodology provided in Appendix A, or through a survey of the municipal housing stock conducted in accordance with the provisions of N.J.A.C. 5:93. Each municipality's rehabilitation share is calculated in Appendix C, incorporated herein by reference.
- (c) Remaining Prior Round (1987 – 1999) Obligations from the first and second fair share rounds have been recalculated to include data from the 2000 Census and are displayed for each municipality in Appendix C.
- (d) The "growth share" for the period January 1, 2004 through January 1, 2014 shall initially be calculated based on municipal growth projections pursuant to N.J.A.C. 5:94-2.2. Projections of population and employment growth shall be converted into projected growth share affordable housing obligations by applying a ratio of one affordable unit for every eight new market-rate residential units projected, plus one affordable unit for every 25 newly created jobs as measured by new or expanded non-residential construction within the municipality in accordance with Appendix E, as projected in the municipality pursuant to N.J.A.C. 5:94-2.4. The growth share projections shall be converted into actual growth share obligation when market-rate units and newly constructed and expanded non-residential developments receive permanent certificates of occupancy, pursuant to N.J.A.C. 5:94-2.5. Although the overall statewide need calculations are figured from the last year of the prior round (1999) to the last year of the new round (2014), the municipality's portion of the statewide need is compressed into a delivery period that runs from January 1, 2004 to January 1, 2014.
- (e) Each municipality shall develop a Housing Element that meets the requirements of this section to determine the municipal fair share of affordable housing for the 1987-2014 cumulative period. All components of a Housing Element shall be in accordance with the standards established by this subchapter and the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. The contents of a Fair Share Plan describing how the municipality intends to address the obligation determined in its Housing Element are described in N.J.A.C. 5:94-4. Appendix B, incorporated herein by reference, provides a "Number Calculation Example" for a municipality to follow to determine its total affordable need for the period 1987 to 2014.

## 5:94-2.2 Preparing a Housing Element

- (a) The Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., requires a municipal master plan to include a Housing Element. The Housing Element shall be adopted by the Planning Board and endorsed by the governing body prior to the municipal filing pursuant to N.J.A.C. 5:95-2 or the municipal petition for substantive certification pursuant to N.J.A.C. 5:95-3. A municipality's Housing Element shall be designed to achieve the goal of providing affordable housing to meet the total 1987-2014 affordable housing need comprised of estimated growth share, the remaining balance of Prior Round Obligation from the municipality's 1987-1999 affordable housing obligation that has not been addressed (if any), and the rehabilitation share. The Housing Element submitted to the Council shall include the minimum requirements prescribed by N.J.S.A 52:27D-310.
- (b) Supporting information to be submitted with the Housing Element shall include:
1. A projection of the municipality's probable future construction of housing for ten years covering the period January 1, 2004 through January 1, 2014 based upon the following minimum information for residential development:
    - i. Certificates of occupancy issued since January 1, 2004;
    - ii. Construction and demolition permits issued and projected;
    - iii. Approvals of applications for development; and
    - iv. Historic trends, of, at least, the past ten years, which shall include demolitions and certificates of occupancy issued;
  2. An analysis of the existing jobs and employment characteristics of the municipality, and a projection of the probable future jobs and employment characteristics of the municipality for ten years covering the period January 1, 2004 through January 1, 2014 based upon the following minimum information for non-residential development:
    - i. Certificates of occupancy issued since January 1, 2004;
    - ii. Construction and demolition permits issued and projected;
    - iii. Approvals of applications for development including a breakdown of non-residential projections by use group as outlined in Appendix E, incorporated herein by reference; and
    - iv. Historic trends, of, at least, the past ten years, which shall include demolitions, certificates of occupancy issued and absorption rates;

3. An analysis of how existing zoning or planned changes in zoning provide adequate capacity to accommodate residential and non-residential growth projections consistent with the municipal growth projections calculated pursuant to (b)1 and 2 above. This analysis should include the availability of existing and planned necessary infrastructure, the anticipated demand for the types of uses permitted by zoning based on present and anticipated future demographic characteristics of the municipality, anticipated land use patterns, municipal economic development policies and constraints on development including state and federal regulations, land ownership patterns, presence of incompatible land uses or sites needing remediation and existing or planned measures to address these constraints;
4. Plan Projections for 2015 or growth projections for 2015 in an endorsed plan approved by the State Planning Commission, whichever is later, after December 20, 2004. If Plan Projections for 2015 are not available when a municipality petitions for substantive certification, a municipality may substitute the most recent municipal population, household, and employment growth projections published by the municipality's metropolitan planning organization as a minimum replacement for the State Planning Commission Plan Projections. Where no metropolitan planning organization household growth projections are available, population projections shall be converted to households using the most recently published municipal household size data available from the Bureau of the Census.
5. If the municipal population, household and employment growth projections used to determine the municipal growth share obligations pursuant to N.J.A.C. 5:94-2.4 are not consistent with the municipal Plan Projections for 2015 required pursuant to (b)4 above, the municipality shall provide the following:
  - i. A demonstration that the capacity of existing or planned zoning to accommodate the Plan Projections pursuant to (b)4 above renders those Plan Projections inaccurate;
  - ii. An analysis of the reasons for the differences between the municipal growth projections calculated pursuant to (b)1 and 2 above and the Plan Projections calculated pursuant to (b)4 above; and
  - iii. A detailed justification as to why the Council should accept the alternate projections.
6. A copy of the most recently adopted municipal master plan and, when less than three years old, the immediately preceding, adopted master plan;
7. A copy of the most recently adopted municipal zoning ordinance;

8. A general description of any specific sites slated for affordable housing, including but not limited to the following: acreage, owner, block and lot, current zoning, surrounding land uses, and street access;
  9. A copy of the most up-to date tax maps of the municipality, electronic if available, with legible dimensions; and
  10. Any other documentation pertaining to the review of the municipal Housing Element as may be required by the Council.
- (c) The Housing Element shall include the number of newly constructed affordable housing units the municipality was obligated to provide during the period 1987 to 1999 (from Appendix C), the number of low- and moderate-income units the municipality is obligated to rehabilitate as of April 1, 2000, the projected growth share need based upon residential and non-residential development patterns that are likely to occur pursuant to N.J.A.C. 5:94-2.4, and the number of affordable housing units actually provided to address the 1987 to 1999 cumulative municipal fair share obligation.

**5:94-2.3 Growth projection consistency with the State Development and Redevelopment Plan; Plan endorsement**

- (a) Municipal growth projections that are consistent with the projections provided pursuant to N.J.A.C. 5:94-2.2(b)4 shall have a presumption of validity in a petition for substantive certification.
- (b) If the growth projections in a municipality's Housing Element and Fair Share Plan used to determine the municipal growth share obligations pursuant to N.J.A.C. 5:94-2.4 are not consistent with the projections provided pursuant to N.J.A.C. 5:94-2.2(b)4, the Council may reject the municipality's petition for substantive certification unless the municipality demonstrates to the Council the validity of the analyses required in N.J.A.C. 5:94-2.2(b)5. The Council shall obtain a recommendation from the Executive Director of the Office of Smart Growth on the validity of the alternate projections.
- (c) A municipality that has received a grant of substantive certification from the Council shall obtain initial plan endorsement from the State Planning Commission by the three-year anniversary review. A municipality that has not received initial plan endorsement may be subject to Council action, including revocation of the municipality's substantive certification.

**5:94-2.4 Projecting growth share obligations**

- (a) Municipalities shall project the residential component of growth share obligations for the period January 1, 2004 to January 1, 2014 based on the data and analysis of growth projections pursuant to N.J.A.C. 5:94-2.2. Residential growth share obligations shall be projected as follows:

1. For every eight market-rate residential certificates of occupancy projected to be issued, the municipality shall plan for an obligation of one affordable housing unit. A municipality may adjust its projections based on projected or actual market-rate residential demolitions in calculating net residential growth share obligation. The residential growth share obligation shall not go below zero. Residential demolitions shall not be applied as a credit against the non-residential growth share.
  2. Affordable housing units that received credit in a first or second round certified plan or a court judgment of compliance that are projected to be constructed after January 1, 2004 shall be excluded from projected residential growth for the purposes of projecting the growth share.
  3. Affordable housing units included in the municipality's third round Fair Share Plan shall be excluded from projected residential growth for the purposes of projecting the growth share.
  4. Market-rate units in an inclusionary or mixed-use development that received credit in a first or second round certified plan or a court judgment of compliance or are eligible for credit pursuant to N.J.A.C. 5:93 toward a municipality's prior round obligation, that are projected to be constructed after January 1, 2004 shall be excluded from residential growth for the purposes of projecting the growth share, provided these sites are zoned without conditions to produce affordable housing units. The Council shall assume, for crediting purposes, that market-rate units are constructed at a rate of four times the number of affordable units (this is a 20 percent set-aside) constructed on that particular site, unless the municipality demonstrates to the Council that a lower set-aside percentage was used to produce the affordable units using the gross density and set-aside standards pursuant to N.J.A.C. 5:93-5.6 or the set-aside standards for constructing affordable rental units pursuant to N.J.A.C. 5:93-5.15. A municipality shall not receive an exclusion of market-rate units from residential growth at a rate above 5.67 times the number of affordable units (this is a 15 percent set-aside constructed on that particular site).
- (b) Municipalities shall project the non-residential component of growth share obligations for the period January 1, 2004 to January 1, 2014 based on the data and analysis of growth projections pursuant to N.J.A.C. 5:94-2.2. Non-residential growth share obligations shall be projected as follows:
1. For every 25 newly created jobs as measured by new or expanded non-residential construction within the municipality in accordance with Appendix E the municipality shall plan for an obligation of one affordable housing unit. A municipality may adjust its projections based on projected or actual non-residential demolition permits issued by square footage in calculating net non-residential growth share obligation. The non-residential growth share obligation shall not go below zero. When adjusting non-residential growth projections by

demolitions, any resulting job loss calculation shall be based upon the most recent use group of the building prior to its demolition. The non-residential growth share obligation shall not go below zero. Non-residential demolitions and any resultant job loss shall not be applied as a credit against the residential growth share. Job growth shall be projected by applying the appropriate factor by use group as listed in Appendix E, to the gross square footage of non-residential development projected to be created.

2. Non-residential development that, as a condition of preliminary or final site plan approval granted prior to January 1, 2004 or as a stipulation included in a developers agreement executed prior to January 1, 2004, was required to specifically address a portion of a municipality's first or second round obligation or an obligation determined by the court, may be fully or partially excluded from non-residential growth for the purposes of projecting growth share. Such non-residential development may be excluded at a rate of 25 jobs for every one affordable unit addressed within the municipality as measured by new or expanded non-residential construction. Jobs shall be measured by use group pursuant to Appendix E.
- (c) The net residential component of growth share projections shall be added to the net non-residential growth share projections to determine a total projected growth share obligation.

#### **5:94-2.5 Comparing growth share projections to actual growth**

- (a) A municipality's actual growth share obligation shall be calculated based upon permanent residential and non-residential certificates of occupancy issued between January 1, 2004 and January 1, 2014 within the municipality. Growth share obligations shall be based upon actual residential and non-residential growth pursuant to the procedures described in N.J.A.C. 5:94-2.4.
- (b) On an annual basis, pursuant to N.J.A.C. 5:94-9, the municipality shall provide a comparison of its pro-rated growth share projection with its actual pro-rated growth share obligation and the actual number of affordable units that have been constructed or provided for between January 1, 2004 and the date that the review period ended. On the third, fifth and eighth anniversary of each municipal filing of a Housing Element and Fair Share Plan that has received substantive certification, the Council shall compare the actual growth share obligation with the actual number of affordable units constructed or provided for the purposes of enforcing monitoring and remedies described in N.J.A.C. 5:95-9.

### **SUBCHAPTER 3. CREDITS, REDUCTIONS AND MUNICIPAL ADJUSTMENTS**

#### **5:94-3.1 General**

- (a) Credits, reductions and adjustments for prior housing activity may be applied against total municipal fair share (1987-2014). All credits, reductions and adjustments shall be subject to verification and validation at the time a municipality submits its petition for certification pursuant to N.J.A.C. 5:95.
1. Credits include units that were built, units transferred to another municipality within the housing region pursuant to the terms of a regional contribution agreement (RCA), rental bonus credits pursuant to N.J.A.C. 5:93-5.15(d) and units that were rehabilitated pursuant to N.J.A.C. 5:93 subsequent to April 1, 2000.
  2. Reductions include duly adopted zoning that has been put in place by a municipality to create affordable housing that complies with the Council's regulations and was part of a Fair Share Plan that was certified by the Council or was subject to a judgment of compliance.
  3. Adjustments include the 20 percent cap described in N.J.A.C. 5:93-2.16, vacant land and durational adjustments granted pursuant to N.J.A.C. 5:93-4 and the 1,000-unit limitation described in N.J.A.C. 5:93-14 that are only applied to the prior round obligation (1987-1999).

#### **5:94-3.2 Credits**

- (a) A municipality shall receive credits for housing activity prior to the date of its petition for substantive certification, provided such activity complies with criteria in N.J.A.C. 5:93. A municipality shall document eligible new construction with certificates of occupancy, eligible rehabilitation with final inspections, and transferred RCA units with evidence of the required transfer of funds to the receiving municipality.
- (b) A municipality may address its growth share with surplus credits from its prior Fair Share Plan that addressed its 1987-1999 total housing need and which received substantive certification or a judgment of compliance as follows:
1. Units that have been built and a certificate of occupancy for each unit has been issued;
  2. Bonus credits generated by units that have been built; and
  3. Units transferred through an RCA when all funds required by the RCA contract have been disbursed to the receiving municipality.
- (c) Sites from the municipality's 1987-1999 Fair Share Plan that have been zoned for affordable housing but remain undeveloped shall comply with the review requirements of N.J.A.C. 5:94-3.3(a) to be included in a municipality's third round plan.

- (d) A municipality may receive credit for rehabilitation of low- and moderate-income deficient housing units performed subsequent to April 1, 2000.
1. Units shall be eligible for crediting if:
    - i. They were rehabilitated up to the applicable code standard and the average capital cost expended on rehabilitating the housing units was at least \$8,000;
    - ii. The unit is currently occupied by the occupants who resided within the unit at the time of rehabilitation or by other eligible low- or moderate-income households; and
    - iii. Except for units rehabilitated before December 20, 2004, which shall be governed by the provisions of N.J.A.C. 5:93-5.2(g), the units shall have the appropriate controls on affordability pursuant to N.J.A.C. 5:94-4.3(e).
  2. Credits for rehabilitation shall not exceed the rehabilitation share and shall only be credited against the rehabilitation component.

### **5:94-3.3 Reductions for unbuilt affordable housing sites**

- (a) A municipality shall receive reductions for unbuilt affordable housing sites that were part of its prior Fair Share Plan that addressed its 1987-1999 housing need and which received substantive certification or a judgment of compliance, subject to the provisions of (a)1 below. Reductions for unbuilt housing units shall not exceed the adjusted 1987-1999 affordable housing obligation listed for each municipality in Appendix C.
1. A site that has been zoned but remains unbuilt shall be evaluated by the Council at the time the municipality petitions for the third round to determine if the site continues to present a realistic opportunity for the construction of affordable housing. The municipality shall submit all decisions on applications for development on any unbuilt sites included in the 1987-1999 certified Fair Share Plan. In evaluating an unbuilt site, the Council shall consider whether the site meets the following criteria:
    - i. The site is a suitable site pursuant to N.J.A.C. 5:94-4.5;
    - ii. Market conditions create a realistic opportunity for the affordable housing to be constructed; and
    - iii. Unconditional zoning on the site has been adopted prior to the filing of a third round Housing Element and Fair Share Plan
  2. Sites that no longer present a realistic opportunity shall not be eligible to receive a reduction toward any portion of a municipal Fair Share Plan. If the Council

determines that the site continues to present a realistic opportunity, but can realistically accommodate a lower number of units than proposed in the 1987-1999 Fair Share Plan, the municipality shall receive a reduction for the lower number.

3. Sites that address the 1987-1999 housing need and are found to present a realistic opportunity pursuant to the provisions above shall be reviewed again at the three-year anniversary review pursuant to N.J.A.C. 5:95-9. If a site has not developed, a municipality may be required to amend its plan to address the shortfall created in the plan in accordance with the mechanisms described in N.J.A.C. 5:94-4.

### **5:94-3.4 Adjustments**

- (a) A municipality may address its first and second round obligation through a vacant land adjustment or include a durational adjustment as provided in N.J.A.C. 5:93 and in compliance with the following:
  1. A municipality that received a vacant land or durational adjustment pursuant to N.J.A.C. 5:93-4 or by Court order shall be deemed to have met its 1987-1999 cumulative affordable housing obligation provided it has implemented all of the terms of the substantive certification granted by the Council or the judgment of compliance ordered by the Court. All components of said certification or judgment that are designed to address unmet need pursuant to N.J.A.C. 5:93-4.1(b) shall continue in full force and any affordable housing units created thereunder shall be deemed to be credited toward unmet need until such time as the municipality has provided for its entire unmet need prior to being used to address the growth share obligation.
  2. A municipality that received a durational adjustment pursuant to N.J.A.C. 5:93-4.3 or by Court order may continue to rely on the adjustment to address its 1987-1999 cumulative fair share obligation provided it has implemented all the terms of the substantive certification granted by the Council or the Judgment of compliance ordered by the Court. If the conditions that warranted the imposition of the durational adjustment still exist, all components of said certification or judgment that are designed to assure affordable housing development on the site(s) affected by the durational adjustment shall continue in full force and any affordable housing units created hereunder shall be deemed to be credited toward the municipality's second round obligation until such time as the municipality has provided for its entire second round obligation associated with the affected site(s) prior to being used to address the growth share obligation.

## **SUBCHAPTER 4. PREPARING A FAIR SHARE PLAN**

### **5:94-4.1 Overview of a Fair Share Plan**

- (a) A municipality shall develop a Fair Share Plan that meets the requirements of this subchapter to address the municipality's total 1987-2014 fair share obligation, including implementing ordinances designed to ensure that the fair share of affordable housing for the 1987 - 2014 period is met. The Fair Share Plan shall include the estimated growth share need based upon residential and non-residential development patterns that are likely to occur that are outlined in the Housing Element pursuant to N.J.A.C. 5:94-2.
- (b) The Fair Share Plan shall be adopted by the Planning Board and endorsed by the governing body prior to the municipal petition for substantive certification.
- (c) The Fair Share Plan shall include a strategy for ensuring the development of one affordable housing unit for every eight market-rate units of new construction and/or one affordable unit for every 25 newly created jobs as measured by new or expanded non-residential construction within the municipality in accordance with Appendix E, pursuant to N.J.A.C. 5:94-2.4.
- (d) The Fair Share Plan shall be reviewed by the Council to verify the construction or provision of affordable housing in proportion to the actual residential growth and employment growth, and to verify compliance with P.L. 1985, c.222 (N.J.S.A. 52:27D-301 et seq.), at the end of three years, five years and eight years after the date on which the municipality had filed for substantive certification in accordance with N.J.A.C. 5:94-9 and 5:95-9, and the municipality shall be directed to adjust its plan as necessary.

### **5:94-4.2 Fair Share Plan**

- (a) A Fair Share Plan describes the projects, strategies and funding sources, if applicable, that will be utilized to address a municipality's affordable housing obligation as set forth in N.J.A.C. 5:94-2.4. The Fair Share Plan shall include at least the following requirements:
  - 1. Descriptions of the operational and financial feasibility of any specific project(s) intended to provide for the total 1987-2014 municipal fair share of affordable housing, which shall include rehabilitation programs, municipally sponsored construction projects, regional contribution agreements, alternative living arrangements, buy-down programs, accessory apartments, municipally sponsored rental programs, ECHO programs, assisted living residences, affordable housing partnership programs and expanded crediting opportunities. The municipality shall also submit a municipal resolution appropriating funds from general revenue or a resolution of intent to bond in the event there is a shortfall of funding from the initial identified source(s). Zoning pursuant to N.J.A.C. 5:94-4.4 shall be exempt from this requirement;

2. Draft Fair Share Ordinances necessary for the implementation of the programs and projects designed to satisfy the fair share need. The governing body shall formally adopt the final version of the Fair Share Ordinances within 45 days of the Council's grant of substantive certification; and
  3. An accounting of any development fees collected and the amount and purpose for which any fees have been expended current to the date of petition; and
  4. An accounting of funds collected in accordance with N.J.A.C. 5:94-4.21 from affordable housing developers sufficient to adapt 10 percent of the affordable units in that developer's affordable housing development that have not been constructed with accessible entrances.
- (b) The Fair Share Plan may include the collection of development fees pursuant to N.J.A.C. 5:94-6. Any municipality that includes the collection of development fees in its Fair Share Plan shall prepare a plan to spend development fees pursuant to N.J.A.C. 5:94-6.5.
- (c) The Fair Share Plan shall include a plan for the rehabilitation component pursuant to N.J.A.C. 5:94-4.3, and may include any of the new construction options outlined in 5:94-4.

#### **5:94-4.3 Rehabilitation**

- (a) The estimate of each municipality's substandard units occupied by low- and moderate-income households as determined through the methodology provided in Appendix A incorporated herein by reference is provided in Appendix C. This rehabilitation number may also be provided through a survey of the municipal housing stock conducted in accordance with the provisions of N.J.A.C. 5:93-1 et seq. Where the municipality or objector performs the structural conditions survey, the Council shall review the results of the data collected and shall modify the rehabilitation share number if it determines a modification is warranted.
- (b) The purpose of a rehabilitation program is to renovate deficient housing units as defined in N.J.A.C. 5:94-1.4 that are occupied by low- and moderate-income households. Upon rehabilitation, housing deficiencies shall be corrected and the unit shall comply with the New Jersey State Housing Code, N.J.A.C. 5:28. For construction projects that require the issuance of a construction permit pursuant to the Uniform Construction Code, the unit must also comply with the requirements of the Rehabilitation Subcode (N.J.A.C. 5:23-6). In these instances, the more restrictive requirements of the New Jersey State Housing Code or the Rehabilitation Subcode shall apply. For projects that require construction permits, the rehabilitated unit shall be considered complete at the date of final approval pursuant to the Uniform Construction Code.
- (c) The municipality shall demonstrate the capability to administer the program. The municipality shall either designate an experienced employee to administer the program or enter into an agreement for a governmental agency or private consultant to administer all

or some of the program.

- (d) Rental units shall not be excluded from a municipal rehabilitation program.
- (e) The Council shall require ten-year controls on affordability on both owner-occupied units and rental units. On owner-occupied units, the controls on affordability may be in the form of a lien filed with the appropriate property's deed. For rental units, the controls on affordability shall be in the form of a deed restriction and may also include a lien. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low or moderate income household at an affordable price and affirmatively marketed pursuant to the N.J.A.C. 5:94-7. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:94-7.
- (f) Municipal rehabilitation investment shall average at least \$10,000 per unit, of which no more than \$2,000 may be used toward administration costs. The municipality shall submit documentation demonstrating funding source(s).
- (g) Municipalities shall provide sufficient dollars to fund no less than half of the municipal rehabilitation component by the fifth year anniversary review pursuant to N.J.A.C. 5:95-9. At the time of the fifth year anniversary review, the Council may require the municipality to enact its municipal resolution appropriating funds from general revenue or its resolution of intent to bond, as provided by the municipality pursuant to N.J.A.C. 5:94-4.2(a)1, in the event there is a shortfall.
- (h) Financing of rehabilitation programs shall be structured to encourage rehabilitation and continued occupancy. Low interest rates and forgivable loans are encouraged. Leveraging of private financing is also encouraged if the result is low interest loans that encourage rehabilitation. If an owner-occupied housing unit is sold prior to the end of the controls on affordability, at least part of the loan shall be recaptured and used to rehabilitate another housing unit, unless the unit is sold to a low or moderate income household at an affordable price pursuant to N.J.A.C. 5:94-7.
- (i) If the municipality structures a loan program to recapture funds, recaptured funds shall be used for another low- and moderate-income housing purpose or to repay a municipal bond issued to finance a low- and moderate-income housing activity.
- (j) The municipality shall submit a rehabilitation manual to the Council that complies with the requirements of this section and summarizes the administration of the rehabilitation program, including the affirmative marketing plan.
- (k) The administrator of the rehabilitation program shall maintain files on each program applicant. The files may be used in responding to monitoring requests and periodic programmatic and fiscal audits conducted by the Council, and to protect the municipality against charges of irregularity. The files shall include:

1. The name of each applicant;
  2. If the applicant is not approved, the reasons for the disapproval; and
  3. If the applicant is approved:
    - i. Proof of income eligibility (Federal tax return);
    - ii. The initial inspection by the building inspector;
    - iii. Bids by contractors;
    - iv. The final contract to do the work;
    - v. Progress reports;
    - vi. A copy of the final inspection; and
    - vii. The lien and/or deed on the property.
- (l) Municipalities that adopt a rehabilitation program shall complete monitoring reports in accordance with N.J.A.C. 5:94-9.2. Failure to submit monitoring reports to the Council or respond to direction designed to increase rehabilitation activity may result in further Council action.
- (m) A municipality receiving State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) may seek a waiver from addressing its entire rehabilitation share through rehabilitation in one ten-year period of substantive certification. A municipality seeking such a waiver shall demonstrate that it is not feasible to meet the entire need through rehabilitation in ten years.
- (n) If a municipality received a rehabilitation credit for the rehabilitation of a unit prior to April 1, 2000, as part of a previous round Fair Share Plan, and the controls on affordability have expired, but that same unit currently meets the criteria for rehabilitation set forth in this section, including rehabilitation of a major system, the municipality may earn another rehabilitation credit if it brings the unit back to code standard and new controls on affordability are put in place pursuant to N.J.A.C. 5:94-4.3(e).
- (o) A municipality can claim a rehabilitation credit if it renovates a deed restricted affordable unit that was built between 1987 and 1993 for which it claimed a new construction credit in its first round plan. If rehabilitation of a major system is necessary and the unit meets the rehabilitation criteria, then that rehabilitation is consistent with the Council's regulations and shall receive a rehabilitation credit.

#### **5:94-4.4 Municipal zoning options**

- (a) A municipality may adopt a land use ordinance permitting zoning for residential and/or mixed-use development to address the growth share obligation that would apply to all or some zones within the municipality. The municipality shall provide the Council with a draft or adopted ordinance. The zoning may provide for equal or fewer than one unit for every eight market-rate units or one unit for every 25 jobs created in a non-residential development to be affordable to households of low- and moderate-income in an inclusionary development, provided that the Fair Share Plan demonstrates the units lost shall be constructed or provided pursuant to other components of the plan. Alternatively, the zoning may provide for greater than one unit for every eight market-rate units or one unit for every 25 jobs created in a non-residential development to be affordable to households of low- and moderate-income in an inclusionary development. The municipality shall take into consideration the economic feasibility of such zoning. The following shall apply:
1. If the zoning has not allowed an increase in density to accommodate affordable housing and requires a maximum of one for every eight market-rate residential units or one unit for every 25 jobs created in a non-residential development to be affordable to low- and moderate-income households, the zoning shall be exempt from the State Development and Redevelopment Plan provisions of N.J.A.C. 5:94-4.5(a)1 and 2.
  2. If the zoning requires more than one for every eight market-rate residential units or one unit for every 25 jobs created in a non-residential development to be affordable to low- and moderate-income households, or if there has been a density increase on the site to accommodate affordable housing, the zoning shall conform to the criteria in N.J.A.C. 5:94-4.5.
- (b) The affordable housing obligation is cumulative and accrues to the municipality regardless of the size of each development. Through the zoning ordinance, a municipality shall require a developer to construct the affordable units on site or elsewhere in the municipality or, alternatively, allow the option of a payment in lieu of constructing the units on site. Any development or portion of a development zoned for the production of affordable housing that generates an affordable housing obligation, but does not provide for those affordable housing units on site or elsewhere in the municipality in proportion to the market-rate units or jobs on site shall be subject to a payment in lieu. Zoning that does not require a growth share set-aside or payment in lieu may be subject to a development fee under the Fair Share Plan unless exempted pursuant to N.J.A.C. 5:94-6.8.
1. A zoning ordinance may contain a development size threshold below which the construction of affordable units shall not be required on site. Sites falling below such threshold shall be required to make a payment in lieu of constructing the proportional number of affordable units associated with the number of market-rate units or jobs.

- (c) The amount of payments in lieu of constructing affordable units on site shall be negotiated between the municipality and the developer.
- (d) Payments in lieu of constructing affordable units on site shall only be used to fund eligible affordable housing activities within the municipality pursuant to a spending plan in accordance with N.J.A.C. 5:94-6.12.
- (e) Payments in lieu of constructing affordable units shall be deposited in a separate, interest-bearing housing trust fund or deposited in the housing trust fund established pursuant to N.J.A.C. 5:94-6.11(a) and shall at all times be identifiable from development fees.
- (f) Such zoning shall require affordable housing units to be built in accordance with the following schedule:

Percentage of Market-rate Units <u>Completed</u>	Minimum Percentage of Low- and Moderate-Income Units <u>Completed</u>
25	0
25 + 1 unit	10
50	50
75	75
90	100

- (g) The Council encourages the design of inclusionary and mixed-use developments providing affordable housing to be in conformance with the design guidelines in the State Development and Redevelopment Plan.
- (h) The Council encourages a design of inclusionary and mixed-use developments providing affordable housing that integrates the low- and moderate-income units with the market units.
- (i) Municipal ordinances regulating owner-occupied and rental units in inclusionary and mixed-use developments providing affordable housing shall require that affordable units utilize the same heating source as market units within the inclusionary development.
- (j) The municipality shall:
  1. Demonstrate capacity to administer the units in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.;
  2. Demonstrate that the units will have a low/moderate income split in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.;
  3. Demonstrate that the units will be affirmatively marketed in accordance with N.J.A.C. 5:94-7;

4. Demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7; and
5. Demonstrate that the units will have the appropriate bedroom distributions in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.

**5:94-4.5 New construction, site suitability criteria, and conformance with the State Development and Redevelopment Plan**

- (a) Except as exempted in N.J.A.C. 5:94-4.4(a)1, sites zoned to produce affordable housing shall conform to the following criteria to determine site suitability:
  1. Sites that are located in Planning Areas 1 or 2 or located within a designated center, shall have a presumption of validity regarding consistency with the State Development and Redevelopment Plan. These sites are the preferred location for a municipality to address its growth share obligation.
  2. Municipalities or developers proposing sites located in Planning Areas 3, 4, 4B, 5 or 5B that are not within a designated center shall have the burden of demonstrating to the Council that the site is consistent with sound planning principles and the goals, policies and objectives of the State Development and Redevelopment Plan. The Council shall obtain a recommendation from the Executive Director of the Office of Smart Growth on the consistency of the site with sound planning principles and the goals, policies and objectives of the State Development and Redevelopment Plan.
  3. Within the areas of the State regulated by the Pinelands Commission, Highlands Water Protection and Planning Council, Division of Coastal Resources of the DEP and the New Jersey Meadowlands Commission, the Council shall adhere to the land use policies delineated in The Pinelands Comprehensive Management Plan, N.J.A.C. 7:50; The Highlands Water Protection and Planning Act and the regulations promulgated thereunder; the Coastal Permit Program Rules, N.J.A.C. 7:7; the Coastal Resource and Development Rules, N.J.A.C. 7:7E; and the Zoning Regulations of the New Jersey Meadowlands Commission, N.J.A.C. 19:3.
  4. The portions of sites slated for construction adhere to regulations concerning wetland constraints as delineated on the New Jersey Freshwater Wetlands Maps, or when unavailable, the U.S. Fish and Wildlife Service National Wetlands Inventory; or as delineated on-site by the U.S. Army Corps of Engineers or DEP, whichever agency has jurisdiction; Category One waterway constraints pursuant to N.J.S.A. 58:11A-1 et seq. and the rules promulgated thereunder, N.J.A.C. 7:15; flood hazard constraints as defined in N.J.A.C. 7:13; and steep slope constraints in excess of 15 percent if the municipality has an ordinance in place that uniformly regulates steep slope development throughout the municipality.

5. Historic and architecturally important sites and districts listed on the State or National Register of Historic Places shall be reviewed by the New Jersey Historic Preservation Office for a recommendation pertaining to the appropriateness and size of buffer areas that will protect the integrity of the site. The review and written recommendation by the New Jersey Historic Preservation Office shall be included in the Housing Element and Fair Share Plan that is the subject of any petition before the Council. Within historic districts, a municipality may regulate low- and moderate-income housing to the same extent it regulates all other development.
6. The Council shall consider the availability of infrastructure and vacant developable land when determining site suitability.

#### **5:94-4.6 Municipally sponsored and 100 percent affordable programs**

- (a) A municipality may elect to provide low- and moderate-income units through a municipally sponsored or 100 percent affordable construction program. The following minimum documentation shall be submitted:
  1. The municipality or the developer shall demonstrate that it has control or has the ability to control the site(s). Control may be in the form of outright ownership or an option on the property;
  2. The municipality shall demonstrate that the selected site is suitable pursuant to N.J.A.C. 5:94-4.5;
  3. The municipality shall demonstrate the capability to administer the project in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. Administering the project includes affirmative marketing, income qualifying the applicants and continuing to administer the units once they are occupied. The municipality shall designate an experienced employee to administer the project or may enter into an agreement for a governmental agency or private consultant to administer all or some of the project;
  4. The municipality shall demonstrate that the units will have a low/moderate income split in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.;
  5. The municipality shall demonstrate that the units will be affirmatively marketed in accordance with N.J.A.C. 5:94-7;
  6. The municipality shall demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7;

7. Demonstrate that the units will have the appropriate bedroom distributions in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.;
  8. The municipality or developer shall submit detailed information demonstrating that it has adequate funding capabilities. The documentation shall include:
    - i. A pro-forma statement for the project; and
    - ii. Evidence of adequate and stable funding. If State or Federal funds will be used, documentation shall be provided indicating the available funding and any pending applications. In the case where an application for outside funding is pending, a stable alternative source such as municipal bonding shall be provided in the event that the funding request is not approved. As outside funds become available, the municipality may reduce its reliance on municipal resources; and
  9. The municipality or developer shall provide a construction schedule, or timetable, for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The construction schedule shall provide for construction to begin within three years of the municipal petition for substantive certification. The municipality shall indicate the entity responsible for monitoring the construction and overall development activity.
- (b) New construction credit shall be given for units that undergo reconstruction involving either replacement of all major systems or work costing in excess of 50 percent of the physical value of the building, which shall be determined in accordance with generally accepted construction cost guides, as evidenced by a certificate of occupancy.

#### **5:94-4.7 Regional contribution agreements**

A municipality may address a portion of its growth share need by entering into a regional contribution agreement in accordance with N.J.A.C. 5:94-5. The municipality shall submit documentation demonstrating source(s) of funding.

#### **5:94-4.8 Alternative living arrangements**

- (a) Alternative living arrangements may be used to address a municipal housing obligation.
- (b) Alternative living arrangements include, but are not limited to: transitional facilities for the homeless; residential health care facilities as regulated by the New Jersey Department of Health and Senior Services; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements. Long term health care facilities including nursing homes, and Class A, B, C, D, and E boarding homes do not qualify as alternative

living arrangements.

- (c) The unit of credit for an alternative living arrangement shall be the bedroom. Proof that the alternative living facility is regulated by the New Jersey Department of Health and Senior Services or the New Jersey Department of Human Services, and validation of the number of bedrooms in which low or moderate income occupants reside, shall constitute required proof necessary for affordable crediting. Only units receiving certificates of occupancy after April 1, 1980 are eligible for affordable housing crediting.
- (d) Alternative living arrangements that are age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to N.J.A.C. 5:94-4.19.
- (e) With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, alternative living arrangements shall have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7.
- (f) Transitional facilities for the homeless shall not be dormitories and shall have separate bedrooms. Those that do not have separate bedrooms shall have one year from the date of substantive certification to complete the necessary work to create separate bedrooms.
- (g) The municipality shall submit documentation demonstrating source(s) of funding.

#### **5:94-4.9 Accessory apartments**

- (a) Up to ten accessory apartments may be used to address a municipal housing obligation. Accessory apartments shall only be available to low income households. A Fair Share Plan using an accessory apartment program shall:
  - 1. Demonstrate that the housing stock lends itself to accessory apartments;
  - 2. Provide at least \$20,000 per unit to subsidize the creation of the accessory apartment. The municipality shall submit documentation demonstrating source(s) of funding;
  - 3. Demonstrate that there is water and sewer infrastructure with sufficient capacity to serve the proposed accessory apartments;
  - 4. Base the rent on the number of bedrooms in accordance with N.J.A.C. 5:94-7;
  - 5. Demonstrate that accessory apartments will be affirmatively marketed, in accordance with N.J.A.C. 5:94-7;
  - 6. Demonstrate capability to administer the program in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. The municipality shall designate an experienced employee to administer the program

or may enter into an agreement for a governmental agency or private consultant to administer all or some of the program; and

7. Demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7.
- (b) Accessory apartments shall be exempt from the bedroom distribution requirements set forth in the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.
- (c) Accessory apartments that are age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to N.J.A.C. 5:94-4.19.

#### **5:94-4.10 Buy-down program**

- (a) A municipality may subsidize the cost of a for-sale unit that will be purchased by a low or moderate income buyer at an affordable sales price subject to the following:
1. The municipality shall demonstrate that there are sufficient for-sale market-rate units within the municipality on the multiple listing service for a viable program;
  2. At the time they are offered for sale, eligible units may be new or pre-owned, or vacant;
  3. The unit shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector;
  4. The minimum subsidy shall be \$25,000 per unit, with additional subsidy depending on the market prices in a municipality. The municipality shall submit documentation demonstrating source(s) of funding;
  5. Sale prices shall conform to the standards in N.J.A.C. 5:94-7;
  6. The municipality shall be limited to ten units in its Fair Share Plan until the viability of the program is documented;
  7. The program shall be exempt from bedroom distribution requirements pursuant to the Uniform Housing Affordability Controls set forth at N.J.A.C. 5:80-26.1 et seq.;
  8. The municipality shall demonstrate how the program will be affirmatively marketed in accordance with N.J.A.C. 5:94-7;
  9. The municipality shall demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7; and

10. The municipality shall demonstrate the capability to administer the program in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. The municipality shall designate an experienced employee to administer the program or may enter into an agreement for a governmental agency or private consultant to administer all or some of the program. The experienced entity shall:
  - i. Maintain an up-to-date inventory of units that meet the requirements of a buy-down program;
  - ii. Qualify and place income eligible households in low- and moderate-income units upon initial occupancy;
  - iii. Place income eligible households in low- and moderate-income units as they become available during the term of affordability controls;
  - iv. Enforce the terms of the deed restriction and mortgage lien;
  - v. Set up a separate interest bearing escrow account for the buy-down funds; and
  - vi. Sponsor a home ownership counseling program and post purchase session for prospective purchasers.
- (b) When used in conjunction with an accessory apartment program or other program targeted to only low-income households, buy-down units may be exempt from the low/moderate income split pursuant to the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., provided the municipality meets the provisions of N.J.A.C. 5:94-4.18.

#### **5:94-4.11 Municipally sponsored rental program**

- (a) A municipality shall receive credits against its affordable housing obligation for units purchased and rented to low- and moderate-income households if the following conditions are met:
  1. The unit shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector. Eligible units may be new or pre-owned, or vacant;
  2. The minimum subsidy shall be \$25,000 per unit, with additional subsidy depending on the market prices in the municipality. The municipality shall submit documentation demonstrating source(s) of funding;
  3. The municipality shall be limited to ten units in its Fair Share Plan until the viability of the program is documented;

4. Rents shall conform to the standards in N.J.A.C. 5:94-7;
  5. The municipality shall demonstrate how the program will be affirmatively marketed in accordance with N.J.A.C. 5:94-7;
  6. The municipality shall demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7;
  7. The units shall be exempt from bedroom distribution requirements pursuant to the Uniform Housing Affordability Controls set forth at N.J.A.C. 5:80-26.1 et seq.;
  8. The municipality shall demonstrate capability to administer the program in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.; and
  9. The municipality shall designate an experienced employee to administer the project or may enter into an agreement for a governmental agency, non-profit, developer or private consultant to administer all or some of the program.
- (b) When used in conjunction with an accessory apartment program or other program targeted to only low-income households, the rental program may be exempt from the low/moderate income split pursuant to the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq., provided the municipality meets the provisions of N.J.A.C. 5:94-4.18.

#### **5:94-4.12 ECHO units**

- (a) Municipalities shall receive one credit against their rehabilitation share for each Elder Cottage Housing Opportunities (ECHO) housing unit in which a low or moderate income occupant will reside.
- (b) The municipality shall purchase the ECHO housing or lease ECHO housing for a minimum of ten years. The municipality shall submit documentation demonstrating source(s) of funding.
- (c) Municipalities may receive credit for up to ten ECHO units.
- (d) ECHO units shall be exempt from the affirmative marketing requirement of N.J.A.C. 5:94-7.

#### **5:94-4.13 Assisted living residence**

- (a) Bedrooms in assisted living residences may address a municipal housing obligation. To be eligible for affordable housing credits:

1. A private pay resident shall qualify as low or moderate income, or the resident shall be a recipient of a Medicaid waiver;
2. At least half of the affordable units in the assisted living residence shall be affordable to low income households, or all of the affordable units may be affordable to households at 60 percent of median income;
3. Assisted living units are considered age-restricted housing in a Fair Share Plan and shall be included with the maximum number of units that may be age-restricted pursuant to N.J.A.C. 5:94-4.19(a);
4. Up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies;
5. The unit of credit is the bedroom. A two-bedroom unit is eligible for two units of credit only if it is occupied by two unrelated individuals;
6. The municipality shall execute a Memorandum of Understanding with the Agency to be eligible for credits pursuant to N.J.A.C. 5:94-7;
7. The units shall have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7. The deed restriction is on the facility, not individual rooms pursuant to N.J.A.C. 5:94-7;
8. Low- and moderate-income residents cannot be charged any upfront fees;
9. The units shall be affirmatively marketed pursuant to N.J.A.C. 5:94-7; and
10. The Agency shall monitor the affordable units for the Council's annual monitoring report.

#### **5:94-4.14 Affordable housing partnership program**

- (a) The Council shall grant credit for units when two or more municipalities cooperate to build low- and moderate-income housing units provided the following conditions are met:
  1. The municipalities shall voluntarily enter into an agreement with municipalities located within the same housing region. In the agreement, municipalities shall set forth the number of credits each municipality will be allotted. No credit shall be given to more than one municipality for the same unit;

2. Each municipality shall, subject to the agreement, contribute resources, including, but not limited to, funding, sewer, water, and land;
3. The municipality providing the funding shall submit documentation demonstrating that it has adequate funding capabilities. The documentation shall include:
  - i. A pro-forma statement for the project; and
  - ii. Evidence that the municipality has adequate and stable funding. If State or Federal funds will be used, the municipality shall provide documentation indicating the funding available to the municipality and any applications still pending. In the case where an application for outside funding is still pending, the municipality shall provide a stable alternative source, such as municipal bonding, in the event that the funding request is not approved. As outside funds become available, the municipality may reduce its reliance on municipal resources;
4. The municipality providing the sewer and/or water shall submit documentation demonstrating adequate capacity;
5. The municipality providing the land shall demonstrate that it has control or has the ability to control the site(s). Control may be in the form of outright ownership or an option on the property;
6. The municipalities shall demonstrate that the site is suitable pursuant to N.J.A.C. 5:94-4.5;
7. The municipalities shall demonstrate the capability to administer the project in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq. Administering the project includes affirmative marketing, income qualifying the applicants and continuing to administer the units once they are occupied. The municipality shall designate an experienced employee to administer the project or may enter into an agreement for a governmental agency or private consultant to administer all or some of the project;
8. The municipalities shall demonstrate that the units will have a low/moderate income split in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.;
9. The municipalities shall demonstrate that the units will be affirmatively marketed in accordance with N.J.A.C. 5:94-7;
10. The municipalities shall demonstrate that the units will have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7;

11. The municipality shall demonstrate that the units shall be affordable to low- and moderate-income households pursuant to N.J.A.C. 5:94-7;
12. The municipality shall demonstrate that the units will have the appropriate bedroom distributions in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.
13. The municipalities shall provide a construction schedule or timetable for each step in the development process including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The construction schedule shall provide for construction to begin within three years of the municipal petition for substantive certification. The municipality shall indicate the entity responsible for monitoring the construction and overall development activity; and
14. Units constructed in another municipality pursuant to such agreement shall fall within the maximum number of units permitted to be provided through an RCA, consistent with the provisions of N.J.A.C. 5:94-5.1(a).

#### **5:94-4.15 Expanded crediting opportunities**

- (a) The Council shall permit a municipality to petition for affordable housing credits for innovative programs or approaches, provided that the following performance standards can be achieved and clearly demonstrated:
  1. Units shall be affordable to income-eligible households;
  2. Units shall have the appropriate controls on affordability in accordance with N.J.A.C. 5:94-7;
  3. Units shall be affirmatively marketed in accordance with N.J.A.C. 5:94-7;
  4. Units shall not be restricted to youth under 18 years of age;
  5. Sites to be developed with new units shall be suitable pursuant to N.J.A.C. 5:94-4.5;
  6. Rehabilitated and converted units shall meet all local building codes; and
  7. The municipality shall submit documentation demonstrating source(s) of funding.

#### **5:94-4.16 Extension of expiring controls**

- (a) A municipality shall receive a new construction credit for each low or moderate income for-sale housing unit that is subject to affordability controls that are scheduled to expire during the 1999-2014 period if the affordability controls are extended in accordance with

the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et seq.

- (b) A municipality shall be required to obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted ownership unit meets all code standards upon the first transfer of title following a 30-year interval from the date of the issuance of the initial certificate of occupancy or a ten-year interval in the case of a municipality that receives State aid pursuant to P.L. 1978, c. 14 (N.J.S.A. 52:27D-178 et seq.).
- (c) If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or such certified statement from the municipal building inspector, the municipality shall fund and complete such work prior to receiving a new construction credit. A municipality may use development fees to purchase the unit and/or complete the necessary repair and/or rehabilitation work.

**5:94-4.17 Status of sites addressing 1987-1999 municipal obligation**

- (a) Sites zoned for inclusionary development in addressing the 1987-1999 housing obligation shall retain such zoning in the 1999-2014 Fair Share Plan if:
  - 1. The Council determines that the site continues to meet the site suitability standards pursuant to N.J.A.C. 5:94-4.5;
  - 2. The Council determines that the site continues to present a realistic opportunity pursuant to N.J.A.C. 5:94-3.3; and
  - 3. The site meets one of the following conditions:
    - i. The site was subject to an agreement pursuant to the Council's mediation process or part of a negotiated settlement in court; or
    - ii. The developer of the site has filed a development application with the municipality prior to the expiration of the 1987-1999 substantive certification period or the municipal petition for substantive certification for the 1999-2014 period, whichever is later.
- (b) Notwithstanding the provisions of (a) above, pursuant to N.J.S.A. 52:27-311(g), a municipality that has received substantive certification for the 1987-1999 period and which has effected the construction of its entire affordable housing obligation of that period may amend its Housing Element or zoning ordinances with respect to sites being used to address its 1987-1999 affordable housing obligation. Prior to amending the Housing Element or zoning ordinances, the municipality shall obtain a determination from the Council as to whether the municipality has effected construction of its entire affordable housing obligation. To make such a determination, the Council shall require the municipality to submit the filed deeds with the appropriate deed restrictions,

certificates of occupancy for units constructed and evidence of the transfer of RCA funds, if applicable.

#### **5:94-4.18 Low/moderate income split of the growth share obligation**

- (a) With the exception of affordable housing developments constructed under the low income tax credit regulations pursuant to Internal Revenue Code Section 42h, at least 50 percent of a municipality's growth share obligation shall be affordable to low income households.
- (b) An odd number shall always be split in favor of the low income unit.

#### **5:94-4.19 Age-restricted housing**

Not more than 50 percent of the growth share obligation addressed within a municipality may be met with age-restricted housing in the Fair Share Plan. In no event shall a municipality receive credit for age-restricted units in excess of 50 percent of the municipality's actual growth share obligation addressed within a municipality at the end of the certification period.

#### **5:94-4.20 Rental housing**

- (a) In addressing the housing need, the Fair Share Plan shall create a realistic opportunity to construct rental units. At least 25 percent of a municipality's growth share obligation shall be addressed with rental housing. This rental obligation shall be provided in proportion to the growth share obligation generated by the actual growth as monitored at the third, fifth and eighth year anniversary pursuant to N.J.A.C. 5:95-9.
- (b) Any rental obligation pursuant to N.J.A.C. 5:93-5.15 that was a condition of substantive certification in addressing the 1987-1999 municipal fair share shall be considered as an ongoing obligation in addressing the total 1987-2014 housing need pursuant to this chapter.
- (c) The plan for a rental housing component may include, but not necessarily be limited to, any combination of the following:
  - 1. Creation of alternative living arrangements pursuant to N.J.A.C. 5:94-4.8;
  - 2. A municipally sponsored, for-profit or non-profit sponsored affordable rental development;
  - 3. Agreements with developers for the municipality to purchase affordable units and maintain them as rental units;
  - 4. The creation of accessory apartments pursuant to N.J.A.C. 5:94-4.9;
  - 5. Municipally sponsored rental program units pursuant to N.J.A.C. 5:94-4.11;

6. Assisted living residences pursuant to N.J.A.C. 5:94-4.13;
  7. Density bonuses that encourage the construction of affordable rental housing; and
  8. Agreements with developers to construct and administer affordable rental units as part of an inclusionary development.
- (d) A municipality shall receive two units of credit for each affordable rental unit provided in the municipality and available to the general public in excess of the rental obligation pursuant to (a) above. No rental bonuses shall be granted for rental units that address the municipality's rental obligation.
- (e) Municipalities that choose to transfer the rental obligation via an RCA shall do so by creating new rental units in the receiving municipality. Reconstruction of units as defined in N.J.A.C. 5:94-1.4 may address the rental component. Municipalities that transfer the rental obligation shall receive a one-unit credit for each rental unit transferred.
- (f) Not more than 50 percent of the rental housing obligation addressed within a municipality may be met with age-restricted housing in the Fair Share Plan.

**5:94-4.21 Accessible and adaptable affordable units**

- (a) The first floor of all townhouse dwelling units and of all other multistory dwelling units for which credit is sought pursuant to P.L. 1985, c.222 (N.J.S.A. 52:27D-301 et seq.), on or after October 1, 2006, the effective date of P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.), and for which an application for a construction permit has not been declared complete by the enforcing agency pursuant to P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and which were included in a prior round fair share plan or in a third round fair share plan and for which credit continues to be sought shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.
- (b) To receive COAH credit for a townhouse unit or other multistory dwelling unit that is attached to at least one other dwelling unit, a municipality must show that:
1. Townhouses or other multistory dwelling units that are attached to at least one other dwelling unit for which credit is sought for low or moderate income housing shall have the following features:
    - i. An adaptable toilet and bathing facility on the first floor;
    - ii. An adaptable kitchen on the first floor;
    - iii. An accessible route of travel;

- (1) An interior accessible route of travel shall not be required between stories;
  - iv. An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
  - v. An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A.52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the municipality has collected funds from the development sufficient to make 10 percent of the adaptable entrances in the development accessible;
2. In the case of a unit or units which are constructed with an adaptable entrance pursuant to subsection (b) of this section, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed;
  3. The builder of the unit or units shall deposit funds, sufficient to adapt 10 percent of the affordable units in the projects which have not been constructed with accessible entrances, with the municipality in which the units are located, for deposit into the municipal affordable housing trust fund;
  4. The funds under (b)3 above shall be available for the use of the municipality for the purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance;
  5. The developer of the affordable project subject to P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) shall submit the design with a cost estimate for conversion to the local enforcing agency; and
  6. Once the local enforcing agency has determined that the plans to adapt the entrances of the townhouse or other multistory unit meet the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, the municipal office with jurisdiction over the affordable housing trust fund shall ensure that the funds are deposited into that fund.
- (c) Full compliance with this section shall not be required where an entity can demonstrate that it is impracticable for the site to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode (N.J.A.C. 5:23-7).

#### **5:94-4.22 Bonus Credit for Very Low Income Units**

Notwithstanding the provisions of N.J.A.C. 5:94-4.20(d), a municipality shall receive two units of credit for affordable units available to households of the general public earning 30 percent or less of median income by region.

### **5:94-4.23 Credits**

In no event shall a municipality receive more than two units of credit for one unit.

## **SUBCHAPTER 5. REGIONAL CONTRIBUTION AGREEMENTS**

### **5:94-5.1 General provisions**

- (a) Municipalities may propose the transfer of up to 50 percent of their growth share obligation based on the procedures in N.J.A.C. 5:95-11.
- (b) A municipality may propose such a transfer to another municipality within its housing region by means of a contractual agreement into which two municipalities voluntarily enter. A municipality may not transfer any portion of its rehabilitation share.
- (c) The Council shall maintain current lists of municipalities which have notified it of an intent to enter into regional contribution agreements (RCAs) as receiving municipalities and shall provide copies of such lists to potential sending municipalities as requested.

### **5:94-5.2 Terms**

- (a) At least 50 percent of the units accepted by a receiving municipality shall be affordable to low income households. The Council may modify this requirement if it determines that the sending municipality has adequately provided for its low income housing obligation elsewhere in its Housing Element. In the case of RCAs for scattered site rehabilitation of occupied units, the receiving community shall ensure, as best as practicable, that 50 percent of the rehabilitated units are occupied by low income households.
- (b) Not more than 50 percent of the units transferred via an RCA may be met with age-restricted units in the receiving municipality's project plan.
- (c) A receiving municipality may use revenues collected as a result of an RCA for any activity approved by the Council for addressing the low- and moderate-income obligation. Eligible activities shall include, but are not necessarily limited to, those activities outlined in N.J.A.C. 5:94-4. Rental obligations required by N.J.A.C. 5:94-4.20(a) or portions thereof that are transferred to a receiving municipality via an RCA must either create new rental housing units or meet the criteria for reconstruction as defined in N.J.A.C. 5:94-1.4.
- (d) All RCAs shall specify payment schedules that conform to a construction or rehabilitation schedule, which relate to the receiving municipality's ability to deliver housing units in a timely fashion, and which take place within the period of substantive certification.

- (e) If a receiving municipality can accomplish the housing activity approved as part of its project plan for less than the minimum per unit transfer pursuant to N.J.A.C. 5:94-5.4(a), or there are funds in excess of the amount necessary to implement the RCA, which includes interest earned, the difference shall be used within the receiving municipality to produce additional low- and moderate-income housing units or for capital expenditure benefiting low- and moderate-income households. The specific use of excess funds by the receiving community need not be specified in the RCA contract, but shall be subject to Council approval.
- (f) No more than 15 percent of the RCA principal shall be expended on administration in the receiving municipality. RCA administrative dollars may be calculated at the beginning of each year and expended, once available. In the first year of an RCA program, upon request to the Council, administrative funds may be in excess of the 15 percent, but the total amount permitted for the term of the contract, including any excess first year amount, shall not exceed 15 percent of the total amount of the principal.

### **5:94-5.3 Credits**

- (a) In no event shall a municipality receive credit for RCA units transferred in excess of 50 percent of the municipality's actual growth share obligation at the end of the certification period.
- (b) No receiving municipality shall receive credit toward its fair share obligation for units provided pursuant to an RCA.
- (c) No municipality shall receive credit for any units provided in the receiving municipality in excess of the units transferred pursuant to the RCA.

### **5:94-5.4 Amount and duration of contributions**

- (a) A sending municipality that petitions for substantive certification or amends a certified plan to include an RCA, shall transfer at least \$35,000 to a receiving municipality for each unit transferred as part of an RCA. This threshold has been established after consideration of:
  1. The housing stock in New Jersey;
  2. The average cost of an RCA since 1986;
  3. The maximum subsidies available under the Neighborhood Preservation Balanced Housing Program established pursuant to N.J.S.A. 52:27D-320; and
  4. The average internal subsidization required for a developer to provide each affordable unit within an inclusionary development.
- (b) The minimum transfer amount shall be reconsidered by the Council on a bi-annual basis

to determine the continued reasonableness of the amount.

- (c) An RCA may be entered into at any time during the sending municipality's period of substantive certification. However, all RCA funds must be transferred from the sending municipality prior to the expiration of the sending municipality's substantive certification.
- (d) All RCAs that include a scattered site rehabilitation program shall be structured so that the final transfer payment occurs at least one year prior to the end of the sending municipality's period of substantive certification.
- (e) For RCA scattered site rehabilitation programs, the cumulative cost of major systems shall be no less than \$12,000 per unit. After this \$12,000 threshold on major systems is met, additional repairs may be undertaken.
- (f) For a sending municipality that is transferring a rental obligation, the per unit transfer cost shall be substantially greater than \$35,000. The cost shall be negotiated between the sending municipality and the receiving municipality and shall include consideration of:
  - 1. The cost of providing new or reconstructed rental housing in New Jersey;
  - 2. The other subsidies committed to financing the new or reconstruction rental project; and
  - 3. The RCA amount needed to complete the financing package for the new or reconstruction project.
- (g) In the case of a transfer of the rental obligation, a payment schedule reflective of the timing of the receiving municipality's rental project is required.

#### **5:94-5.5 Monitoring and enforcement**

- (a) All RCA contracts shall require receiving municipalities to file monitoring reports with the Council and with the Agency setting forth fiscal accountability and the progress in implementing the project to be produced under the RCA. This report shall be in such form as the Council and the Agency may from time to time require.
- (b) The Council shall take such actions as may be necessary to enforce an RCA with respect to the timely implementation of a project by the receiving municipality.

### **SUBCHAPTER 6. DEVELOPMENT FEES**

#### **5:94-6.1 Purpose**

- (a) Development fees are intended to better enable municipalities to meet the low- and moderate-income housing needs in their communities. The funds generated by the collection of development fees are to be applied directly toward implementation of a municipality's Fair Share Plan.
- (b) The New Jersey Supreme Court, in *Holmdel Builders Association v. Holmdel Township*, 121 N.J. 550 (1990), determined that mandatory development fees are both statutorily and constitutionally permissible. The Court further anticipated that the Council would promulgate appropriate development fee rules specifying, among other things, the standards for these development fees.
- (c) Except as otherwise provided in this chapter, a municipality may impose, collect and spend development fees through participation in the Council's substantive certification process or through a comprehensive review designed to achieve a judgment of compliance.
- (d) The rules that follow shall govern those municipalities that petition for substantive certification and urban aid municipalities. The Council shall review development fee ordinances and plans to spend money upon the request of the court in an exclusionary zoning lawsuit.

#### **5:94-6.2 Basic requirements**

- (a) Except as set forth in N.J.A.C. 5:94-6.3, the Council shall not review or approve any development fee ordinance unless the municipality has petitioned for substantive certification.
- (b) No municipality, except urban aid municipalities complying with N.J.A.C. 5:94-6.3 or municipalities seeking to achieve or that have received a judgment of compliance, shall impose or collect development fees unless the municipality has petitioned the Council with an adopted Housing Element and Fair Share Plan and the Council has approved the municipality's development fee ordinance. Upon adoption of the development fee ordinance by the municipality's governing body, the ordinance shall be filed with the Council within seven days.
- (c) No municipality under the Council's jurisdiction shall spend development fees unless the Council has approved a plan for spending such fees. With the exception provided for in N.J.A.C. 5:94-6.3, municipalities that have not received substantive certification or a judgment of compliance shall not spend development fees until they have received substantive certification or a judgment of compliance.

#### **5:94-6.3 Urban aid municipalities**

Municipalities that qualify for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) may impose, collect or spend development fees by filing a development fee ordinance and spending plan and requesting approval by the Council. Council approval of the municipal

development fee ordinance shall allow the municipality to impose and collect development fees for a period specified by the Council, not to exceed ten years or such longer period as may be approved by the Council, commencing with the Council's approval of the development fee ordinance. Notwithstanding any other provision of this chapter, these municipalities shall have one year from the Council's approval of their development fee ordinance to submit a plan for spending development fees. These municipalities may impose, collect and spend development fees without petitioning for substantive certification.

#### **5:94-6.4 Development fee ordinance review**

- (a) The Council shall not review a development fee ordinance unless the municipality has submitted:
1. A copy of an adopted Housing Element that complies with the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.;
  2. A copy of the proposed ordinance designed to collect development fees;
  3. A description of any changes to the municipal zoning ordinance during the previous two years;
  4. A request in the form of a resolution by the governing body for the Council to review the development fee ordinance;
  5. If applicable, a copy of the compliance plan, implementation ordinances information regarding the period of time encompassed by the judgment of compliance and a request for review by the court if the municipality has received a court ordered judgment of compliance. The court shall indicate if the Council is to monitor the development fees;
  6. A description of the types of developments that will be subject to fees; and
  7. A description of the amount and nature of the fees imposed.

#### **5:94-6.5 Content of a spending plan**

- (a) A plan to spend development fees and payments in lieu of constructing affordable units on site shall include the following:
1. A projection of revenues anticipated from imposing fees on development, based on actual proposed and approved developments and historic development activity;
  2. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;

3. A description of the anticipated use of all development fees pursuant to N.J.A.C. 5:94-6.12;
  4. A description of the anticipated use of funds from payments in lieu of constructing affordable housing units on site pursuant to N.J.A.C. 5:94-6.12;
  5. A schedule for the expenditure of all development fees and payments in lieu of constructing affordable units on site;
  6. A schedule for the creation or rehabilitation of housing units;
  7. If the municipality envisions being responsible for public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development; and
  8. The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan.
- (b) By resolution, the governing body shall forward the spending plan for review and approval by the Council.
- (c) In the event a municipality opts to acquire deed restricted units, extinguish affordability controls and sell the units at market value pursuant to N.J.A.C. 5:80-26.1 et seq., the spending plan shall be amended to include:
1. A description of the anticipated use of funds from the sale of units with extinguished controls pursuant to N.J.A.C. 5:94-6.12; and
  2. A schedule for the expenditure of funds from the sale of units with extinguished controls.
- (d) In the case of fees collected in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and N.J.A.C. 5:94-4.21, the municipality shall set forth the mechanism by which it will collect and distribute funds intended to convert adaptable entrances.

### **5:94-6.6 Development fees; residential**

- (a) Residential development fees shall be a maximum of one percent of either the equalized assessed value for residential development, the coverage amount of the Home Owner Warranty document of a for-sale unit, or the appraised value on the document utilized for construction financing for a rental unit, provided no increased density is permitted.
- (b) When a municipality approves an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a “d” variance), the municipality may impose a development fee of up to six percent of either the equalized assessed value for each additional unit that may be realized, the coverage amount on the Home Owner Warranty document for each additional for-sale unit, or the appraised value on the document utilized for construction financing for each additional rental unit. (Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one percent of either the equalized assessed value, the coverage amount on the Home Owner Warranty document, or the appraised value on the document utilized for construction financing on the first two units; and six percent of either the equalized assessed value, the coverage amount on the Home Owner Warranty document, or the appraised value on the document utilized for construction financing for the two additional units.) However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

### **5:94-6.7 Development fees; non-residential**

- (a) Non-residential development fees shall be a maximum of two percent of either the equalized assessed value for non-residential development or the appraised value on the document utilized for construction financing. Municipalities may also utilize any recognized industry standard to establish values of non-residential development that is acceptable to both the municipality and the Council.
- (b) When a municipality approves an increase in floor area pursuant to N.J.S.A. 40:55D-70d(4) (known as a “d” variance), the municipality may impose a development fee of up to six percent on the additional floor area realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base floor area for the purposes of calculating the bonus development fee shall be the highest floor area permitted by right during the two-year period preceding the filing of the variance application.
- (c) The imposition of payments in lieu or development fees pursuant to a development fee ordinance approved by the Council pursuant to N.J.A.C. 5:93-8 shall not be construed as a condition of preliminary or final site plan approval or as a stipulation included in a developers agreement for the purposes of calculating growth exclusions pursuant to N.J.A.C. 5:94-2.4(a)4.

### **5:94-6.8 Eligible exactions, ineligible exactions and exemptions**

- (a) Affordable housing developments shall be exempt from development fees. All other forms of new construction may be subject to development fees.
- (b) Development fees may be imposed and collected when an existing structure is expanded or undergoes a change to a more intense use. The development fee that may be imposed and collected shall be calculated on the increase in the equalized assessed value of the improved structure.
- (c) Developments that have received preliminary or final approval prior to the imposition of a municipal development fee shall be exempt from development fees unless the developer seeks a substantial change in the approval.
- (d) Municipalities may exempt specific types of development from fees or may impose lower fees for specific types of development, provided each classification of development is addressed consistently. For example, all retail development or all development within a specific zoning district may be exempt from the imposition of fees.
- (e) Municipalities may exempt specific areas of the municipality from the imposition of fees or reduce fees in order to promote development in specific areas of the municipality. For example, all development north of Main Street may be exempt from the imposition of fees.

### **5:94-6.9 Collection of fees**

Municipalities may collect up to 50 percent of the development fee on any specific development at the time of issuance of the building permit. The remaining portion may be collected at the issuance of the certificate of occupancy. Municipalities may also collect the entire development fee at the issuance of the certificate of occupancy.

### **5:94-6.10 Contested fees**

Imposed and collected development fees that are challenged shall be placed in an interest bearing escrow account by the municipality. If all or a portion of the contested fees are returned to the developer, the accrued interest on the returned amount shall also be returned.

### **5:94-6.11 Housing trust fund**

- (a) All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls and funds collected to adapt affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) shall be deposited in a separate, interest-bearing housing trust fund. In establishing the housing trust fund, the municipality shall provide written authorization, in the form of a three-party escrow agreement between the municipality, the bank and the Council, to permit the Council to direct the disbursement of the funds as provided for in

N.J.A.C. 5:94-6.16(b). This authorization shall be submitted to the Council within seven days from the opening of the trust fund account. All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by the Council.

- (b) With the approval of the Council and of the Division of Local Government Services, the municipality may invest development fee revenue, payments in lieu of constructing affordable units on site, funds from re-sales of units with extinguished controls and funds collected to adapt affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) in a cash management fund, provided that the amount of money in the cash management fund that comprises the funds and income attributable to such funds shall at all times be identifiable. The municipality shall provide written authorization, in the form of a two-party escrow agreement between the municipality and the Council, to permit the Council to direct the disbursement of development fees as provided for in N.J.A.C. 5:94-6.16(b). This authorization shall be submitted to the Council within seven days from the opening of the trust fund account. All interest attributable to such funds shall only be used on eligible affordable housing activities approved by the Council.

#### **5:94-6.12 Use of money**

- (a) A municipality may use revenues collected from development fees, payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls for any activity approved by the Council to address the municipal fair share. Such activities include, but are not limited to: rehabilitation, new construction, RCAs subject to the provisions of N.J.A.C. 5:94-4.4(d), ECHO housing, purchase of land for affordable housing, improvement of land to be used for affordable housing, purchase of housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, or administration necessary for implementation of the Housing Element and Fair Share Plan. Funds collected in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) shall only be used for adapting affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.). Municipalities are encouraged to use development fee revenues to attract other funds such as, but not limited to, available public subsidies and funds from private lending institutions.
- (b) Funds shall not be expended to reimburse municipalities for past housing activities.
- (c) After subtracting development fees collected to finance an RCA, a rehabilitation program or a new construction project that are necessary to address the municipality's affordable housing obligation, at least 30 percent of the balance remaining shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.

1. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, and rental assistance.
  2. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low income units in a municipal Fair Share Plan to make them affordable to households earning 30 percent or less than median income. The use of development fees in this manner shall entitle a municipality to bonus credits pursuant to N.J.A.C. 5:94-4.22.
  3. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- (d) Municipalities may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:94-7.
- (e) No more than 20 percent 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 develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with Council monitoring requirements. Development fee administrative costs are calculated and may be expended at the end of each year or upon receipt of the fees.

#### **5:94-6.13 Monitoring**

Municipalities that collect development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls and funds collected to adapt affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) shall complete and return to the Council all monitoring forms included in the annual monitoring report related to the collection of these funds, expenditure of revenues and implementation of the plan certified by the Council or approved by the court. All monitoring reports shall be completed on forms designed by the Council.

#### **5:94-6.14 Amendment to approved development fee ordinance**

- (a) Except as set forth in (c) and (d) below, a municipal amendment to an approved development fee ordinance pursuant to N.J.A.C. 5:94-6.2 and 6.4 must be reviewed and approved by the Council prior to the adoption and imposition of fees pursuant to the amendment.

- (b) A municipality shall submit a request in the form of a resolution by the governing body for the Council to review an amendment to an approved development fee ordinance.
- (c) A municipality that has received second round substantive certification that expires subsequent to December 20, 2005 may amend its approved 1987-1999 development fee ordinance to increase the fee percentages pursuant to N.J.A.C. 5:94-6.6(a) and 6.7(a). The municipality shall forward the prior approved ordinance and the proposed amended ordinance for Council approval pursuant to N.J.A.C. 5:94-6 together with a resolution from the governing body that:
  - 1. Commits to petitioning for third round substantive certification in accordance with this chapter and N.J.A.C. 5:95 by the earlier of the expiration date of its second round substantive certification or May 15, 2007; and
  - 2. Renders the ordinance null and void if the municipality fails to petition for third round substantive certification pursuant to (c)1 above.
- (d) A municipality that qualifies for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) may amend its approved 1987-1999 development fee ordinance to increase the fee percentages pursuant to N.J.A.C. 5:94-6.6(a) and 6.7(a). The municipality shall forward the prior approved ordinance and the proposed amended ordinance together with a resolution from the governing body requesting Council review and approval of the amendment pursuant to N.J.A.C. 5:94-6.

**5:94-6.15 Amendment to approved spending plan**

- (a) An amendment to an approved spending plan must be reviewed and approved by the Council prior to the spending of fees pursuant to the amendment.
- (b) A municipality shall submit a request in the form of a resolution by the governing body for the Council to review an amendment to an approved spending plan.

**5:94-6.16 Remedies**

- (a) The municipality's ability to impose and collect development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls and funds collected to adapt affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Council's approval of a development fee ordinance and a spending plan shall be conditioned on compliance with all requirements of this subchapter. Occurrence of any of the following may result in the Council taking an action pursuant to (b) below:
  - 1. Failure to meet deadlines for information required by the Council in its review of a Housing Element and Fair Share Plan, development fee ordinance or plan for spending fees;

2. Failure to address the Council's conditions for approval of a plan to spend development fees, payments in lieu of constructing affordable units on site, funds from re-sales of units with extinguished controls and funds collected to adapt affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) within the deadlines imposed by the Council;
  3. Failure to address the Council's conditions for substantive certification within deadlines imposed by the Council;
  4. Failure to submit accurate annual monitoring reports pursuant to N.J.A.C. 5:94-6.13(a) within the time limits imposed by the Council;
  5. Failure to implement the spending plan and expend the funds within the time schedules specified in the spending plan;
  6. Expenditure of development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls and funds collected to adapt affordable unit entrances to be accessible in accordance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) on activities not permitted by the Council;
  7. Revocation of certification; or
  8. Other good cause demonstrating that the revenues are not being used for the approved purpose.
- (b) Consistent with this section, any ordinance adopted by a municipality for the purpose of imposing and collecting development fees shall provide that, in the event any of the conditions described in (a) above occur, the Council shall be authorized, on behalf of the municipality, to direct the manner in which all funds in the affordable housing trust fund shall be expended. Such revenues shall immediately become available for expenditure once the Council has notified the municipal clerk and chief financial officer that such a condition has occurred. In furtherance of the foregoing, any such municipality shall, in establishing a trust fund pursuant to N.J.A.C. 5:94-6.11, ensure that the municipality has provided written authorization, in the form of an escrow agreement, to permit the Council to direct the disbursement of such revenues from the account following the delivery to the bank of the aforementioned written notification provided by the Council to the municipality's clerk and chief financial officer.
- (c) The Council may, after a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., revoke a development fee ordinance approval for any municipality that fails to comply with the requirements of this subchapter. Where such approval has been revoked, the Council shall not approve an ordinance permitting such municipality to impose or collect development fees for the remainder of the substantive certification period or judgment of compliance. With regard to municipalities that qualify for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.), the Council shall not

approve any ordinance permitting such municipalities to impose or collect development fees for the remainder of the approval period following a Council determination of failure to comply with this subchapter.

- (d) Neither loss of funds from the affordable housing trust fund account, nor loss of the municipality's ability to impose and collect development fees shall alter the municipality's responsibilities pursuant to substantive certification or a court ordered judgment of compliance.

#### **5:94-6.17 Designation of entities to receive development fees**

- (a) The Council shall designate agencies to receive funds from the affordable housing trust fund account when the Council takes an action pursuant to N.J.A.C. 5:94-6.16.
- (b) To select agencies, the Council shall solicit plans from public sector entities and non-profit agencies to create or rehabilitate affordable housing.
- (c) To the extent practicable, when the Council takes an action pursuant to N.J.A.C. 5:94-6.16 the Council shall assign funds from the affordable housing trust fund account to projects planned within the municipality that generated the revenues or within close proximity to the municipality, such as within the county or region.

#### **5:94-6.18 Ongoing collection of fees**

- (a) Municipalities that qualify for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) and have received Council approval to impose and collect development fees, shall not impose or collect such fees for more than the period specified by the Council, shall submit a plan for spending development fees within one year of the Council's approval of the development fee ordinance, and shall file an updated plan at least once every three years. Municipalities that fail to update their plan within the three-year period may resume the imposition and collection of development fees upon compliance with the requirements of this section.
- (b) Except as provided for in (a) above, the ability for all other municipalities to impose, collect and expend development fees shall expire with their substantive certification or judgment of compliance unless the municipality has filed an adopted Housing Element and Fair Share Plan with the Council, has petitioned for substantive certification, and has received the Council's approval of its development fee ordinance. Municipalities that fail to renew their ability to impose and collect development fees prior to the expiration of their substantive certification or judgment of compliance may resume the imposition and collection of development fees by complying with the requirements of this section. A municipality shall not impose a development fee on a development that receives preliminary or final approval after the expiration of substantive certification or a judgment of compliance, nor shall a municipality retroactively impose a development fee on such a development. A municipality shall not expend development fees after the expiration of substantive certification or a judgment of compliance.



## **SUBCHAPTER 7. CONTROLS ON AFFORDABILITY AND AFFIRMATIVE MARKETING**

### **5:94-7.1 Controls on affordability**

Controls on affordability shall be established and maintained in accordance with the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.

### **5:94-7.2 Establishing rents and sale prices of units**

- (a) Rents or sale prices of units for which credit is to be given shall be established in accordance with the Uniform Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.
- (b) In establishing prices and rents, the Uniform Housing Affordability Controls rely on the regional income limits determined by the Council as follows:
  - 1. Median income by household size shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households in each housing region. This quotient represents the regional weighted average of median income for a household of four. This regional weighted average is adjusted by household size based on multipliers used by HUD to adjust median income by household size.
  - 2. The price and rent of low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income tax credit regulations shall be indexed pursuant to the regulations governing low income tax credits.

### **5:94-7.3 Affirmative marketing**

- (a) Affirmative marketing shall be established and maintained in accordance with the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.
- (b) The affirmative marketing plan shall be a part of the Fair Share Plan and shall be referenced by ordinance.
- (c) The Council shall review and assess the effectiveness of the municipal affirmative marketing program. If it is deemed that the affirmative marketing program is not effective, the municipality shall be required to amend the program.

## **SUBCHAPTER 8. COST GENERATION**

### **5:94-8.1 Purpose and scope**

- (a) Section 14(b) of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.) incorporates the need to eliminate unnecessary cost generating features from municipal land use ordinances as a requirement of substantive certification. In order to receive and retain substantive certification, municipalities shall eliminate development standards that are not essential to protect the public welfare and to expedite municipal decisions on affordable housing development applications. In order to expedite the review of development applications, municipalities shall cooperate with developers of affordable housing developments in scheduling pre-application conferences. Municipal boards shall schedule regular and special monthly meetings as needed and provide ample time at these meetings to consider the merits of an affordable housing development application. The goal of such a schedule is to ensure that development applications are acted upon within time limits mandated in the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. Failure to expedite the decision upon an affordable housing development application shall be considered a reason for revoking substantive certification.
- (b) Affordable housing developments that are included in a Housing Element and Fair Share Plan have proceeded through a public process. Therefore, the focus of municipal development application review shall not be whether the sites are properly zoned. The focus shall be whether the design of the affordable housing development is consistent with the municipal zoning, subdivision and site plan ordinances; the 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. Municipalities shall cooperate with developers of affordable housing developments in granting reasonable variances and waivers necessary to construct the affordable housing development.

### **5:94-8.2 Standards**

- (a) In its review of municipal ordinances, the Council shall give special attention to:
  - 1. The impact of requirements that cumulatively prevent an affordable housing development from achieving the density and set-aside necessary to address the municipal fair share. Examples of such requirements include but are not limited to: building setbacks, spacing between buildings, impervious surface standards, and open space requirements;
  - 2. Requirements to provide oversized water and sewer mains to accommodate future development without a reasonable prospect for reimbursement;
  - 3. Excessive culvert and pumping station requirements; and

4. Excessive landscape, buffering and reforestation requirements.
- (b) Municipal Housing Elements and Fair Share Plans, and resolutions of approval as necessary, shall allow for phased construction and phased performance guarantees for on-site, off-site and off-tract improvements required of affordable housing developments.
- (c) The Council shall not permit restrictions on the bedroom mix of the market-rate units within an affordable housing development.

### **5:94-8.3 Special studies/escrow accounts**

- (a) It is common for municipalities to require developers of affordable housing developments to conduct special studies related to the fiscal, traffic and environmental impacts of proposed inclusionary developments. These studies are then reviewed by municipal professionals who are paid from escrow accounts funded by the developer of affordable housing developments as a requirement of the municipal review of the development application pursuant to N.J.S.A. 40:55D-1 et seq. The Council has determined that these studies shall not be used to alter the permitted density, unless as part of a use variance application pursuant to N.J.S.A. 40:55D-70d(4) or N.J.S.A. 40:55D-70d(5). Such studies may be used to foster proper design and to determine pro-rata off-tract improvement costs. The Council has also determined that it is unnecessary for developers of affordable housing developments to pay for both the preparation of such a study and to pay into an escrow account for subsequent municipal review. Therefore, municipalities that receive substantive certification shall offer developers of affordable housing developments the option of preparing fiscal, traffic and environmental impact studies or choosing a consultant from a list of at least six professionals prepared by the municipality to prepare the studies. If the developer chooses a consultant from the municipally prepared list, the developer and municipality shall rely on the consultant's recommendations and no other reports shall be prepared.
- (b) Fees to review development applications shall be estimated prior to payment of filing fees. Developers shall be entitled to review all charges against any escrowed fees and be provided with monthly accounting reports upon request as provided in N.J.S.A. 40:55D-1 et seq.

## **SUBCHAPTER 9. PROGRESS AND MONITORING REPORTING**

### **5:94-9.1 Review periods**

Municipalities that have received substantive certification shall complete annual monitoring reports in accordance with this subchapter. Pursuant to N.J.A.C. 5:95-9, for purposes of comparing pro-rated growth share projection and actual pro-rated growth share with the actual affordable housing units provided for in municipalities with substantive certification, each substantive certification shall to be subject to review on the third, fifth, and eighth anniversary on which a certified municipality filed its Housing Element and Fair Share Plan with the Council.

When the actual growth share obligation differs from the actual number of affordable units constructed or provided, municipalities may be required to amend their Housing Element and Fair Share Plan pursuant to N.J.A.C. 5:95-13.

### **5:94-9.2 Monitoring reports**

- (a) Each municipality having substantive certification shall submit a monitoring report as requested by the Council on an annual basis.
- (b) The monitoring report shall include, at a minimum, the following information, based upon certificates of occupancy issued and the provisions of N.J.A.C. 5:94-2:
  - 1. The actual residential growth-related need, measured from January 1, 2004 up to and including the date that the review period ended;
  - 2. The actual employment growth-related need measured from January 1, 2004 up to and including the date that the review period ended;
  - 3. The status of the projects, strategies and the funding sources, if applicable, designed to meet the total affordable housing obligation (1987-2014), including:
    - i. The number of affordable units for which certificates of occupancy have been issued listed by address, block and lot, and dates of certificates of occupancy that were needed to address the growth share obligation; and
    - ii. The number of affordable units for which certificates of occupancy have been issued listed by address, block and lot, and dates of certificates of occupancy that were needed to address the municipality's 1987-1999 affordable housing need; and
    - iii. Documentation of compliance with P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.), the Barrier Free Subcode, N.J.A.C. 5:23-7, and N.J.A.C. 5:94-4.21.
  - 4. An accounting of any housing trust fund activity, including the source and amount of funds collected, and the amount and purpose for which any funds have been expended for the prior year and year-to-date totals;
  - 5. The number of units that have been transferred pursuant to any RCAs and a statement showing actual cash disbursements;
  - 6. A comparison of the estimated growth share and the actual need on the date of the report with the estimate contained in the certified Fair Share Plan and any supporting documentation citing the reasons for any shortfall;

7. Any revisions to the Fair Share Plan that are needed to address any shortfall between the actual growth-related need and the number of affordable units actually provided;
8. Demonstration at the three-year anniversary review that initial plan endorsement was granted by the State Planning Commission pursuant to N.J.A.C. 5:94-2.3(c);
9. An evaluation of the results of the municipality's affirmative marketing activities, including:
  - i. An evaluation of the income, demographic characteristics, and previous residential location of each applicant of affordable housing, as well as the occupants of the units; and
  - ii. An evaluation of any necessary adjustments in the affirmative marketing program as a result of the evaluation in (b)9i above; and
10. Any other information, detailed in the annual monitoring report, pertaining to the review of the municipality's progress in addressing its total (1987-2014) affordable housing obligation, as may be required by the Council.

## APPENDIX A

### COUNCIL ON AFFORDABLE HOUSING (COAH) PROCEDURES EXPLANATION

—  
1999–2014 LOW- AND MODERATE-INCOME  
HOUSING NEED ESTIMATES  
(COAH AFFORDABLE HOUSING PROCEDURES)

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## **INTRODUCTION**

The round 3 methodology for determining the need for low- and moderate-income housing for the New Jersey Council on Affordable Housing (COAH) has been very carefully developed over the past two years. This development includes sensitivity to:

- (a) The need for simplicity of method. New procedures provide a simple way of estimating third-round numbers that reflect both a low- and moderate-income share of deteriorated housing and an estimated share of projected future housing units and employment growth.
- (b) The requirement to be consistent with the Fair Housing Act<sup>1</sup> and the *Mt. Laurel Supreme Court*<sup>2</sup> decisions. New procedures hew very closely to the Fair Housing Act and the *Mount Laurel* decisions and their provisions regarding the delivery of affordable housing. The concepts of present and prospective need are retained (although the terminology is changed for greater clarity), as is the concept of allocation of need by region.
- (c) The need to be consistent with the latest version of the *New Jersey State Development and Redevelopment Plan* (Preliminary Plan-April 28, 2004).<sup>3</sup> The *State Planning Act* gives recognition to the mandate of the Fair Housing Act and places that mandate within the State Planning Act's legislative findings. As such, affordable housing will be provided in growth areas as designated by the State Plan. New procedures recognize that localities that should and do experience residential and non-residential growth include within this growth a share of affordable housing. Conversely, affordable housing need is not a catalyst for growth in communities that are not growing due to extensive agricultural or fragile environmental areas, as defined by the State Plan.
- (d) The need to take into account as much information as possible from the latest U.S. Census. New procedures employ information relating to housing deterioration, housing region delineation, headship rates by age cohort, as well as the qualification of low- and moderate-income households reflective of the most recent 2000 Census information. This includes the most recent *5-Percent Public Use Microdata Sample* (PUMS), released in August 2003.<sup>4</sup>
- (e) The requirement that employment growth locations play a significant role in future affordable housing need sites. Following the *Mount Laurel* mandate, communities experiencing employment growth are those that have larger future affordable housing needs.
- (f) The requirement that communities are aware of changes in procedures before their actions affect their affordable housing numbers and have sufficient time to plan for their affordable housing delivery. Fifteen-year need (1999-2014) is delivered in ten years (2004-2014). No community is given a future affordable housing number without knowledge of what is triggering it. At the same time, all municipalities in growth areas share in the responsibility of providing affordable housing.

- (g) The requirement to address the comments of an earlier draft produced at a time that precluded the use of the U.S. Census *5-Percent* Public Use Microdata Sample (PUMS).

Readers who are unfamiliar with the terminology employed to describe the components of the affordable housing methodology for the first two rounds (1987-1993 and 1993-1999) may find it useful to refer to N.J.A.C. 5:93-2. Terminology that has been used in previous methodologies has been revised in the third round methodology to make the process more intuitive and easier to understand. Some terms have been retired and others have been replaced.

The section that follows details the procedures required to calculate the municipal low- and moderate-income housing obligation in New Jersey. Included here are procedures to calculate affordable housing need in response to a requirement for a third round of affordable housing numbers in New Jersey. As indicated, these changes emerge as a result of: (1) improvements in methodological approaches that have surfaced during the first and second rounds of implementation, and (2) a desire to hone the methodology so that it better reflects the *Mount Laurel* decision, *The Fair Housing Act*, *The New Jersey State Development and Redevelopment Plan*, as well as other affordable housing mandates.

The method produced here is fair and impartial and embodies the most up-to-date procedures for housing need determination. Its procedures are understood and used by field practitioners. The existing system's procedures are derived from prior procedures that have been challenged in multiple court cases, and these have prevailed in every instance due to their accuracy, thoroughness, and fairness.

**NEW JERSEY COUNCIL ON AFFORDABLE HOUSING (COAH)  
ROUND 3 AFFORDABLE HOUSING NUMBERS — (1999-2014)**

A.	REHABILITATION SHARE	24,847
B.	REMAINING PRIOR ROUND OBLIGATION (1987 – 1999)	INDIVIDUALLY DETERMINED
C.	PROJECTED STATEWIDE GROWTH SHARE (NET OF SECONDARY SOURCES)	52,747
D.	STATEWIDE FAIR SHARE OBLIGATION (NOT INCLUDING PRIOR ROUND OBLIGATION)	<b>77,594</b>

## **HOUSING REGIONS**

Housing regions are used in the round 3 methodology to calculate regional median income and to qualify affordable housing households by size below defined percentages of median. They are also used to partition affordable housing need below the state level and to sum potential municipal efforts from the local level. Regions are further used to calculate and adjust Prior Round Prospective Need (Rounds one and two) and to credit Rehabilitation Share to locations where rehabilitation need is increasing. Regions are further used to credit spontaneous rehabilitation against Rehabilitation Share. Housing regions bind together economic areas by encompassing most reasonable trips related to journey-to-work. Those seeking affordable housing in an individual community, if drawn from the commuting region, will have an acceptable journey-to-work if this housing comes to fruition in a community in the commuting region. In round 3, regional housing need is the summation of the individual components of demand: Rehabilitation Share, Remaining Prior Round Obligation (1987-1999), and Growth Share. Rehabilitation Share is provided in a tabular listing for each community as part of this appendix. Remaining Prior Round Obligation is dealt with on an individual community basis at the time communities present their Growth Plan to COAH for Certification. Growth share is fulfilled as communities grow and provide affordable housing as part of all housing delivered. Thus, the actions of communities in the aggregate both form and respond to regional housing need.

Information on journey-to-work for New Jersey counties may be obtained from county-to-county worker flow files in the 2000 *U.S. Census of Population and Housing*, a one-in-six sample of the households of New Jersey.<sup>5</sup> Information can be crafted to scrutinize times traveled one way to work (in minutes) for all household members employed as of April 2000. Also a part of the 2000 Census are the origin and destination of the worktrip. The information to be used in the initial grouping procedure concerns worktrip origin and destination. This information is used only at the county level, i.e., for each employed member of the household, worktrip county of origin and county of destination. All modes of travel are included: automobile, bus, rail, and miscellaneous (walking, biking, and so on).

The program chosen to group counties is Excel.<sup>6</sup> The grouping from round two was examined and validated on the following goals. Counties that are grouped based on similar commuting ties had to be contiguous. In addition, no less than two nor more than four counties were allowed to cluster as part of any group. These are the requirements of the 1985 Fair Housing Act. The lower threshold is to ensure that no single county appears as “left over”; the upper threshold is chosen to avoid long commuting distances within any one identified region.

It should be noted that in the State of New Jersey, due to its small physical size and its mileage of state and interstate roadways, commuting across regions is not uncommon. As is seen below, this is done in 7 to 32 percent of the cases depending upon region. Cross-commuting is accentuated in situations where there are multiple sources of employment in a household and/or where significant variation in average housing price exists across adjacent regions.

After including certain decisions regarding the size of the region and its capacity to handle affordable housing need, as well as the necessary inclusion in each region of at least one central

city, the journey-to-work grouping of counties takes place as indicated below. It is the same groupings that existed when round two Affordable Housing Need was determined (1993). This is because in every region the linkages between counties are stronger within groups than between groups relative to the earlier period.

NORTHEAST	NORTHWEST	WEST CENTRAL	EAST CENTRAL	SOUTHWEST	SOUTH-SOUTHWEST
Bergen Passaic Hudson Sussex	Essex Morris Union Warren	Middlesex Somerset Hunterdon	Monmouth Ocean Mercer	Camden Gloucester Burlington	Atlantic Cape May Cumberland Salem
Live and work in region 82%	Live and work in region 70%	Live and work in region 68%	Live and work in region 86%	Live and work in region 93%	Live and work in region 89%

These groupings contain counties that exhibit significant social, economic and income interrelationships; the Census PUMS areas nest reasonably within them; and they constitute, to the greatest extent practicable, the Metropolitan Statistical areas as last published by the U.S. Office of Management and Budget. This latter issue will be discussed below. Suffice it to say, however, that even though in most cases there are significant numbers of households that commute from residence to work within a region, a portion of their housing market is indeed outside the region. This has implications for ability to handle slight differences between the locations of affordable housing demand and affordable housing supply in determining future Growth Share Need.

In June 2003, the U.S. Office of Management and Budget revised the Metropolitan Statistical Areas (MSA's) of the United States. These revisions for the Middle Atlantic Region are as follows:<sup>7</sup>

Bergen, Passaic and Hudson counties as a group are part of the eleven-county New York-Wayne-White Plains NY-NJ Metropolitan Division. Essex, Morris, Union, Sussex and Hunterdon counties are part of the six-county (with Pike County, Pa.) Newark-Union NJ-PA Metropolitan Division. Middlesex, Somerset, Monmouth and Ocean counties are part of the Edison, NJ Metropolitan Division. Burlington, Camden and Gloucester counties are part of the Camden, NJ Metropolitan Division. Mercer (Trenton-Ewing, NJ MSA), Cumberland (Vineland-Millville-Bridgeton NJ MSA), Cape May (Ocean City NJ MSA) and Atlantic (Atlantic City NJ MSA) counties are stand-alone MSA's. Warren (Allentown, Bethlehem, Easton PA-NJ MSA) and Salem (Wilmington DE-MD-NJ MSA Metropolitan Division) counties are part of out-of-state groupings.

Overall, as noted above, the previous COAH Regions have been retained for this round. As such, the original grouping of counties in the Northeast (Bergen, Passaic, Hudson and Sussex) and Northwest (Essex, Morris, Union and Warren) are retained because they reflect the essence of their new metropolitan divisions, yet each contains a county where developable lands remain (Sussex and Warren). To include Sussex County in the Newark-Union, NJ-PA Metropolitan

Division would leave Bergen, Hudson, and Passaic without a land source county. Warren County has as strong ties to Morris and Essex counties as it does to the Pennsylvania counties of its Metropolitan Division.

Middlesex and Somerset, as well as Monmouth and Ocean, each have strong cross-commuter linkages. The reason that they are joined is that Middlesex County has strong linkages to both Monmouth and Somerset (people living in Monmouth and Somerset commute to work in Middlesex). Yet, their joining would create an affordable housing region of enormous growth. On the other hand, Middlesex and Somerset, already having central cities, joined with Hunterdon (Middlesex, Somerset and Hunterdon), produce a region with a land source; Monmouth and Ocean, already having vacant land, joined with Mercer (Monmouth, Ocean and Mercer), produce a region with a central city. In both cases, growth is not as prodigious as if the joining of the four counties took place. Burlington, Camden, and Gloucester counties form a COAH Region in the same way as they form the Camden, NJ Metropolitan Division. Atlantic, Cape May, and Cumberland counties are each stand-alone MSA's that can be grouped with Salem County to form a larger region. Salem's ties to this grouping are as strong as they are to out-of-state counties. Commuting ties between the first three of the four counties are strong, and their similarities as stand-alone counties of an MSA are more a function of cultural and historical isolation than they are of wholly contained commuting.

The COAH Regions comport with State Plan principles and land designations. Each of the COAH Regions has about 68 percent to about 93 percent of the worktrips contained in the region. If new housing takes place in a region, more than likely 68 to 93 percent of the commutes, including those of required affordable housing, will take place in the region. One of the major goals of the State Plan is to reduce automobile worktrips, particularly long automobile worktrips.<sup>8</sup>

In addition, in each of the COAH Regions is found significant representation of State Plan planning areas designated for growth (PAs 1-3), as well as those planning areas targeted primarily for conservation and preservation (PAs 4 and 5). State Plan designated and endorsed centers are reasonably distributed within each COAH Region as well. This includes large centers (urban, regional, town) as well as smaller village and hamlet centers. (See Table 1.) Further, identified centers not indicated below are available for the development of low- and moderate-income housing.

**TABLE 1**  
**State Planning Areas and Centers by COAH Region**

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<i>Region</i>	<b>Vacant Land (2000)</b>			<b>Designated and Endorsed (2004)</b>		
	<i>PAs 1-3 (Acres)</i>	<i>PAs 4 and 5 (Acres)</i>	<i>Total (Acres)</i>	<i>Large Centers (U, R, T)</i>	<i>Small Centers (V, H)</i>	<i>Total</i>
1. Northeast						
Number	19,703	217,066	236,769	21	0	21
Percent	3%	16%	12%	33%	0%	26%
2. Northwest						
Number	38,935	254,237	293,172	6	4	10
Percent	7%	19%	15%	10%	22%	12%
3. West Central						
Number	98,861	231,962	330,823	6	1	7
Percent	17%	17%	17%	10%	6%	9%
4. East Central						
Number	143,128	151,096	294,224	13	2	15
Percent	25%	11%	15%	21%	11%	19%
5. Southwest						
Number	195,744	109,863	305,607	8	5	13
Percent	34%	8%	16%	13%	28%	16%
6. South-Southwest						
Number	76,968	377,470	454,437	9	6	15
Percent	13%	28%	24%	14%	33%	19%
<b>STATE TOTAL</b>						
Number	573,339	1,341,694	1,915,032	63	18	81
Percent	100%	100%	100%	100%	100%	100%

*Notes:* U = Urban; R = Regional; T = Town; V = Village; H = Hamlet

*Source:* Robert W. Burchell et al. 2000. *The Costs and Benefits of Alternative Growth Patterns: The Impact Assessment of the New Jersey State Plan*. Trenton, NJ: Office of State Planning, Office of Smart Growth Website (2004).

As growth proceeds in accordance with the State Plan, this growth is captured by the COAH methodology in its requirement to provide affordable housing. As growth takes place, a share of that growth will be affordable housing.

### **INCOME QUALIFICATION OF THE LOW- AND MODERATE-INCOME POPULATION**

Data from the 2000 U.S. Census 5-Percent Public Use Microdata Sample (PUMS), released in August 2003, is used to qualify a household according to HUD Section 8 family-income requirements.<sup>9</sup> The PUMS files contain records for a sample of housing units with information on the characteristics of each unit as well as on the people who reside in these units.

Households are income qualified by fitting PUMS Areas to the COAH Regions. In New Jersey, PUMS areas 301 to 306 (Bergen County), 400, 501, 502 (Passaic County), 601, 602, 701, 702,

703 (Hudson County), and 1600 (Sussex County) are added to form the Northeast Region (Bergen, Hudson, Passaic, and Sussex Counties). PUMS areas 1301, 1302, 1401 to 1404 (Essex County), 1501 to 1504 (Morris County), 1700 (Warren County), and 1800, 1901 to 1903 (Union County) are added to form the Northwest Region (Essex, Morris, Union, and Warren Counties). PUMS areas 800 (Hunterdon County), 901 to 905 (Middlesex County), and 1001, 1002 (Somerset County) are added to form the West Central Region (Middlesex, Somerset, and Hunterdon Counties). PUMS areas 1101 to 1105 (Monmouth County), 1201 to 1203 (Ocean County), and 2301, 2302 (Mercer County) are added to form the East Central Region (Monmouth, Ocean, and Mercer Counties). PUMS areas 2001 to 2003 (Burlington County), 2101 to 2104 (Camden County), 2201, and 2202 (part) (Gloucester County) are added to form the Southwest Region (Camden, Burlington, and Gloucester Counties). PUMS areas 101, 102 (Atlantic County), 200 (Cape May County), 2202 (part) Salem County, and 2400 (Cumberland County) are added to form the South-Southwest Region (Atlantic, Cape May, Cumberland, and Salem Counties) Region. The PUMS Areas, fit to the COAH Regions, allow affordable housing-eligible households to be isolated from all households in a region.

Information from the PUMS file makes it possible initially to eliminate most individuals living in institutions, group quarters, and boarders/lodgers from potential low- and moderate-income housing demand. This removes from direct count those people who comprise prison/sanitarium, college, nursing home, boarders/boarding homes, clergy residences, and other related populations. Those resident in group homes are included in the round 3 methodology with each two persons found in this type of facility contributing to the demand for one additional unit. Sub-households and sub-families are not separately distinguished as this would double-count existing housing deterioration for Rehabilitation Share, and no information is available on how or if sub-families/sub-households would choose to separate in the future. Thus, except for the group homes, one household per unit is counted. Alternative living arrangements are also included in this new category of group homes, encompassing assisted living and other long-term housing arrangements where meals and some health care are provided. This is enabled by both the new definitions of group quarters in the 2000 U.S. Census and by including up to ten members of the same residence as part of the original counting procedures.

Once these selection procedures are undertaken, the PUMS data is employed to array all households by size and income status. HUD median family income for a region is determined, and 80 percent and 50 percent are assigned to household sizes of 4 for the upper limits of moderate and low incomes, respectively. Each household size of more or less than four is allowed a positive or negative adjustment of the 80 percent or 50 percent of median figure to qualify for moderate- or low-income designation. (This is based on the philosophy that if you have more children/dependents or household members you can have a larger share of median income and still qualify as moderate/low income; in reverse fashion, if you have fewer dependents or members, a lower share of median income is necessary to qualify.) Each increase of one person from a household size of 4 adds about 8 percent to the qualification requirement; each one-person decrease subtracts 10 percent from the qualification requirement. In four regions where regional median family income exceeds HUD maximums (in 1999), the regional median income is kept to include more households as low and moderate.

The procedures spelled out above separate low- and moderate-income households, adjusted for household size, from all other households in the region. These households represent about 40 percent (40.3) of all households in the state. This relative selection of a population qualifying for housing need forms the gross basis of all need estimates. In subsequent steps, the housing units occupied by these households are initially checked for deterioration to determine Rehabilitation Share. It will further be shown that these households are associated with deteriorated housing units about 1.7 times as much (close to 68 percent) as their incidence in the population. Future housing unit projections then ensue, and affordable housing need is calculated for the state as a whole by region. After netting out the Secondary Sources of Supply, affordable housing need is then related to both projected residential growth and to job growth for the decade to derive growth share ratios of affordable units to all housing units and/or all jobs created. Both of the latter bases are positive housing units and jobs created. The detailing of these steps is undertaken below.

### **REHABILITATION SHARE**

Rehabilitation Share is the total deficient housing signaled by selected housing unit characteristics unique to each community. It is assumed that units so indicated will be prime candidates for rehabilitation. Characteristics indicating a need for rehabilitation are:<sup>10</sup>

- (1) *Persons per Room*. 1.01 or more persons per room in housing units built 1939 or before. These are old units that are overcrowded.
- (2) *Plumbing Facilities*. Inadequate plumbing sufficient for rehabilitation is indicated by incomplete plumbing facilities, i.e., lack of hot and cold piped water, flush toilet or bathtub/shower.
- (3) *Kitchen Facilities*. Inadequate kitchen facilities signaling rehabilitation are indicated by the non-presence of kitchen facilities within the unit, or the non-presence of one of three components: a sink with piped water, a stove, or a refrigerator.

These characteristics of deficient housing are nationally recognized indicators of housing inadequacy. Each one, properly identified and not double-counted or multiply provided (to be explained below), is enough to signal the call for unit rehabilitation. This is true not solely because the characteristic specified is itself debilitating but rather signals a unit that is either old or missing a basic component of normal housing services. These characteristics exist at the municipal level, are reported by the U.S. Census such that they can be isolated and not over counted, and individually indicate the need for structure rehabilitation. This method of identifying Rehabilitation Share is superior to the prior procedure of past rounds and generally superior to any method that determines deterioration at a regional level, combines this with other variables to signal a deteriorated unit, and sends this deterioration count back to municipalities via other variables determined at the municipal level. This is so because the deterioration that is specified is determined directly at the municipal level. In other words, it actually exists as it is specified for these communities. The *5-Percent* Public Use Microdata Sample (PUMS) is used to determine the share of low- and moderate-income families living in deteriorated housing as well as the extent of overlap of any of the indices. This, combined with U.S. Census information

for each community, is the most robust data available in terms of sample size and thus the most accurate source of information on the physical condition of housing at the municipal level. No other data source has sufficient sample size to calculate housing deficiency for a community. No other data source has deterioration tabulated in advance for each community. Expanding this data source to other variables at the Public Use Microdata Area (PUMA) level provides minimal additional information and loses the individual count that the U.S. Census has provided by community.

Rehabilitation Share represents individual municipal housing responsibility reflective of its own housing inadequacy/deficiency. About 68 percent (67.8%) of the total housing deficiency is used to indicate the share that would be occupied by low- and moderate-income families. This percentage is determined from the *5-Percent* Public Use Microdata Sample (PUMS). The range determined by configuring PUMS regions to be equal to COAH Regions is 64 to 74 percent (see Table 2). The 5-Percent PUMAs (PUMS Areas) nest neatly, for the most part, within COAH Regions. One is able to get the most accurate count of the low- and moderate-income share of housing deficiency from this data source.

As such, the regional percentages are used to calculate Rehabilitation Share for each community. These are indicated below.

NE	NW	WC	EC	SW	SSW	Average
63.9	71.4	69.1	66.5	73.7	71.5	67.8

**TABLE 2**  
**Regional Counts of Low- and Moderate-Income Households in Deteriorated Units**  
**(Nonoverlapping Crowding, Plumbing, and Kitchen Variables)**

Region	Condition of Stock	Number Percent	Income Group		Total
			Low/Mod.	Mid/Upper	
Northeast (1)	Deteriorated	Number	16,104	9,083	25,187
		Percent	63.9	36.1	100
	Not deteriorated	Number	294,863	457,101	751,964
		Percent	39.2	60.8	100
	Total	Number	310,967	466,184	777,151
		Percent	40	60	100
Northwest (2)	Deteriorated	Number	11,494	4,610	16,104
		Percent	71.4	28.6	100
	Not deteriorated	Number	271,120	391,094	662,214
		Percent	40.9	59.1	100
	Total	Number	282,614	395,704	678,318
		Percent	41.7	58.3	100
West Central (3)	Deteriorated	Number	3,352	1,498	4,850
		Percent	69.1	30.9	100
	Not deteriorated	Number	159,189	253,934	413,123
		Percent	38.5	61.5	100
	Total	Number	162,541	255,432	417,973
		Percent	38.9	61.1	100
East Central (4)	Deteriorated	Number	3,879	1,954	5,833
		Percent	66.5	33.5	100
	Not deteriorated	Number	222,979	321,266	544,245
		Percent	41	59	100
	Total	Number	226,858	323,220	550,078
		Percent	41.2	58.8	100
Southwest (5)	Deteriorated	Number	3,741	1,335	5,076
		Percent	73.7	26.3	100
	Not deteriorated	Number	162,890	263,477	426,367
		Percent	38.2	61.8	100
	Total	Number	166,631	264,812	431,443
		Percent	38.6	61.4	100
South-Southwest (6)	Deteriorated	Number	2,244	895	3,139
		Percent	71.5	28.5	100
	Not deteriorated	Number	83,082	124,768	207,850
		Percent	40	60	100
	Total	Number	85,326	125,663	210,989
		Percent	40.4	59.6	100
State Total	Deteriorated	Number	40,814	19,375	60,189
		Percent	67.8	32.2	100
	Not deteriorated	Number	1,194,123	1,811,640	3,005,763
		Percent	39.7	60.3	100
	Total	Number	1,234,937	1,831,015	3,065,952
		Percent	40.3	59.7	100

Source: Rutgers University, Center for Urban Policy Research

Using the regional percentage provides a more accurate distribution of Rehabilitation Share by region yet still maintains the redistributive nature of the non-individual municipality percentage. (This would have to be done at the PUMA level and allocated to communities.) The more encompassing regional or statewide percentage applied to each community allows Rehabilitation Share not to be concentrated in central cities or inner-suburban areas. Even though the single percentage was opted for originally because of its simplicity, replacing this with regional percentages maintains both the simplicity and the redistributive intent of the more encompassing percentage.

The full 1939 or earlier crowding figure is used because once crowding is relieved through a substantial rehabilitation effort (likely to be required in an older unit), that unit will satisfy the needs of existing occupants. Newer units that are crowded are not counted because these units generally don't require extensive rehabilitation, they usually meet state housing code occupancy standards, some are single-family ownership units, and two standard units would be created for every new unit that is constructed as a potential replacement unit. The full non-double-counted plumbing figure is used because it is specifically and accurately reported that way by the U.S. Census (lacking complete plumbing but not crowded). Approximately 55 percent of the full count of the kitchen deficiency figure (54.7 percent) is used to compensate for overlapping counts of crowding/plumbing and kitchen deficiencies (Table 3). Using this process for the low- and moderate-income share of the population, there are approximately 40,628 deficient units in New Jersey (Table 2), or about 3.3 percent of the low- and moderate-income housing stock as of the year 2000. Note that Table 2 indicates there are 40,814 versus 40,628 deficient units. This difference is due to slight differences between the PUMS count and applying 67.8% to the long-form count.

The numbers contained in Tables 2 and 3 are from the *5-Percent* Public Use Microdata Sample (PUMS), which were available in August 2003—just before the release of the COAH numbers in October 2003, and not used in that release. The 5-Percent PUMS is a one-in-five sample of the U.S. Census long form (approximately a one-in-five/six sample). This makes it about a 1-in-20 overall sample, or 5 percent. This sample contains five times the number of cases found in the 1-Percent PUMS data. It is a much more robust source of information.

**TABLE 3**  
**The Percentage of Overlap Between Complete Plumbing and Complete or Exclusive Use of Kitchen Units**

Plumbing Facilities	Kitchen Facilities			
		Complete and Exclusive Use	Lack Complete or Nonexclusive Use	Total
No Other Problem	Number	3,005,763	9,621	3,015,384
	Percent	98.6	<b>54.7</b>	98.4
Combined with Crowding and/or Plumbing Problem	Number	42,602	7,966	50,568
	Percent	1.4	45.3	1.6
Total	Number	3,048,365	17,587	3,065,952
	Percent	100	100	100

Source: Rutgers University, Center for Urban Policy Research

In moving from round two to round 3, Rehabilitation Share (based on data derived from the current Census) replaces what was referred to as Present Need in the prior round (including what was referred to as Reallocated Present Need in the previous methodologies). In other words, as part of all three methodologies, the most recent information on deteriorated housing supercedes all other information. With information on the new Rehabilitation Share, Prior Round Prospective Need would be recalculated based on more current information and brought forward into the next round (to be discussed in the following section). This procedure of using the most current and updated information to move from round to round assumed that there would be a new round of Reallocated Present Need. This is not the case for round 3. Instead, Reallocated Present Need (from round two) is retained as part of the Prior Round Obligation. Reallocated Present Need is not present in round 3 as it is inconsistent with a growth share approach, which provides for regional need to be met as a proportion of residential and employment growth in the region. In the past, Reallocated Present Need was often sent to essentially developed suburbs, such as those in the northeastern and southwestern regions; these obligations could not be met and were eventually reduced through a vacant land adjustment. Even though Reallocated Present Need is no longer calculated in round 3, because 64 to 74 percent of *each* community's existing deteriorated housing is available to low- and moderate-income households, there is no reconcentration of the poor in central-urban and inner-suburban areas. By using regional averages, urban and inner-ring suburban municipalities' deteriorated housing is allocated to other, more affluent municipalities in the region. Rehabilitation housing need of low- and moderate-income households in central cities and inner suburbs is less than what it was in round two. Further, COAH will require vacant rental rehabilitation units to be affirmatively marketed within the region to provide additional affordable housing opportunities for low- and moderate-income households in outer suburbs and rural areas.

There were 17,540 units of Reallocated Present Need that were included in round two. Since communities in round two addressed as their new construction obligations the combined total of what was called Reallocated Present Need and what was called Prospective Need, if Reallocated Present Need from round two was eliminated, communities would receive a credit against their new construction need due to the elimination of this component of need, and have a significant negative need or affordable housing credit into the future. To avoid this, the approximately 8,580 units<sup>11</sup> of Reallocated Present Need from round two are retained as part of Remaining Prior Round Obligations (see next section) and an almost equivalent amount (8,464) is subtracted from the Rehabilitation Share of round 3. This is done so that Rehabilitation Share is not *double-counted* when the Reallocated Present Need from round two is retained. This subtraction from current Rehabilitation Share is directed to urban/inner suburban cities and other locations of increasing round 3 Rehabilitation Share. Thus, the approximately 40,628 Rehabilitation Share of round 3 is reduced to about 32,160 units by retaining in place the Reallocated Present Need of round two (to be discussed subsequently) and crediting an almost equivalent amount (8,464) against the 40,628 deteriorated units of round 3. Rehabilitation Share is ultimately refined by reducing the approximate 32,160 units by the spontaneous rehabilitation Credit (to be discussed under Secondary Sources of Supply).

The calculation of low- and moderate-income deteriorated housing need (Rehabilitation Share) for the third round proceeds as follows. There are approximately 60,000 deteriorated housing units (59,951), according to the aforementioned definition, in the State of New Jersey.

The low- and moderate-income share of these deteriorated units is 67.8 percent, or 40,628 units. This is determined by researching the housing condition of each household defined as low- and moderate-income by the *5-Percent AHS*, calculating the percentage of low- and moderate-income households living in deteriorated units, and multiplying this percentage by the *nonoverlapping* count of deteriorated units locally.

The low- and moderate-income share of housing deterioration (40,628 units) is reduced to 32,160 units by subtracting the Reallocated Present Need (allocated to those locations where rehabilitation need is increasing). The amount subtracted is 8,464 units. The whole credit (8,580 units) cannot be applied because this would require a second round of allocation.

Spontaneous rehabilitation, or the ability of low- and moderate-income housing owners to repair and make standard their own buildings, is then subtracted from the low- and moderate-income Rehabilitation Share number (Table 4). Spontaneous rehabilitation (a total of 7,316 units) reduces low- and moderate-income housing deterioration in a community according to the presence of income in that community (both relative and absolute). This is done as follows. Two income measures are selected for allocation:

- a. Municipal share of the regional sum of the differences between median 1999 municipal household income and an income floor (\$100 below the lowest median household income in the region) [taken once], and
- b. Municipal share of the regional sum of the differences between median 1999 municipal household income and an income floor (\$100 below the lowest 1999 median household income in the region) weighted by the number of households in the municipality [taken twice]

Five thousand one hundred eighty-nine (5,189) of the 7,316 spontaneous rehabilitation units are allocated in this fashion. The remaining 2,125 units are allocated to those municipalities where round 3 Rehabilitation Need is greater than round two Rehabilitation Need (Indigenous Need). This is done first within the region to expend 875 units and then outside the region to expend the remaining 1,255 units. The final Rehabilitation Share number is 24,847. Allocating outside the region recognizes that all housing need of those who work in a region is not met within the region. Seven (7) to 32 percent of those who work in a region do not live there. Affordable housing units created outside the region by spontaneous rehabilitation can be utilized by those whose demand comes from within the region.

**TABLE 4  
The Rehabilitation Share Calculation**

<i>Region</i>	<i>Rehabilitation Need</i>	<i>Reallocated Present Need Credit</i>	<i>Spontaneous Rehabilitation Credit</i>	<i>Rehabilitation Share</i>
1. Northeast	16,222	-3,914	-2,002	10,307
2. Northwest	11,762	-2,471	-1,634	7,657
3. West Central	3,424	-370	-1,086	1,969
4. East Central	3,636	-536	-1,168	1,931
5. Southwest	3,367	-937	-971	1,459
6. South-Southwest	2,217	-236	-456	1,524
<b>STATE TOTAL</b>	<b>40,628</b>	<b>-8,464</b>	<b>-7,316</b>	<b>24,847</b>

**REHABILITATION SHARE 2000 BY REGION**

<b>1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES</b>	<b>10,307</b>
<b>2. ESSEX, MORRIS, UNION AND WARREN COUNTIES</b>	<b>7,657</b>
<b>3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES</b>	<b>1,969</b>
<b>4. MONMOUTH, OCEAN AND MERCER COUNTIES</b>	<b>1,931</b>
<b>5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES</b>	<b>1,459</b>
<b>6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES</b>	<b>1,524</b>
<b>STATE TOTAL</b>	<b>24,847</b>

**PRIOR ROUND Obligation (1987-1999)**

**New Construction Obligation from Prior Rounds (1987-1999)**

The New Construction Obligation from prior rounds has three components. These are: Prior Round Prospective Need (round one), Prior Round Prospective Need (round two) and Reallocated Present Need (round two). Reallocated Present Need is brought forward unadjusted from round two. This need is kept (with appropriate crediting of Rehabilitation Share from round 3 to avoid double counting) to prevent excessive future credits in the absence of Reallocated Present Need in round 3. The three components of the Prior Round Obligation all comprise a new construction obligation.

The Prior Round Prospective Need is brought forward after it has been adjusted to true new construction need by comparing prior round projections with subsequent actual Census information and after it has been netted down by adjusted Secondary Sources of Supply of that round. Round 1 Prospective Need and Secondary Sources were overestimated and had to be adjusted downward from the original first round projections. This was done using 1990 U.S.

Census information. The most current Census (2000) showed that round two Prospective Need projections were underestimated, so round two Prospective Need numbers were increased as were round two Secondary Sources of Supply. In round two, both projections of round one Prospective Need and round one Secondary Sources of Supply were decreased. In round 3, both projections of round two Prospective Need and round two Secondary Sources of Supply are increased. The New Construction Obligation from Prior Rounds is shown below (Table 5).

**TABLE 5**  
**The New Construction Obligation Calculation**

<i>Categories of Prospective Need/ Secondary Sources</i>	<i>round one</i>	<i>round two</i>
Original Prospective Need (A)	80,421	42,127
Original Secondary Sources (B)	-49,744	-20,291
Secondary Sources to Prospective Need (B1)	-20,006	-13,122
Secondary Sources to Reallocated Present Need (B2)	-8,398	-7,169
Net Number 1 (A minus B1)	60,415	29,005
Subsequent Prospective Need (C)	41,819	52,659
Subsequent Secondary Sources (D)	-26,158	-25,364
Secondary Sources to Prospective Need (D1)	-3,617	-15,695
Secondary Sources to Reallocated Present Need (D2)	4,642	-8,962
Net Number 2 (C minus D1)	38,202	36,964
Adjustments to Prospective Need (E)	-2,136	-4,083
Difference between Net # 2 and Adjustments	36,066	32,881
Reallocated Present Need - Secondary Sources		8,580
New Construction Obligation (C minus D1 minus E plus F)	(1) 36,066	(2) 41,461
Cumulative New Construction Obligation (1+2)		77,527

In round one secondary Sources were also allocated to Present Need.

In round two there were approximately 700 unused credits.

Table 5 explains in detail the prior round correction process that is part of the COAH methodology. Initial projections of the two prior rounds are corrected by information from subsequent censuses. Taking into account changes to both Prospective Need and Secondary Sources as well as shares of Secondary Sources allocated to Prospective Need and Reallocated Present Need, revised projections for the individual rounds ensue. The New Construction Obligation emerges from this process and is cumulative from round to round. With the inclusion of the net round two Reallocated Present Need, this leads to a New Construction Obligation from Prior Rounds of 77,527.

New construction activities, reductions and adjustments from Prior Rounds are not included in this section as they will be dealt with on an individual basis between municipalities and COAH. Since this component of response to obligation is not included, the below-listed numbers are not included in the summary Fair Share Number appearing at the end of this document.

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**NEW CONSTRUCTION OBLIGATION FROM PRIOR ROUNDS  
1987-1999 BY REGION**

<b>1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES</b>	<b>9,694</b>
<b>2. ESSEX, MORRIS, UNION AND WARREN COUNTIES</b>	<b>6,487</b>
<b>3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES</b>	<b>13,220</b>
<b>4. MONMOUTH, OCEAN AND MERCER COUNTIES</b>	<b>26,740</b>
<b>5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES</b>	<b>13,584</b>
<b>6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES</b>	<b>7,802</b>
<b>STATE TOTAL (NOT INCLUDED IN FINAL NEED TOTAL)</b>	<b>77,527</b>

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**GROWTH SHARE**

Growth share is a municipality’s share of affordable housing that is caused by future growth of residential units and non-residential employment. This is done by projecting aggregate future affordable housing need for the state and its regions. From this is subtracted Secondary Sources of Supply with the exception of spontaneous rehabilitation. The resulting adjusted projection of future statewide need is combined with affordable housing supply to derive a combined (average) growth share. Growth share is then expressed as an individual unit of affordable housing per so many units of total housing units to be built and/or per so many jobs of total jobs to be created.

New Jersey’s affordable housing need for the third round is calculated from the last year of the prior round (1999) to the last year of the third round delivery period (2014). Because of the time involved in waiting for census information, in the form of the *5-Percent* Public Use Microdata Sample (PUMS), response to the 1999 through 2014 affordable housing need is compressed into a delivery period of ten years, beginning January 1, 2004 and ending in 2014.

**Population Projections**

There are two sets of projections currently available from the New Jersey Department of Community Affairs, Office of Smart Growth.<sup>12</sup> They attempt to predict future growth in the State of New Jersey for the period 2000 to 2020. They are used in this methodology to project growth from 1999 to 2014. The first set of projections is available from the New Jersey Department of Labor (NJDOL). With regard to the NJDOL projections, the preferred or Economic-Demographic Projection is used. It is the only one which contains projections below the state level (for counties) by age group.

The information on future age-group distributions is available only within the NJDOL projections. The age distributions of the NJDOL projections are revised slightly by U.S. Census age-group distributions for the State of New Jersey as a whole. The second set of projections is from the three Metropolitan Planning Organizations (MPOs) of the state, each providing a projection for jurisdictions (counties) within these MPOs. While both the MPO and NJDOL projections are grounded by information from the 2000 Census, neither projection has accounted for the difference between actual growth from 1990 to 2000 and better counting procedures in the 2000 Census versus those used in the 1990 Census. As such, both projections generously state the growth anticipated for the period. The projections are shown in Table 6.

The two projections are averaged and placed within the revised age-group distributions (from the U.S. Census) associated with the NJDOL population projections. This places population from the combined projections into 13 age groups for the state as a whole and for its inclusive counties for the period 2000-2015. Slight adjustments are made at the beginning and end of the projections to revise the period of projection from 1999-2014. The use of the population projections produces a total population increment for 15 years of 883,000. This is about a ten percent increase over the period or about 6.7 percent for a decade. The annualized increases leading to the increment of 883,000 for the projected period are greater than the annual increases observed for the three released post-2000 Census population estimates (2001, 2002, 2003).

**TABLE 6**  
**Population Projections—New Jersey—1999-2014**

State/Counties	New Jersey Population Projections			Difference, 1999-2014			
	1999	2014 (NJDOL)	2014 (MPO)	2014 (Average)	1999- 2014 (NJDOL)	1999- 2014 (MPO)	1999- 2014 (Average)
New Jersey	8,348,880	9,333,060	9,131,075	9,232,068	984,180	782,195	883,188
Atlantic	250,362	283,680	292,628	288,154	33,318	42,266	37,792
Bergen	879,962	943,100	920,777	931,938	63,138	40,815	51,976
Burlington	418,853	477,240	472,772	475,006	58,387	53,919	56,153
Camden	507,718	533,700	512,774	523,237	25,982	5,056	15,519
Cape May	102,151	104,660	114,030	109,345	2,509	11,879	7,194
Cumberland	145,806	154,960	165,552	160,256	9,154	19,746	14,450
Essex	790,020	862,780	832,674	847,727	72,760	42,654	57,707
Gloucester	252,048	289,380	290,144	289,762	37,332	38,096	37,714
Hudson	605,950	673,040	682,244	677,642	67,090	76,294	71,692
Hunterdon	120,747	139,260	146,611	142,936	18,513	25,864	22,189
Mercer	348,233	378,900	383,130	381,015	30,667	34,897	32,782
Middlesex	741,454	861,840	837,291	849,565	120,386	95,837	108,111
Monmouth	609,721	685,920	682,211	684,065	76,199	72,490	74,344
Morris	466,474	519,900	509,102	514,501	53,426	42,628	48,027
Ocean	502,759	625,060	555,251	590,155	122,301	52,492	87,396
Passaic	485,959	531,120	517,874	524,497	45,161	31,915	38,538
Salem	64,162	66,160	66,178	66,169	1,998	2,016	2,007
Somerset	293,048	356,820	336,990	346,905	63,772	43,942	53,857
Sussex	142,719	164,820	160,611	162,715	22,101	17,892	19,996
Union	519,809	560,240	534,009	547,125	40,431	14,200	27,316
Warren	100,924	120,480	118,223	119,351	19,556	17,299	18,427

*Source:* New Jersey Office of Smart Growth; averaging and alterations by Rutgers University, Center for Urban Policy Research

The projection used in this analysis combines the two of the Office of Smart Growth projections for each of the six COAH Regions. The projections from the Office of Smart Growth, also included in the new Preliminary State Plan (April 2004), form the basic foundation for future affordable housing need. Projections for age groups 17 to 24, 25 to 34, 35 to 44, 45 to 54, 55 to 64, 65 to 74, and 75+ are subjected to derived headship rates (see below) for these same age groups, and a count of total projected households emerges.

## **Household Projections**

Headship rates, the probability of heading a household from all persons found in an age group, are calculated for each of the COAH Regions. Headship rates are calculated by age group for each region in 1980, 1990 and 2000 and regressed (subjected to Multiple Regression Analysis) to the year 2014. These are shown for 1999 and 2014 in Table 7. Headship rates for 1999 and 2014 are applied to the combined population projections for each of these years to derive total household counts by region for each period. The initial period is subtracted from the final period for each region, yielding a regional total household projection.

In the next step, the affordable housing share of regional household projections is determined. Households by county are added to produce households by COAH Region. For the state as a whole this amounts approximately to 335,000 households (Table 8).

From this total regional household projection is calculated regional median family income. Households are then arrayed by size. Households of size 4 below 80 percent of median family income are counted, as are households of size 3 below 72 percent of median family income and households of size 5 below 90 percent of median for household sizes less or more than 4. The total household projection is assigned characteristics by age group reflecting the characteristics of age groups defined by the *5-Percent* AHS PUMS for the region.

**TABLE 7**  
**Headship Rates by Age Group and Region—New Jersey—1999, 2014**

<b>Region</b>	<b>Age Group</b>	<b>1999</b>	<b>2014</b>	<b>Region</b>	<b>Age Group</b>	<b>1999</b>	<b>2014</b>
Northeast	18-24	0.124402	0.108267	East Central	18-24	0.103854	0.075767
	25-34	0.405961	0.360601		25-34	0.408978	0.361978
	35-44	0.509128	0.486959		35-44	0.513289	0.493228
	45-54	0.549089	0.555907		45-54	0.549185	0.548915
	55-64	0.567697	0.560795		55-64	0.580359	0.59409
	65-74	0.606818	0.596182		65-74	0.622032	0.630149
	75 and older	0.628841	0.660306		75 and older	0.644755	0.687055
Northwest	18-24	0.121627	0.100398	Southwest	18-24	0.134677	0.105572
	25-34	0.408193	0.364144		25-34	0.437699	0.405147
	35-44	0.506803	0.48065		35-44	0.528364	0.524785
	45-54	0.549171	0.546239		45-54	0.569325	0.584422
	55-64	0.585688	0.598792		55-64	0.592381	0.603954
	65-74	0.609415	0.602561		65-74	0.641183	0.666929
	75 and older	0.622356	0.659061		75 and older	0.623446	0.683013
West Central	18-24	0.107017	0.088348	South-Southwest	18-24	0.137266	0.089419
	25-34	0.409851	0.375601		25-34	0.398007	0.328213
	35-44	0.509259	0.494224		35-44	0.475936	0.437329
	45-54	0.548927	0.564004		45-54	0.475936	0.509877
	55-64	0.560583	0.556554		55-64	0.567244	0.555988
	65-74	0.599701	0.604342		65-74	0.625648	0.61237
	75 and older	0.600298	0.662431		75 and older	0.631801	0.670698

*Source:* Rutgers University, Center for Urban Policy Research. These data are derived from information found in the *U.S. Census of Population and Housing* (2000).

**TABLE 8**  
**Total Household Change by Region—New Jersey, 1999–2014**

<b>COAH Region</b>	<b>Households</b>		<b>Change</b>
	<b>1999</b>	<b>2014</b>	<b>1999-2014</b>
Northeast	772,241	820,128	47,887
Northwest	676,613	712,780	36,167
West Central	414,359	485,493	71,134
East Central	545,182	639,585	94,403
Southwest	437,169	499,126	61,956
South-Southwest	201,698	225,247	23,549
<b>Total</b>	<b>3,047,261</b>	<b>3,382,358</b>	<b>335,096</b>

*Source:* Rutgers University, Center for Urban Policy Research

As of the year 2000, households qualifying for affordable housing by size of household are sifted from all households likely to grow in the region. This procedure, summed for household sizes of one to eight or more, constitutes future low- and moderate-income households in the region. For the fifteen-year projection period this amounts to 154,700 households—about 40 percent of all households, of which 61 percent are senior citizens, defined as households headed by a person 65 years of age or older. To do this, the Public Use Microdata Sample (PUMS) areas are fit to regions to establish a regional median family income and to qualify those households at a percent of regional median family income by household size. (See section on “Income Qualification of the Low- and Moderate-Income Population.”)

This procedure also weighs differently various age groups’ characteristics according to their incidence in the projected household population. In addition, households that qualify for affordable housing by income but are likely to have significant assets in the form of owned property that is both fully paid off and affordable at just under 40 percent of income (38 percent) are eliminated from this group. Households are eliminated if they will own a house whose value exceeds the maximum allowable value under COAH standards by region (at 80 percent of median income—in 2000 dollars—shown below by region) and it will be affordable to them at 38 percent of income. More than 38 percent of income for housing expenses, including principal, interest, taxes, insurance, maintenance, and community association fees, is deemed as prohibitive in terms of mortgage acquisition.<sup>13</sup> This eliminates from the count those households that will have paid-down assets in the form of owned property in which they will both live and be able to afford. This reflects the reality that a share of those who qualify by income in the future will have paid off property that they can afford and will not need affordable housing provided to them. This procedure is repeated for both 1999 and 2014, and the former number of households is subtracted from the latter. This constitutes an approximation of future growth of regional affordable households (Table 9). The remaining number after this procedure is 127,718 households. To this is applied an average vacancy rate of 6 percent (which varies by region and amounts to 7,400 households) and a factor to compensate for those who would reside in the future in group quarters (5,255 households). This sums to future required low- and moderate-income housing units by region.

**COAH Maximum Affordable Sales Prices**

Region	Four Person HH Median Income	Percent of Median Income	Maximum Affordable Sale Price	Region	Four Person HH Median Income	Percent of Median Income	Maximum Affordable Sale Price
Northeast	\$66,831	80%	120,896	East Central	\$64,505	80%	\$116,109
Northwest	\$70,600	80%	\$127,080	Southwest	\$57,800	80%	\$104,040
West Central	\$80,800	80%	\$145,440	South-Southwest	\$49,960	80%	\$89,928

**TABLE 9**  
**Projected Need Calculation**

<i>Region</i>	<i>Projected Need</i>	<i>Paid-Down/ Affordable/ Owned Housing</i>	<i>Subtotal</i>	<i>Vacancy</i>	<i>Group Quarters</i>	<i>Total</i>
1. Northeast	23,787	-3,250	20,537	+703	+1,801	23,041
2. Northwest	17,923	-3,263	14,660	+635	+1,334	16,628
3. West Central	31,417	-5,947	25,470	+675	+572	26,717
4. East Central	42,685	-7,898	34,787	+2,702	+494	37,983
5. Southwest	27,387	-4,596	22,791	+1,288	+882	24,961
6. South-Southwest	11,506	-2,033	9,473	+1,390	+173	11,036
<b>STATE TOTAL</b>	154,705	-26,987	127,718	+7,392	+5,255	140,365

From future low- and moderate-income housing units by region is subtracted secondary sources of supply, also by region. Secondary Sources of Supply are calculated for the state as a whole and sent to regions according to allocation criteria specific to that type of secondary source of supply. Secondary sources are subtracted from overall demand to determine an adjusted projection of future need for each region. This is combined with potential Affordable Housing Supply for the region, and an average figure is determined for the region and the state as a whole. This average is a growth share which is sensitive to both future supply and demand aspects of affordable housing. To numerically sum up, the various procedures discussed above yield a future need (1999-2014) statewide of 127,718 low- and moderate-income occupied housing units. Added to that is a projected need for vacancy (7,400 households) and for those who would live in group homes (5,255 households<sup>14</sup>). From the projection of approximately 140,365 units required statewide, secondary sources of supply (87,639) are subtracted, resulting in an adjusted projected need of approximately 52,726. This is combined with a projected affordable housing supply of about the same number of units overall (52,768) with differences in location regionally, to determine a single combined growth share which is also about 52,747. This is a figure which encompasses differences in affordable housing demand and supply by region. This will be demonstrated in the section on “The Combined Demand/Supply Growth Method.”

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**PROJECTED NEED 1999-2014 BY REGION**

1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES	23,041
2. ESSEX, MORRIS, UNION AND WARREN COUNTIES	16,628
3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES	26,717
4. MONMOUTH, OCEAN AND MERCER COUNTIES	37,983
5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES	24,961
6. ATLANTIC, CAPE MAY, CUMBERLAND & SALEM COUNTIES	11,036
 STATE TOTAL	 140,365

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**SECONDARY SOURCES OF HOUSING SUPPLY (AND DEMAND)**

**Filtering, Residential Conversion, Spontaneous Rehabilitation,  
Publicly Assisted Housing, and Demolitions**

Secondary sources of housing supply reflect the adjustments of the housing market to the unevenness and spontaneity of primary housing supply. As housing is added by private developers to the upper and middle price categories of the stock, a large share of consumers who already occupy housing within the market are attracted to this housing. When they occupy the new housing through purchase or rental agreements, they release sound housing within the local market. This causes the housing that they once occupied to be available to a lower round of consumers, often at a reduced price. The process is termed *filtering*. Filtering reduces future housing need as a greater proportion of formerly higher priced housing is now available at potentially lower prices. Filtering takes place in active housing markets, especially those housing markets that contain sound housing undergoing significant turnover in the presence of significant housing being built outside the jurisdiction.

In selected submarkets, a demand may exist for smaller units, and this need may not be responded to by normal market operations. The market adjusts to this need by creating additional smaller units from larger ones. This is termed *residential conversion* and often occurs in housing stocks containing post-World War II structures that can be adapted to smaller units yet not be obvious enough to alter the value of adjacent units in the process. The older, suburban, small- to mid-size home is an ideal conversion unit. Two units may be created where only one unit may have existed in this type of structure previously. Often these units are termed illegal conversions, not because they are not safe, sound housing, but rather because the reconfigured structure no longer conforms to the unit restrictions of the zoning ordinance. Whether they are legal or illegal, they are counted as being there and as separate units by the U.S. Census.

Another characteristic of the housing market is for deficient units to be upgraded privately. This also lessens housing need as a deficient unit is replaced by a sound unit, not at public cost. This happens because a market exists for the renovated structure, usually at a higher occupancy cost than when the structure fell into disrepair. *Spontaneous rehabilitation*, as it is called, occurs in markets catering to the near poor and affects only a very small proportion of the low- and moderate-income housing stock.

Another source of housing supply is direct provision of below-market housing by sources other than the private market. These *below-market housing units* are enabled by federal, state and local government subsidies and the activities of nonprofits, church groups, and the like. They are often termed broadly as publicly assisted housing units. This incremental housing supply, from a variety of sources, provides regular regional contributions to housing demand at the low end of the income distribution.

Yet another indirect source of housing demand, not supply, is *demolitions*. Demolitions occur when: (a) the utility of housing is exceeded by the land value of housing, (b) other competing uses for the land occur, or (c) natural hazard befalls the structure. Housing is taken down and is lost from the stock. Less housing is available than there was before demolition. This happens disproportionately to units occupied by the poor. In the methodology employed here, which is the tracking of net units added over a period, demolition is already included in the net change. Secondary demand is calculated relative to the disproportionate amount of demolition affecting low- and moderate-income households, often without appropriate record keeping.

### **Filtering**

Net filtering is a downward movement of housing which recognizes that the housing requirements of lower income groups can be served by supply additions to the higher-income sectors of the housing market. During the course of normal market operations, middle- and upper-income households vacate existing housing for new, more desirable units, leaving their units vacant for households of lesser income. Filtering is predicated on the existence of housing building activity, which causes housing prices to drop due to excess housing supply versus demand.

Filtering is measured using the American Housing Survey over the ten-year period 1989-1999.<sup>15</sup> The American Housing Survey is particularly useful in that the same unit is measured at various intervals. By specifying HUD Section 8 income eligibility by household size for the years in question, two components of the household population can be isolated: those that meet *Mount Laurel II* income requirements, and those that are above these requirements. Given these two income determinations at the two periods in time, a specific unit can be tracked according to the income of the household that occupies it. If it was not occupied by a *Mount Laurel* income-eligible family in the first period and was in the second period, it filtered down. If the reverse is true, it filtered up. If it was similarly occupied for both periods, it did not filter.

**TABLE 10**  
**The Filtering Calculation**

1. Total non-deteriorated units in region studied which were sampled in both 1989 and 1999	1,964,046	
2. Units which were occupied by low- or moderate-income households in 1989 but were occupied by middle/upper income households in 1999 (Filtered Up)	296,716	(15.11%)
3. Units which were occupied by middle/upper income households in 1989 but were occupied by low or moderate income Households in 1999 (Filtered Down)	334,282	(17.02%)
4. Units which net filtered down (Item 3 minus Item 2)	37,566	
5. Middle/upper income units	1,210,547	
6. Share of units which filtered (Item 4 divided by Item 5)	3.10%	
7. Share of units out the upper up/down range which are affordable	70.9%	
8. Share of units which filtered reduced by 29.1 percent to account for units where occupants are paying more than an affordable level of rent or owner costs. (Item 6 times 0.709)	2.2%	
9. Estimated middle/upper income non-deteriorated units in New Jersey 1999	1,792,465	
10. Apply filtering percentage to the above units (Item 9 times Item 8)	39,438	
11. Adjust filtering to fifteen year period (Item 10 times 1.5)	59,156	

Viewing the same housing units, it is found that the net filtering (units moving down minus units moving up) to the lower income population in New Jersey is about 1.9 percent over the course of the ten-year observation period 1989-1999. About 17.0 percent of the stock moves down, and 15.1 percent moves up (Table 10). The gross figure for ten-year net filtering is 3.10 percent of the non-deteriorated, non-low- and moderate-income housing stock. A derivative 2.20 percent figure is the one used in the filtering calculation. It is determined by multiplying the 3.10 percent, ten-year filtering rate by 0.71. This figure is determined using the American Housing Survey to analyze who lives in a filtered unit and what their rent is relative to income. The latter accounts for those units that might filter down over the period yet would not have the same range of affordability as those units that were continuously occupied over the period by low- and moderate- income families. In other words, slightly less than 71 percent of the potential units available for filtering are counted, accounting for the fact that 29 percent of the units that filter down to low- and moderate-income households are beyond what these households can reasonably afford. Further, by using the non-deteriorated portion of the housing stock, the units that are counted as moving downward and are affordable, are assumed to be of adequate housing quality. Thus, both affordability and housing condition of the resulting units are controlled for in the filtering estimate. The figure obtained by using the 2.20 percent affordable and sound filtering rate is multiplied by 1.5 to result in a 15-year filtering number of 59,156.

## **Residential Conversion**

Conversion is the creation of dwelling units from already existing structures. Almost all conversion consists of additional dwelling units being created from other residential units, and very rarely from non-residential units. This type, termed residential conversion, is a significant and recognized source of housing supply to low- and moderate-income families. According to the U.S. Department of Housing and Urban Development (HUD), as family size has decreased over the past two decades, residential conversion creating smaller units from larger units has also increased.

Converted units are measured using the *Decennial Census* over the period 1990 to 2000. Conversions are the difference between the net change in total housing units (end minus beginning of period), minus the net of housing units constructed and demolitions lost over the period. The housing stock is always characterized by having more units measured as present at the end state versus the beginning than can be accounted for by building permits minus demolitions. This unexplained difference is termed “conversion,” most of which takes place from single-family residential units. In the 1980s, converted units in New Jersey were actually reported as part of the building permit process.

**TABLE 11**  
**The Residential Conversion Calculation**

1. Total Units in Year 2000 in New Jersey	3,310,275
2. Total Units in Year 1990 in New Jersey	3,075,310
3. Unit Increase 1990 to 2000 (Item 1 minus Item 2)	234,965
4. Building Permits 1990 to 1999	239,061
5. Estimated Demolitions 1990-2000	26,212
6. Unit Increase Minus Building Permits Plus Demolitions Equals Conversions (Item 3 minus Item 4 plus Item 5)	22,116
7. ten-year low/mod.-income share of Conversions (40% of Item 6)	8,846
8. 15-year Conversions (Item 7 times 1.5)	13,270

U.S. Census information indicates that there was a 234,965 increase in housing units from the 3,075,310 reported in 1990 to the 3,310,275 reported in 2000 (Table 11). Residential building permits, as reported by the state, amounted to 239,061 units. Demolitions for the 1990 to 2000 period, as reported by the state, are 26,212. The unit increase (234,965) plus demolitions (26,212) minus building permits (239,061) leaves 22,116 units unaccounted for which are considered to be conversions. A conservative 40 percent of these are considered to be low- and moderate-income housing units, yielding a conversion number of 8,846 for a ten-year period and 13,270 for a 15-year period. The 40 percent figure assumes that conversion units are occupied low- and moderate-income households in direct proportion to their percentage in the population—i.e., about 40 percent. In reality, this figure is probably much larger since middle- and upper-income households, due to their incomes, do not have to rely on converted units as a primary source of housing.

**Spontaneous Rehabilitation**

Spontaneous rehabilitation is the unsolicited private market reduction of housing need by structure rehabilitation sufficient to render the unit free of deficiencies. Using the American Housing Survey, over four interim years between 1989 and 1999 (1991, 1993, 1995, 1997), spontaneous rehabilitation can be measured by using as a surrogate more than \$10,000 spent on each of three of four categories of additions, alterations, replacements, or repairs either over the period or during the course of a single year.<sup>16</sup> Thus, spontaneous rehabilitation happens to about 1.29 percent of the deficient units occupied by low- and moderate-income households annually. For a ten-year period, the figure is estimated to be 12.9 percent; for a 15-year period it is estimated to be 18 percent. This percentage, applied to Rehabilitation Share, yields a spontaneous rehabilitation number of 7,316 units (Table 12). Spontaneous rehabilitation happens in locations where there is an active market for a lower income tenantry. There must be an adequate amount of housing stock serving affordable housing needs for this to happen.

Spontaneous rehabilitation at this juncture should not be confused with rehabilitation as an ameliorative housing strategy once the cumulative Fair Share is determined. Spontaneous rehabilitation of low- and moderate-income need is a reduction before the cumulative Fair Share is tallied due to the workings of the private market. Public, publicly assisted, or private rehabilitation as a housing strategy, once need is determined, is one of the several means of response to that need and has nothing to do with the need reduction determined in this step. Spontaneous rehabilitation as a reduction of housing need is *not* subtracted from the New Construction Obligation en route to growth share. Instead, it is subtracted from Rehabilitation Share and reduces the rehabilitation obligation. This reflects COAH’s past practice of reducing the new construction and rehabilitation obligations by Secondary Sources of Supply.

**TABLE 12**  
**The Spontaneous Rehabilitation Calculation**

1. Deteriorated units 1989 determined to have had \$10,000 or more spent on repairs or improvements from the 1989, 1991, 1993, 1995, 1997 and 1999 American Housing Survey National Files for an area approximating New Jersey.	4,035
2. Base number of units which were deteriorated in 1989 and were available for analysis for the above years in the AHS	31,204
3. Share of units that experienced spontaneous rehabilitation	12.9%
4. Share of units that would experience spontaneous rehabilitation in a 15 year period (Item 3 x ~1.5)	18%
5. Rehabilitation Share (1999) before reduction by Rehabilitation Share Credit.	40,641
6. Spontaneous rehabilitation number for the period 1999-2014 (Item 5 multiplied by item 4)	7,316

**Publicly Assisted Affordable Housing Production**

Yet another reality of the housing market is for housing need to be answered from public or quasi-public sources—in other words, publicly assisted housing provision. This comes in numerous forms: HUD Section 8 Housing Assistance, HUD 202 Elderly Housing, New Jersey HMFA and DCA Housing Assistance Programs, as well as local non-profit efforts. Only one program will be counted here: the New Jersey Housing and Mortgage Finance Agency’s Low Income Housing Tax Credit. This program is counted because it is a direct provider of housing within the income ranges earlier defined and has been a significant player during the prior round of affordable housing.

The New Jersey Housing Mortgage Financing Agency and the New Jersey Department of Community Affairs have been supporting construction of new affordable units under a number of programs, including Hope VI, the federal Low Income Housing Tax Credit Program, Urban Homeownership, and Balanced Housing. Over the period 1999 through 2003 (five years), about 7,692 affordable units have been added to the New Jersey housing stock from the federal Low Income Housing Tax Credit Program, and the trend over the period would indicate that this production will remain stable or even increase in the future.<sup>17</sup> To account for a fifteen-year period, 23,077 units are added to the secondary sources of supply total (Table 13). Information from NJDCA has verified that this source of supply has not been counted as part of municipal credits, reductions and adjustments—it has been calculated solely from housing activities in non-COAH certified communities.

**TABLE 13**  
**The Publicly Assisted Affordable Housing**  
**Production Calculation**

HMFA Low Income Housing Tax Credit Units (not captured in COAH Credits)							
Region	1999	2000	2001	2002	2003	5-Year Total	15-Year Total
1 (NE)	268	411	322	119	172	1,292	-4,273
2 (NW)	506	181	481	1211	300	2,679	-6,199
3 (WC)	0	185	164	212	263	824	-1,977
4 (EC)	389	0	211	215	51	866	-4,032
5 (SW)	137	242	507	323	221	1,430	-4,928
6 (SSW)	0	0	0	504	97	601	-1,668
Total	1,300	1,019	1,685	2,584	1,104	7,692	-23,077

**Demolitions**

One final source exists. This source is of additional demand, not supply. This source of demand relates to demolitions of below-market housing units at a rate greater than market units. This phenomenon has a disproportionate effect on low- and moderate-income housing supply. Low-

and moderate-income units are demolished in bulk, often without accurate reporting. Units are lost from the stock at greater rates than those reported. While most of this may be picked up in the net change in units over a Census period, a factor is needed to compensate for this abnormal impact on lower income housing demand due to the diminishment in supply. A share of low-income demolitions is estimated and added to the demand for low- and moderate-income housing for the subsequent period. This number is also added to compensate for urban communities demolishing deteriorated housing units and having less deteriorated units reported at the next Census monitoring interval without addressing their deteriorated housing need.

Demolitions are a secondary source of housing demand in that demand is created by households requiring housing because units are lost from the stock. Housing units are lost due to fire, structure abandonment, road improvements, community renewal, land-use change, and other reasons. Even though these demolished units are caught in U.S. Census (1990) to U.S. Census (2000) net change in units, a certain proportion is not reported, and this is disproportionately present in low- and moderate-income housing units. This is used as an approximate control in the analysis.

In order to estimate the scale of demolitions (Table 14), reported demolitions for each municipality for the years 1990 through 1999 (ten years) are averaged and multiplied by 1.5 to obtain a 15-year projected demolition estimate.<sup>18</sup>

Residential demolitions amounting to 26,212 units from 1990 through 1999 are multiplied by 1.5 to estimate the 15-year period. Twenty percent is taken as the demolition contribution to secondary sources, resulting in a demolition number of 7,864. Twenty percent reflects the share of demolitions disproportionately affecting low- and-moderate income households that are not accounted for in period-to-period components of change analysis. All demolitions reported below are caught in the unit change differences from period (1990) to period (2000) in the Census. The demolitions listed below, in the aggregate, are factored in both the demand and supply projections. The 20 percent figure used here is an extra factor for abnormally high demolitions affecting the lower income portion of the housing stock and not being recorded adequately.

**TABLE 14**  
**The Demolition Calculation**

1. Demolitions 1990	2,227
2. Demolitions 1991	1,661
3. Demolitions 1992	1,594
4. Demolitions 1993	1,430
5. Demolitions 1994	1,471
6. Demolitions 1995	3,350
7. Demolitions 1996	2,642
8. Demolitions 1997	4,918
9. Demolitions 1998	2,867
10. Demolitions 1999	4,052
11. Total Demolitions 1990 to 1999 (sum of Items 1 to 10)	26,212
12. Fifteen-year estimate of Demolitions (Item 11 x 1.5)	39,318
13. Low and moderate share of Demolitions (20 percent of Item 12)	7,864

*Source:* New Jersey Department of Labor, Division of Planning and Research. *Residential Building Permits and Demolitions* (annual series), 1990-1999)

### **Allocation of Secondary Sources/Vacancy/Group Quarters (Table 15)**

*Filtering* is allocated below the state level to regions according to a combination of affordable housing need, projected household growth, and an absence of housing deterioration. Each is equally weighted, and the last factor is adjusted slightly to avoid over crediting the most southern region. Filtering typically occurs in an environment where a fluid market exists, other housing is being built to free-up existing housing, and the remaining stock is in generally good condition.

*Residential conversion* is allocated according to locations of post-1960s but pre-1990s inexpensive housing. These are primarily suburban housing units that contain multiple households with some division of the structure such that they report two different units. This happens due to confusion with the Census form on how units are reported or, alternatively, may reflect an illegal conversion. In either case, a unit is found. The dominance of this type of housing in the standing stock, occupied by near-lower income families, makes it a prime source of affordable housing for lower income families.

*Spontaneous rehabilitation* is allocated according to the existence of private lower income housing that might be upgraded to secure future occupancy. It is the presence of housing units in the region whose value is from 40 to 80 percent of median housing value and rents.

*Publicly assisted housing units* (Low Income Housing Tax Credit) are allocated according to the distribution of their construction from 1990 to present. The current distribution is projected into the future.

*Demolitions* are projected into the future by region according to the incidence of their location during the 1990s.

Future *structure vacancy* is allocated by region according to projected levels of non-seasonal vacancies for the COAH Regions of the state.

The *group quarters* portion of affordable housing need is projected by region according to the current percent incidence of households of limited income in COAH Regions.

**TABLE 15**  
**Secondary Sources of Supply (and Demand) by Region**

<i>Region</i>	<i>Filtering</i>	<i>Residential Conversion</i>	<i>Publicly Assisted Housing</i>	<i>Demolitions</i>	<i>Total of Secondary Sources</i>	<i>Spontaneous Rehabilitation<sup>a</sup></i>
1. Northeast	-4,068	-1,489	-4,273	1,943	-7,887	-2,002
2. Northwest	-4,863	-1,643	-6,199	1,933	-10,772	-1,634
3. West Central	-11,706	-2,282	-1,977	336	-15,629	-1,086
4. East Central	-21,016	-4,025	-4,032	1,339	-27,733	-1,168
5. Southwest	-12,475	-2,661	-4,928	722	-19,342	-971
6. South-Southwest	-5,027	-1,171	-1,668	1,590	-6,276	-456
<b>Total</b>	-59,156	-13,270	-23,077	7,864	-87,639	-7,316

a. Spontaneous rehabilitation reduces Rehabilitation Share and is not included in the total of Secondary Sources of Supply to reduce Projected Need prior to growth share.

**SECONDARY SOURCES OF SUPPLY 1999-2014 BY TYPE AND REGION (NOT INCLUDING SPONTANEOUS REHABILITATION, WHICH WAS ALLOCATED TO REHABILITATION SHARE)**

<i>Filtering</i>	<i>Residential Conversion</i>	<i>Publicly Assisted</i>	<i>Demolitions</i>	<i>Total</i>
(-)59,156	(-)13,270	(-)23,077	(+)7,864	(-)87,639
				<u>Combined Secondary Sources of Supply by Region</u>
1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES			-7,887	
2. ESSEX, MORRIS, UNION AND WARREN COUNTIES			-10,772	
3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES			-15,629	
4. MONMOUTH, OCEAN AND MERCER COUNTIES			-27,733	
5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES			-19,342	
6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES			-6,276	
<b>STATE TOTAL</b>			<b>-87,639</b>	

**ADJUSTED PROJECTED NEED**

Adjusted projected need by region is the total projected need for affordable housing based on statewide growth minus secondary sources of affordable housing supply. It is the figure that, when averaged with Affordable Housing Supply by region, creates the growth share that is met by a component of residential and non-residential unit construction. It should be emphasized that this is an estimate of Affordable Housing Need counting Secondary Sources of Supply. For the COAH Regions and the state as a whole it is as follows:

**ADJUSTED PROJECTED NEED 1999-2014 BY REGION**

	<b>Total Projected Need (Estimated)</b>	<b>Secondary Sources</b>	<b>Adjusted Projected Need</b>
1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES	23,041	-7,887	15,154
2. ESSEX, MORRIS, UNION AND WARREN COUNTIES	16,628	-10,772	5,856
3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES	26,717	-15,629	11,088
4. MONMOUTH, OCEAN AND MERCER COUNTIES	37,983	-27,733	10,250
5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES	24,961	-19,342	5,619
6. ATLANTIC, CAPE MAY, CUMBERLAND & SALEM COUNTIES	11,036	-6,276	4,760
<b>STATE TOTAL</b>	<b>140,365</b>	<b>-87,639</b>	<b>52,726</b>

## **CONGRUENCE OF DEMAND AND SUPPLY**

The key to delivering future affordable housing need in round 3 is its relationship to housing supply. This combined dependence is termed “growth share” and will be explained in a following section. This section discusses relationships between housing demand and housing supply because growth share must be sensitive to, and in fact is comprised of, both. Housing demand and housing supply are linked because a household is an occupied housing unit. Thus, a projection of the need for housing in households will ultimately be closely related to a projection of the future supply of housing units. Often, however, supply lags demand, and the most current projection of demand actually leads the most current projection of supply for an area. They cannot be too different since, except for vacancy, they are supposed to be identical. Supply is altered somewhat by demand and, in turn, demand is altered by the availability of supply. Future demand iterates future supply and vice versa.

Projecting housing supply by region is accomplished by analyzing both the 1980 to 1990 location of delivered housing units and the 1990 to 2000 location of delivered housing units. Over the period 1980 to 1990 approximately 385,000 units were delivered. Over the period 1990 to 2000, 235,000 were delivered. Over the period 1992 to 2002, 245,000 units were delivered. This information is available from the U.S. Census from 1990 to 2000 by year and from building permit data for 2000, 2001, and 2002. The 1980s saw massive housing delivery to the South-Southwest COAH Region in response to the expansion of the casino industry. The number of units delivered during the decade to the region (70,350) was 4.5 times what was delivered during the following decade (16,100). Likewise, reflective of aforementioned totals, except for the Northwest region, housing delivered was reduced significantly during the 1990s from the 1980s. The level of supply of the 1990s/early 2000s will be maintained as it is projected into the future, and distributed across regions reflecting 1980-1990 and 1990-2000 combined growth. This is done to recognize that regional markets initially heat and cool, and these fluctuations subsequently even out as new demand is created or diminished due to the price consequences of these building cycles. The projected future supply of housing, potentially alterable by demand, is indicated below. Net unit change recognizes the potential for a community to lose housing. Positive unit change sums only those communities who will add to their housing stock, based on net growth within each municipality, and is the basis for determining residential growth. Communities in New Jersey either (1) grew or (2) declined in their number of housing units over the period 1990 to 2000. A group of approximately 460 communities, primarily suburban and rural, increased in number of housing units by about 260,000. A smaller group of 100 communities, primarily urban or developed suburban, decreased in their housing units by about 15,000 units. The net change in housing units over the decade was 245,000. It is the housing production of this first group of communities—those experiencing positive unit change for a decade—by which the residential component of growth share is delivered. The other group of communities—those experiencing decline over a prolonged period of time, in which no delivery is expected and no need is generated, would receive a zero for residentially based growth share need and, as well, for their ability to support below-market housing via the production of market housing.

Another factor relating to residential housing supply also needs consideration. It is recognized that in order to deliver the Remaining Prior Round Obligation, it will diminish the housing supply necessary to support affordable housing in the current round. Affordable housing fulfillment in delivering the Remaining Prior Round Obligation is assumed to proceed in the future at about the pace of the past eighteen years. From 1987 to 2004 (18 years), 13,196 affordable housing units were constructed within inclusionary zoning developments through the COAH process. This averages 733 units per year or 7,330 units over a ten-year period. In the future, 9,364 affordable units will be required as part of the Remaining Prior Round Obligation. Assuming that 80 percent of these come to fruition during the next ten years, 7,490 must be built. This is an average of 749 per year— comparable to the prior round delivery. Using a 20 percent inclusionary rate, a total of 29,965 market units will be necessary to support the Remaining Prior Round Obligation. An amount equivalent to this figure (29,965) is subtracted from projected positive housing unit change over the period 2004 to 2014 to account for the portion of housing supply that must be used to deliver the Remaining Prior Round Obligation. This remaining amount necessary to deliver growth share is 230,176 housing units.

***PROJECTED TOTAL HOUSING SUPPLY 2004-2014 BY REGION***

	Net Unit Change	Positive Unit Change	Units Required to Deliver Prior Round	Reduced Units to Deliver Current Round
<b>1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES</b>	<b>34,156</b>	<b>35,119</b>	<b>-4,304</b>	<b>30,815</b>
<b>2. ESSEX, MORRIS, UNION, AND WARREN COUNTIES</b>	<b>10,824</b>	<b>20,811</b>	<b>-2,771</b>	<b>18,040</b>
<b>3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES</b>	<b>53,007</b>	<b>53,329</b>	<b>-4,502</b>	<b>48,827</b>
<b>4. MONMOUTH, OCEAN AND MERCER COUNTIES</b>	<b>76,860</b>	<b>78,042</b>	<b>-7,674</b>	<b>70,368</b>
<b>5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES</b>	<b>38,033</b>	<b>40,322</b>	<b>-9,350</b>	<b>30,972</b>
<b>6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES</b>	<b>32,311</b>	<b>32,518</b>	<b>-1,363</b>	<b>31,155</b>
<b>STATE TOTAL</b>	<b>245,190</b>	<b>260,141</b>	<b>-29,965</b>	<b>230,176</b>

The affordable housing component of this supply is listed below. It is calculated by assigning a share of the total housing delivered (residential growth) according to the ratio of affordable housing needed in a region to total housing delivered in that region. This ratio represents a 23 percent (22.9%) affordable housing set-aside as a proportion of all housing delivered. This is the supply and location of affordable housing, if all affordable housing were to be delivered from housing supply. In the section that follows, the impact of employment on affordable housing delivery will be discussed.

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**PROJECTED AFFORDABLE HOUSING SUPPLY 2004-2014 BY REGION**

1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES	7,064
2. ESSEX, MORRIS, UNION AND WARREN COUNTIES	4,136
3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES	11,194
4. MONMOUTH, OCEAN AND MERCER COUNTIES	16,132
5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES	7,100
6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES	7,142
STATE TOTAL	52,768

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**EMPLOYMENT AS A CONTRIBUTOR TO AFFORDABLE HOUSING**

Without question the presence of jobs creates a demand for housing. In reverse form, the presence of housing creates a labor force from which employees can be taken. This ongoing relationship between housing and jobs has established the growth of jobs as a demand factor in housing. Clearly, it is not as important as the growth of households, but it remains a significant factor. Over the period 1990 to 2000, New Jersey's job base grew by 335,000, from 3.665 million to 3.900 million. Currently (May 2004) it is estimated that there are 4.035 million jobs in the state.<sup>19</sup>

From January 1990 to May 1992, 245,000 jobs were lost in New Jersey as part of the worst recession since the Great Depression (1930s). From May 1992 to December 2000, 580,000 jobs were created as part of a large job expansion. The difference—580,000 minus 245,000—is the March 1989 to December 2000, peak-to-peak increase of 335,000. For an 11-year period, this is an average of 30,000 jobs created annually. 45,500 net annual future employment growth is projected, which is only 65 percent of the annual employment growth taking place during the 1992 to 2000 period (nearly 70,000 annually). From May 2003 to May 2004, New Jersey added 65,500 jobs and ranked fifth of the 50 states in job creation. States ahead of New Jersey were Florida, California, Virginia, and Texas. New Jersey is immediately followed by Arizona. New Jersey is currently expanding its employment base at a pace equivalent to the most active sunbelt states.<sup>20</sup>

From 2004 to 2014, net job growth (positive and negative municipal job growth combined) is expected to increase to 454,500 (CUPR municipal projection). The comparable projected positive job increase (only municipalities with projected increases in jobs—CUPR municipal projection) is about 680,000. Projected employment increases (either net or positive) are determined by regressing historical job increases and projecting them from 2004 to 2014. This increase in employment already includes a reduction for the share of future employment growth that would work at home, and is consequently not included in the employment growth projection. This reflects information obtained from the 2000 U.S. Census. For location of employment, the continued southern movement of the state's job base generally holds true. However, proportionately less employment growth will take place in the Northwest and South-Southwest regions.

A share of affordable housing need will be required as new non-residential space adds resources to the community's tax base and provides new regional workers that require housing. Thus, future affordable housing need will be linked to both growth in housing units and growth in employment. Positive Employment Increase is the change in employment used to determine growth share ratios.

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***PROJECTED EMPLOYMENT 2004-2014 BY HOUSING REGION***

	Net Employment Increase	Positive Employment Increase
1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES	120,614	192,130
2. ESSEX, MORRIS, UNION AND WARREN COUNTIES	20,014	74,789
3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES	124,177	142,889
4. MONMOUTH, OCEAN AND MERCER COUNTIES	91,697	134,301
5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES	58,115	72,958
6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES	45,871	62,235
<b>STATE TOTAL</b>	<b>460,488</b>	<b>679,302</b>

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**THE COMBINED DEMAND/SUPPLY GROWTH SHARE METHOD**

Since demand alters supply, and as such causes movement to the midpoint of the two for growth share, a midpoint of supply and demand needs to be created. This is done below by taking Adjusted Projected Need, combining it with Affordable Housing Supply, and dividing the result by 2. This creates growth share. It is the need that must be addressed by communities as they grow and provide new residential and non-residential space locally. It is a need that is simultaneously sensitive to regional differences in supply and demand.

The adjusted statewide need for affordable housing statewide in round 3, based on projections of overall growth, is approximately 52,747 units. Growth share, once determined, is subsequently paired with expected positive housing unit and job creation for each region, to develop a ratio of affordable housing unit provision to numbers of units likely to be built and numbers of jobs likely to be created.

Statewide, about 48.5 percent of this number, or 25,575 units, is equated to the projected net positive housing delivery for the ten-year period 2004-2014 minus what must be used to deliver the Remaining Prior Round Obligations (230,176 units), and a standard is developed of 1 affordable unit in 9 units (1 affordable unit for every 8 market-rate units) to deliver 25,575 units. The 260,000-unit projection is based upon the most recent 1993-2002 period. The 260,000-unit figure for the decade is determined by taking the 1990-1999 net positive housing unit change by municipality in New Jersey (245,000), dividing by 10, and multiplying by 7 for the years 1993-1999. This amounts to 171,500 units. To this is added net positive new units constructed in 2000, 2001, and 2002; this is a total of 91,000. The sum of 171,500 plus 91,000 equals a ten-year delivery of about 262,500. From this amount is subtracted the units required to deliver the

Remaining Prior Round Obligation based upon past annual performance. Approximately 29,965 is subtracted from 262,500, leaving 232,535 units to deliver the requirement (25,575 units) of the new round.

The remaining 51.5 percent or 27,172 unit portion of the 52,747 statewide need for affordable housing is equated to the projected 679,302 positive job increase that will occur over the ten-year period 2004-2014, and a standard is developed of 1 affordable unit per 25 jobs to deliver the 27,172 additional affordable units.

Thus, the two standards for affordable housing for a community developing in the future is 1 affordable unit for every eight market-rate residential units produced (acted-upon permits minus demolitions) and/or 1 affordable unit for every 25 jobs that grow from new or expanded non-residential development locally. If gross housing units or jobs decrease in a community over a prolonged period of time, the need for affordable housing will not be negative, and instead the future obligation will be held at zero.

It should be noted that any projection of future gross housing need is an estimate of which affordable housing need is a part (roughly 40 percent before Secondary Sources of Supply). If gross future housing need fails to materialize, so too does affordable housing need. Future affordable housing demand is directly related to the demand for all housing. If the demand for all housing is less than anticipated, so too will be the demand for affordable housing. If the demand for all housing is more than anticipated, the demand for affordable housing will also be greater.

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***DERIVING GROWTH SHARE PROJECTIONS 2004-2014 BY REGION***

	<b>Affordable Housing Need Based on Projected Growth (estimated)</b>	<b>Supply-Based Affordable Housing Need</b>	<b>Demand/ Supply - Based Growth Share Need</b>
<b>1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES</b>	<b>15,154</b>	<b>7,064</b>	<b>11,109</b>
<b>2. ESSEX, MORRIS, UNION AND WARREN COUNTIES</b>	<b>5,856</b>	<b>4,136</b>	<b>4,996</b>
<b>3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES</b>	<b>11,088</b>	<b>11,194</b>	<b>11,141</b>
<b>4. MONMOUTH, OCEAN AND MERCER COUNTIES</b>	<b>10,250</b>	<b>16,132</b>	<b>13,191</b>
<b>5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES</b>	<b>5,619</b>	<b>7,100</b>	<b>6,360</b>
<b>6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES</b>	<b>4,760</b>	<b>7,142</b>	<b>5,951</b>
<b>STATE TOTAL</b>	<b>52,726</b>	<b>52,768</b>	<b>52,747</b>

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**GROWTH SHARE PROJECTIONS 2004-2014 BY REGION**

	<b>Total Growth Share Need (estimated)</b>	<b>From Residential Growth (1 in 9)</b>	<b>From Employment Change Growth (1 in 25)</b>
<b>1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES</b>	<b>11,109</b>	<b>3,424</b>	<b>7,685</b>
<b>2. ESSEX, MORRIS, UNION AND WARREN COUNTIES</b>	<b>4,996</b>	<b>2,004</b>	<b>2,992</b>
<b>3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES</b>	<b>11,141</b>	<b>5,425</b>	<b>5,716</b>
<b>4. MONMOUTH, OCEAN AND MERCER COUNTIES</b>	<b>13,191</b>	<b>7,819</b>	<b>5,372</b>
<b>5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES</b>	<b>6,360</b>	<b>3,441</b>	<b>2,918</b>
<b>6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES</b>	<b>5,951</b>	<b>3,462</b>	<b>2,489</b>
<b>STATE TOTAL</b>	<b>52,747</b>	<b>25,575</b>	<b>27,172</b>

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## **FAIR SHARE OBLIGATION**

Fair Share is the municipality's estimated obligation under the Fair Housing Act mandate for the period 1999-2014. It is municipal affordable housing need that includes a number for Rehabilitation Share, another number for Remaining Prior Round Obligation (1987-1999), and a ratio of affordable need to total housing units built (one for every eight market rate units) and/or total jobs created (one per 25) during the period 1999-2014. The latter constitutes an estimate of future need or growth share. For the State of New Jersey, for the period 1999-2014, the Fair Share Obligation (not counting the Remaining Prior Round Obligation) is 77,594. Depending upon future growth, this number could obviously be higher or lower.

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### ***FAIR SHARE OBLIGATION 1999-2014 BY HOUSING REGION***

	<b>Fair Share Obligation (Estimated)</b>
1. BERGEN, HUDSON, PASSAIC AND SUSSEX COUNTIES	21,416
2. ESSEX, MORRIS, UNION AND WARREN COUNTIES	12,653
3. MIDDLESEX, SOMERSET AND HUNTERDON COUNTIES	13,110
4. MONMOUTH, OCEAN AND MERCER COUNTIES	15,122
5. CAMDEN, BURLINGTON AND GLOUCESTER COUNTIES	7,819
6. ATLANTIC, CAPE MAY, CUMBERLAND AND SALEM COUNTIES	7,475
STATE TOTAL	77,594

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## **CONCLUSION**

No method of calculating affordable housing need is perfect. What has been attempted is to simplify past procedures and make sure they are consistent with the *Mount Laurel* decisions, the Fair Housing Act, and the *State Planning Act*. First, Rehabilitation Share, on average, is 67.8 percent of municipal housing deficiency calculated from *nonoverlapping* Census variables by community. The growth share ratio is 1 unit for every eight market-rate housing units built and/or 1 unit per 25 jobs created. The Rehabilitation Share and growth share methodology was developed taking into consideration regional need, as required by the Fair Housing Act. The methodology also directs affordable housing into areas designated for growth, as defined by the State Plan, and in accordance with the *Mt. Laurel* decisions. Other considerations that go into the method are to ensure that communities would not get a number based on development activity before they were notified what that development activity could trigger (15-year need is completed in a ten-year period), while at the same time ensuring the equitable distribution of affordable housing need by region.

The purpose of the new procedures is to provide a recognizable and replicable standard to address affordable housing need. This breaks down into three parts: Rehabilitation Share, Remaining Prior Round Obligation (1987-1999), and growth share. As procedures relate to the latter, the ratios are the key. If New Jersey grows as planned, nearly 53,000 new units of affordable housing will be added. If New Jersey municipalities are serious about curing their current local housing deterioration, an additional 33,000 units (including Reallocated Present Need of round two) will be rehabilitated or in some instances built new for the poor of the state. If both of these numbers are met, twice as many units will be built new or rehabbed in the next ten years than was the case for the prior twelve years.<sup>21</sup>

## APPENDIX B

### COUNCIL ON AFFORDABLE HOUSING (COAH) NUMBER CALCULATION EXAMPLE

—  
1999-2014 EXAMPLE LOW- AND MODERATE-INCOME  
HOUSING NEED CALCULATION  
(COAH AFFORDABLE HOUSING NUMBER CALCULATION)

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LOW- AND MODERATE-INCOME SPLIT

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JULY 13, 2004

**1. GENERAL**

- (a) This section presents a set of procedures and appended data that enables individual municipalities to calculate their fair share affordable housing need. Information is provided from both U.S. Census and Council on Affordable Housing (COAH) data in a “look-up” table that facilitates the calculation.
- (b) Municipal Rehabilitation Share and the Remaining Prior Round (1987-1999) Obligation are two of the three components of the round 3 affordable housing calculation. These two components, plus a growth share emerging from a ratio relating affordable housing construction to market rate residential construction (one affordable unit for every eight market-rate units) and job creation (one affordable unit for every 25 newly created jobs as measured by new or expanded non-residential construction), equal a municipality’s total Fair Share Obligation (see Appendix A-Procedures Explanation). These are the figures that municipalities shall address in their Housing Elements to determine their Fair Share Housing Obligation.

**TABLE 1**

**Example Town as a Calculation Example (Region 3—West Central)**  
**FLOW DIAGRAM FOR THE CALCULATION OF AFFORDABLE HOUSING NEED**

0.691 (REGION 3)	CROWDING (1939 OR EARLIER)	(+)	PLUMBING (ALL UNITS)	(+)	KITCHEN (54.7% OF UNITS IN DATA TABLE)	(-)	REHABILITATION SHARE CREDIT	(-)	SPONTANEOUS REHABILITATION	(=)	REHABILITATION SHARE (2000)
0.691	54		67		47		47		49		20

  

OBLIGATION FROM PRIOR ROUNDS (1987-1999)	(-)	ACTIVITY AND ADJUSTMENTS FROM PRIOR ROUNDS (TO BE SUBMITTED TO COAH WITH THIRD ROUND PETITION) (1987-1999)	(=)	REMAINING PRIOR ROUND OBLIGATION (1987-1999)
783		700		83

  

RESIDENTIAL GROWTH (ONE FOR EIGHT UNITS) (2004-2014)	(+)	NON-RESIDENTIAL GROWTH (ONE FOR 25 JOBS) (2004-2014)	(=)	GROWTH SHARE (2004-2014)
317		432		749

  

REHABILITATION SHARE (2000)	(+)	REMAINING PRIOR ROUND OBLIGATION (1987-1999)	(+)	GROWTH SHARE (2004-2014)	(=)	FAIR SHARE OBLIGATION
20		83		749		852

- (c) Exhibit 1 provides municipal-specific base data that may be employed to determine municipal Rehabilitation Share. Data for a hypothetical municipality, Example Town, precedes the municipal base data for illustrative purposes in Exhibits 1 and 2. Exhibits 1 and 2 provide a variety of data for each community that would otherwise have to be researched individually in the process of undertaking the affordable housing calculation.

## 2. REHABILITATION SHARE-2000

- (a) Rehabilitation Share in a municipality is old crowded, deficient housing, occupied by low- and moderate-income households. This is determined through the following three steps: (1) take the number of units in a municipality built 1939 or earlier with 1.01 or more persons per room, yet having complete plumbing (Exhibit 1, column 1 "Crowding") to provide a crowding-deterioration measure; (2) add to this, the number of units in a municipality which lack complete plumbing facilities but are not overcrowded (Exhibit 1, column 2 "Plumbing"); and (3) add to this, 54.70 percent of the number of units in a municipality that lack complete kitchen facilities (Exhibit 1, column 3 "Kitchen"). This percentage (54.70) is the share of units lacking kitchen which are neither overcrowded nor lacking complete plumbing. The result of this calculation, which comprises units likely to require rehabilitation, is then multiplied by the regional income/deterioration percentage (0.691) to represent the number of low- and moderate-income households in deteriorated units of the above types (the multiplier of 0.691 for the West Central Region is equivalent to the share of households below 80 percent of median income who live in deteriorated housing statewide). Increasingly impacted municipalities receive a Rehabilitation Share Credit (Exhibit 1, column 5) which must be subtracted from the above number due to double-counting issues. In addition, spontaneous rehabilitation must be subtracted from the results of the prior step to determine Rehabilitation Share.
- (b) Rehabilitation Share (except for crowding) may also be determined through a survey of the municipality's housing stock when such survey is deemed adequate and accepted by the Council on Affordable Housing (COAH) for identifying deficient housing units occupied by low- or moderate-income households.

Example Calculation:

<b>Step 1.</b>	Crowding—1.01 or more persons per room, in housing built 1939 or earlier, with complete plumbing	=	54.0
<b>Step 2.</b>	Units lacking complete plumbing	=	67.0

<b>Step 3.</b>	Units lacking complete or in-unit kitchen facilities (85.0)		
	<b>3. X 0.5470 (NOT CROWDED NOR LACKING COMPLETE PLUMBING)</b>	=	46.5
<b>Step 4</b>	Deteriorated housing = (Crowding [1939 or earlier] = 54) + (units lacking complete plumbing = 67) + (units lacking complete kitchen x .5470 = 46.5)	=	167.5
<b>Step 5.</b>	Rehabilitation Share (2000) = 69.1 percent (Regional Low- Moderate Deterioration Share) of deteriorated housing (0.691 x 167.5)	=	115.7
<b>Step 6.</b>	Rehabilitation Share Credit (applies only to communities with significant round 3 Rehabilitation Share)	=	(-) 46.6
<b>Step 7.</b>	Spontaneous rehabilitation Reduction	=	(-) 49.2
<b>Step 8.</b>	Rehabilitation Share (2000) – (Deterioration minus Rehabilitation Share Credit minus spontaneous rehabilitation)	=	20

### 3. REMAINING PRIOR ROUND OBLIGATION (1987-1999)

- (a) This is a municipality's remaining obligation based on what it should have done versus what it did including credits, reductions, and adjustments of one type or another.
- (b) Prior Round (1987-1999) Obligation is the recalculated and readjusted Prospective Need from round one (Appendix A-Exhibit 2, column 1) as described in N.J.A.C. 5:93-2.8, the recalculated and readjusted Prospective Need from round two (Appendix A-Exhibit 2, column 2) and Reallocated Present Need from round two (Appendix A-Exhibit 2, column 3). Each municipality's cumulative Prior Round (1987-1999) Obligation is found in Appendix A-Exhibit 2, column 4.

<b>Step 1.</b>	Prospective Need round one (Adjusted)	=	362
<b>Step 2.</b>	Prospective Need round two (Adjusted)	=	375
<b>Step 3.</b>	Reallocated Present Need round two (Adjusted)	=	<u>47</u>
<b>Step 4.</b>	Prior Round (1987-1999) Obligation (Step 1 + Step 2 + Step 3)	=	783

- (c) The Council offers credits, reductions, and adjustments against the Prior Round (1987-1999) Obligation for affordable housing activity undertaken from 1987 to 1999. Credits represent units that have been built, created or rehabilitated. Reductions represent units that have been included in a previously certified affordable housing plan by zoning for low- and moderate-income housing. Adjustments reflect the application of COAH regulations that reduce a municipality's affordable housing obligation based on other limitations and/or methodological corrections. Information on credits, reductions and adjustments for affordable housing activity for an individual municipality is derived from municipal reports submitted to the Council, New Jersey Superior Court documents, and other records of affordable housing activity. Credits, reductions, and adjustments will be calculated at the time a municipality submits its petition for certification under the rules promulgated under N.J.A.C. 5:94-1 et seq. Sites that were previously zoned for inclusionary development must continue to present a realistic opportunity for the production of affordable housing pursuant to N.J.A.C. 5:94-3.3. The number for this example community is 700 units.
- (d) Remaining Prior Round (1987-1999) Obligation is the subtraction of activity, reductions, and adjustments of the Prior Rounds from the Obligation from the Prior Rounds. This information is on file at the Council on Affordable Housing.

Example Calculation:

OBLIGATION FROM PRIOR ROUNDS	(-)	PRIOR ROUND ACTIVITY AND ADJUSTMENTS	(=)	<b>REMAINING PRIOR ROUND OBLIGATION (1987-1999)</b>
783		700		<b>83</b>

#### 4. GROWTH SHARE 2004-2014

- (a) The residential component of growth share is calculated by dividing by 8 the number of residential certificates of occupancy issued from January 1, 2004 to January 1, 2014 that are not direct replacements for demolished units. For every eight market-rate units built, one affordable unit must also be built. In addition, market-rate units that are in an inclusionary development that received credit in a first or second round certified plan or a court judgment of compliance that are projected to be constructed after January 1, 2004 may be excluded from residential growth at a rate of four times the number of affordable units generated on that particular site.
- (b) The non-residential component of growth share is calculated by dividing the gross number of square feet of non-residential space added from January 1, 2004 to January 1, 2014 by the square feet needed to generate a one-unit affordable housing obligation by use group. For instance, the gross number of square feet of

retail space would be divided by 25,000 square feet to determine the affordable housing obligation generated by that site. This produces the required number of affordable units. These units are not included in the above residential component calculation. Information on numbers of jobs per 1,000 square feet for various types of non-residential development is available in Appendix E.

- (c) These two components are added together for growth share.

Example Calculation:

<b>Step 1.</b>	Example Town constructs 3,033 total residential units. Five hundred (500) of these 3,033 units are an inclusionary site that is part of a round two COAH certified plan and are constructed after January 1, 2004. 100 units are affordable and 400 units are market rate.	
	Subtract 500 from 3,033 for basis of market rate residential growth share (3,033 minus 500 = 2,533)	
	Divide 2,533 by 8 for affordable residential component of growth share	<b>317</b>
<b>Step 2.</b>	Example Town adds 2.766 million square feet of new office space. (Use Group B)	
	Divide by 8,333 square feet to determine residential units for non-residential component of growth share (office component) (2.766 million / 8,333 = 332)	332
	Example Town adds 2.625 million square feet of new retail space. (Use Group M)	
	Divide by 25,000 square feet to determine residential units for non-residential component of growth share (retail component) (2.625 million / 25,000 = 105)	
	Example Town demolishes 125,000 square feet of retail space	
	Divide 125,000 by 25,000 square feet to derive job loss calculation (125,000 / 25,000 = 5 units)	
	Subtract 5 from 105 for basis of retail growth share (105 minus 5 = 100 units)	100
	Add net office and retail space obligations to form total non-residential growth share (332 + 100 = 432 units)	<b>432</b>
<b>Step 3.</b>	Total growth share (Step 1 + Step 2)	<b>749</b>

**5. FAIR SHARE OBLIGATION: 1999-2014**

- (a) Fair Share Obligation is the sum of Rehabilitation Share (2000), Remaining Prior Round (1987-1999) Obligation, and growth share (2004-2014) calculated as development occurs through ratios.

Example Calculation:

<b>Step 1.</b>	Rehabilitation Share (2000)	+	20
<b>Step 2.</b>	Remaining Prior Round (1987-1999) Obligation	+/-	+83
<b>Step 3.</b>	Growth Share (2004-2014) (15-year need)	+	<u>749</u>
<b>Step 4.</b>	Fair Share Obligation (1999-2014)	=	<u>852</u>

**6. LOW- AND MODERATE-INCOME SPLIT**

- (a) The municipal Fair Share Obligation of affordable housing is divided equally between low- and moderate-income households.

Example Calculation:

Example Town’s total obligation of 850 units would include 425 low-income and 425 moderate-income units. An odd number is always split in favor of the low-income component.

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Example Town	54	67	85		-47	-49
ABSECON CITY	19	6	6	.715	0	-10
ATLANTIC CITY	481	182	215	.715	-193	-39
BRIGANTINE CITY	0	7	9	.715	0	-9
BUENA BORO.	10	7	12	.715	0	-3
BUENA VISTA TWP.	0	0	10	.715	0	-4
CORBIN CITY	0	2	0	.715	0	-1
EGG HARBOR TWP.	0	38	83	.715	0	-26
EGG HARBOR CITY	47	0	0	.715	0	-3

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
ESTELL MANOR CITY	1	5	0	.715	0	-4
FOLSOM BORO.	3	2	0	.715	0	-4
GALLOWAY TWP.	0	35	25	.715	0	-24
HAMILTON TWP.	15	15	44	.715	0	-17
HAMMONTON TOWN	63	8	4	.715	0	-10
LINWOOD CITY	0	0	101	.715	-10	-11
LONGPORT BORO.	2	0	3	.715	0	-3
MARGATE CITY	4	0	0	.715	0	-3
MULLICA TWP.	13	10	0	.715	0	-7
NORTHFIELD CITY	13	0	6	.715	0	-10
PLEASANTVILLE CITY	61	35	10	.715	0	-10
PORT REPUBLIC CITY	0	0	0	.715	0	0
SOMERS POINT CITY	15	0	8	.715	0	-8
VENTNOR CITY	61	60	33	.715	0	-13
WEYMOUTH TWP.	0	7	4	.715	0	-3
Total Atlantic	808	419	573		-203	-221
ALLENDALE BORO.	6	0	0	.639	0	-4
ALPINE BORO.	0	0	3	.639	0	-1
BERGENFIELD BORO.	116	22	7	.639	-45	-19
BOGOTA BORO.	55	7	7	.639	-1	-9
CARLSTADT BORO.	8	14	14	.639	0	-7
CLIFFSIDE PARK BORO.	139	84	59	.639	-104	-14
CLOSTER BORO.	20	8	8	.639	-9	-12
CRESSKILL BORO.	8	0	9	.639	0	-8
DEMAREST BORO.	0	0	0	.639	0	0
DUMONT BORO.	21	6	6	.639	0	-15
EAST RUTHERFORD BORO	82	11	6	.639	-19	-8
EDGEWATER BORO.	10	39	12	.639	-19	-10
ELMWOOD PARK BORO.	58	67	22	.639	-72	-11
EMERSON BORO.	0	0	0	.639	0	0
ENGLEWOOD CITY	209	40	35	.639	-87	-20
ENGLEWOOD CLIFFS BOR	9	0	0	.639	-4	-2
FAIR LAWN BORO.	32	16	9	.639	-1	-27
FAIRVIEW BORO.	129	263	235	.639	-296	-7
FORT LEE BORO.	39	53	54	.639	-35	-27
FRANKLIN LAKES BORO.	5	0	0	.639	0	-3
GARFIELD CITY	229	85	65	.639	-148	-14
GLEN ROCK BORO.	0	6	6	.639	0	-6

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
HACKENSACK CITY	319	118	186	.639	-232	-26
HARRINGTON PARK BORO	0	6	0	.639	0	-4
HASBROUCK HEIGHTS BO	0	17	8	.639	0	-11
HAWORTH BORO.	0	0	0	.639	0	0
HILLSDALE BORO.	0	5	11	.639	0	-7
HOHOKUS BORO.	0	0	0	.639	0	0
LEONIA BORO.	22	21	27	.639	-11	-12
LITTLE FERRY BORO.	68	31	29	.639	-44	-8
LODI BORO.	118	39	28	.639	-78	-11
LYNDHURST TWP.	35	11	23	.639	0	-13
MAHWAH TWP.	14	15	32	.639	-1	-26
MAYWOOD BORO.	9	7	21	.639	-2	-10
MIDLAND PARK BORO.	18	0	7	.639	0	-11
MONTVALE BORO.	8	9	0	.639	-6	-5
MOONACHIE BORO.	10	0	0	.639	-1	-4
NEW MILFORD BORO.	22	32	52	.639	-39	-12
NORTH ARLINGTON BORO	15	16	41	.639	0	-11
NORTHVALE BORO.	0	5	5	.639	0	-5
NORWOOD BORO.	0	21	14	.639	-12	-6
OAKLAND BORO.	0	11	0	.639	0	-7
OLD TAPPAN BORO.	0	10	15	.639	-9	-2
ORADELL BORO.	0	0	10	.639	0	-3
PALISADES PARK BORO.	159	37	20	.639	-97	-10
PARAMUS BORO.	7	12	7	.639	-5	-10
PARK RIDGE BORO.	33	5	0	.639	-14	-11
RAMSEY BORO.	13	11	0	.639	0	-15
RIDGEFIELD BORO.	45	16	23	.639	-24	-9
RIDGEFIELD PK VILLAG	92	31	25	.639	-35	-11
RIDGEWOOD VILLAGE	62	20	24	.639	0	-36
RIVER EDGE BORO.	7	12	7	.639	-4	-10
RIVER VALE TWP.	0	0	0	.639	0	0
ROCHELLE PARK TWP.	0	0	54	.639	-10	-7
ROCKLEIGH BORO.	4	0	0	.639	-2	0
RUTHERFORD BORO.	41	6	51	.639	0	-17
SADDLE BROOK TWP.	11	0	8	.639	-3	-7
SADDLE RIVER BORO.	0	0	33	.639	-6	-5
SOUTH HACKENSACK TWP	20	4	5	.639	-11	-4
TEANECK TWP.	96	129	84	.639	-48	-36
TENAFLY BORO.	40	0	27	.639	-1	-19
TETERBORO BORO.	0	0	0	.639	0	0

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
UPPER SADDLE RIV BOR	0	0	0	.639	0	0
WALDWICK BORO.	7	13	15	.639	0	-12
WALLINGTON BORO.	83	13	14	.639	-16	-9
WASHINGTON TWP.	0	0	0	.639	0	0
WESTWOOD BORO.	8	21	22	.639	-3	-11
WOODCLIFF LAKE BORO.	0	0	0	.639	0	0
WOOD-RIDGE BORO.	0	37	45	.639	0	-10
WYCKOFF TWP.	0	21	43	.639	-5	-23
Total Bergen	2,561	1,483	1,573		-1562	-685
BASS RIVER TWP.	2	9	7	.737	-2	-4
BEVERLY CITY	19	4	0	.737	-1	-5
BORDENTOWN CITY	7	0	0	.737	0	-5
BORDENTOWN TWP.	4	15	0	.737	0	-12
BURLINGTON CITY	25	23	7	.737	0	-8
BURLINGTON TWP.	34	16	46	.737	-15	-21
CHESTERFIELD TWP.	0	0	0	.737	0	0
CINNAMINSON TWP.	0	0	0	.737	0	0
DELANCO TWP.	3	6	0	.737	0	-5
DELTRAN TWP.	0	14	6	.737	0	-13
EASTAMPTON TWP.	0	17	6	.737	0	-11
EDGEWATER PARK TWP.	16	0	0	.737	0	-8
EVESHAM TWP.	0	7	0	.737	0	-5
FIELDSBORO BORO.	2	0	3	.737	0	-3
FLORENCE TWP.	30	13	6	.737	0	-13
HAINESPORT TWP.	0	0	6	.737	0	-2
LUMBERTON TWP.	8	24	15	.737	0	-14
MANSFIELD TWP.	0	0	0	.737	0	0
MAPLE SHADE TWP.	10	32	6	.737	0	-14
MEDFORD TWP.	10	0	10	.737	0	-11
MEDFORD LAKES BORO.	0	0	0	.737	0	0
MOORESTOWN TWP.	0	6	6	.737	0	-7
MOUNT HOLLY TWP.	18	7	51	.737	0	-9
MOUNT LAUREL TWP.	0	25	19	.737	0	-26
NEW HANOVER TWP.	5	0	0	.737	0	-4
NORTH HANOVER TWP.	4	13	0	.737	0	-5
PALMYRA BORO.	14	0	8	.737	0	-9
PEMBERTON BORO.	14	0	5	.737	-4	-3
PEMBERTON TWP.	43	21	29	.737	0	-19

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
RIVERSIDE TWP.	39	11	7	.737	0	-8
RIVERTON BORO.	11	0	6	.737	0	-7
SHAMONG TWP.	0	10	0	.737	0	-7
SOUTHAMPTON TWP.	0	7	0	.737	0	-5
SPRINGFIELD TWP.	0	4	0	.737	0	-3
TABERNACLE TWP.	0	7	7	.737	0	-8
WASHINGTON TWP.	0	0	0	.737	0	0
WESTAMPTON TWP.	9	9	0	.737	0	-11
WILLINGBORO TWP.	11	12	37	.737	0	-28
WOODLAND TWP.	0	6	2	.737	0	-5
WRIGHTSTOWN BORO.	2	3	0	.737	0	-1
Total Burlington	340	321	295		-22	-320
AUDUBON BORO.	16	6	0	.737	0	-9
AUDUBON PARK BORO.	0	0	0	.737	0	0
BARRINGTON BORO.	0	0	5	.737	0	-2
BELLMAWR BORO.	16	12	5	.737	-1	-9
BERLIN BORO.	10	6	0	.737	0	-9
BERLIN TWP.	0	6	0	.737	0	-4
BROOKLAWN BORO.	4	0	0	.737	0	-3
CAMDEN CITY	933	586	451	.737	-736	-61
CHERRY HILL TWP.	8	42	259	.737	-100	-41
CHESILHURST BORO.	0	0	3	.737	0	-1
CLEMENTON BORO.	19	7	7	.737	0	-5
COLLINGSWOOD BORO.	10	10	87	.737	0	-12
GIBBSBORO BORO.	6	8	3	.737	-2	-6
GLOUCESTER TWP.	24	64	67	.737	0	-47
GLOUCESTER CITY	51	8	20	.737	0	-7
HADDON TWP.	22	13	15	.737	0	-14
HADDONFIELD BORO.	5	24	11	.737	0	-24
HADDON HEIGHTS BORO.	10	14	0	.737	0	-11
HI-NELLA BORO.	2	0	0	.737	0	-1
LAUREL SPRINGS BORO.	3	0	2	.737	0	-3
LAWNSIDE BORO.	0	5	6	.737	0	-4
LINDENWOLD BORO.	27	28	17	.737	0	-9
MAGNOLIA BORO.	0	7	8	.737	0	-5
MERCHANTVILLE BORO.	13	0	0	.737	0	-6
MOUNT EPHRAIM BORO.	0	0	6	.737	0	-2
OAKLYN BORO.	13	6	0	.737	0	-5

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
PENNSAUKEN TWP.	89	40	40	.737	0	-25
PINE HILL BORO.	22	19	10	.737	0	-8
PINE VALLEY BORO.	0	0	0	.737	0	0
RUNNEMEDE BORO.	6	7	10	.737	0	-6
SOMERDALE BORO.	0	10	6	.737	0	-6
STRATFORD BORO.	9	19	7	.737	0	-9
TAVISTOCK BORO.	0	0	0	.737	0	0
VOORHEES TWP.	0	35	155	.737	-59	-29
WATERFORD TWP.	7	29	19	.737	0	-13
WINSLOW TWP.	0	67	58	.737	0	-28
WOODLYNNE BORO.	29	0	0	.737	-7	-3
Total Camden	1,354	1,078	1,277		-905	-431
AVALON BORO.	0	0	0	.715	0	0
CAPE MAY CITY	0	7	0	.715	0	-2
CAPE MAY POINT BORO.	0	0	0	.715	0	0
DENNIS TWP.	0	18	0	.715	0	-8
LOWER TWP.	8	15	55	.715	0	-12
MIDDLE TWP.	7	5	34	.715	0	-10
NORTH WILDWOOD CITY	0	15	0	.715	0	-3
OCEAN CITY CITY	18	18	157	.715	0	-16
SEA ISLE CITY CITY	0	0	7	.715	0	-3
STONE HARBOR BORO.	0	0	0	.715	0	0
UPPER TWP.	11	9	0	.715	0	-14
WEST CAPE MAY BORO.	3	7	6	.715	0	-2
WEST WILDWOOD BORO.	0	0	0	.715	0	0
WILDWOOD CITY	56	26	66	.715	-30	-6
WILDWOOD CREST BORO.	0	0	0	.715	0	0
WOODBINE BORO.	5	6	10	.715	0	-1
Total Cape May	108	126	335		-30	-78
BRIDGETON CITY	209	35	56	.715	0	-11
COMMERCIAL TWP.	5	0	0	.715	0	-3
DEERFIELD TWP.	17	8	5	.715	0	-4
DOWNE TWP.	2	9	5	.715	0	-2
FAIRFIELD TWP.	0	0	5	.715	0	-2
GREENWICH TWP.	0	0	0	.715	0	0
HOPEWELL TWP.	0	0	0	.715	0	0

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
LAWRENCE TWP.	0	5	0	.715	0	-3
MAURICE RIVER TWP.	8	0	0	.715	0	-4
MILLVILLE CITY	56	38	62	.715	0	-17
SHILOH BORO.	0	0	0	.715	0	0
STOW CREEK TWP.	6	2	0	.715	0	-4
UPPER DEERFIELD TWP.	4	6	16	.715	0	-7
VINELAND CITY	231	132	79	.715	0	-37
Total Cumberland	538	235	228		0	-94
BELLEVILLE TWP.	228	64	71	.714	-99	-19
BLOOMFIELD TWP.	282	65	68	.714	-38	-32
CALDWELL BORO. TWP.	17	10	40	.714	-28	-7
CEDAR GROVE TWP.	11	11	11	.714	-17	-3
ORANGE CITY TWP.	230	283	210	.714	-196	-27
EAST ORANGE CITY	647	361	321	.714	-163	-73
ESSEX FELLS TWP.	0	5	2	.714	-3	-2
FAIRFIELD TWP.	0	0	0	.714	0	0
GLEN RIDGE BORO. TWP	0	16	24	.714	0	-14
IRVINGTON TOWN	443	310	350	.714	-107	-61
LIVINGSTON TWP.	23	13	7	.714	-24	-5
MAPLEWOOD TWP.	72	10	55	.714	0	-24
MILLBURN TWP.	16	27	13	.714	-22	-14
MONTCLAIR TWP.	223	50	169	.714	-15	-42
NEWARK CITY	2668	1280	1232	.714	-471	-304
NORTH CALDWELL TWP.	0	0	0	.714	0	0
NUTLEY TWP.	20	33	19	.714	0	-18
ROSELAND BORO.	0	8	0	.714	-5	-1
SOUTH ORANGE VILL TW	30	14	22	.714	0	-18
VERONA TWP.	24	25	37	.714	-39	-10
WEST CALDWELL TWP.	6	0	0	.714	-1	-4
WEST ORANGE TWP.	182	66	122	.714	0	-39
Total Essex	5,122	2,651	2,773		-1225	-717
CLAYTON BORO.	13	20	0	.737	0	-9
DEPTFORD TWP.	15	6	4	.737	0	-17
EAST GREENWICH TWP.	8	6	0	.737	0	-10
ELK TWP.	10	0	0	.737	0	-6
FRANKLIN TWP.	20	17	14	.737	0	-15

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
GLASSBORO BORO.	18	19	26	.737	0	-12
GREENWICH TWP.	9	11	0	.737	0	-7
HARRISON TWP.	6	8	0	.737	0	-10
LOGAN TWP.	0	0	0	.737	0	0
MANTUA TWP.	7	0	10	.737	0	-9
MONROE TWP.	16	30	13	.737	0	-20
NATIONAL PARK BORO.	8	0	0	.737	0	-5
NEWFIELD BORO.	0	2	2	.737	0	-2
PAULSBORO BORO.	19	15	15	.737	0	-5
PITMAN BORO.	17	6	0	.737	0	-9
SOUTH HARRISON TWP.	4	5	0	.737	0	-7
SWEDESBORO BORO.	4	4	4	.737	0	-5
WASHINGTON TWP.	8	12	40	.737	0	-31
WENONAH BORO.	0	0	0	.737	0	0
WEST DEPTFORD TWP.	8	42	0	.737	0	-17
WESTVILLE BORO.	40	10	6	.737	-10	-5
WOODBURY CITY	51	26	11	.737	0	-9
WOODBURY HEIGHTS BOR	7	0	7	.737	0	-7
WOOLWICH TWP.	0	5	0	.737	0	-4
Total Gloucester	288	244	152		-10	-220
BAYONNE CITY	302	170	105	.639	0	-37
EAST NEWARK BORO.	26	8	7	.639	-8	-3
GUTTENBERG TOWN	63	29	11	.639	0	-9
HARRISON TOWN	152	75	111	.639	-68	-12
HOBOKEN CITY	255	158	169	.639	0	-48
JERSEY CITY	3752	975	1027	.639	0	-288
KEARNY TOWN	245	85	152	.639	0	-28
NORTH BERGEN TWP.	542	361	292	.639	0	-50
SECAUCUS TOWN	13	41	10	.639	0	-14
UNION CITY	1942	460	688	.639	-731	-112
WEEHAWKEN TWP.	200	50	48	.639	-17	-17
WEST NEW YORK TOWN	1228	346	339	.639	-391	-79
Total Hudson	8,720	2,758	2,959		-1214	-697
ALEXANDRIA TWP.	0	15	0	.691	0	-10
BETHLEHEM TWP.	0	7	0	.691	0	-5
BLOOMSBURY BORO.	0	0	0	.691	0	0

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
CALIFON BORO.	0	2	2	.691	0	-2
CLINTON TOWN	0	0	0	.691	0	0
CLINTON TWP.	0	16	7	.691	0	-14
DELAWARE TWP.	11	0	0	.691	0	-8
EAST AMWELL TWP.	7	0	0	.691	0	-5
FLEMINGTON BORO.	11	7	0	.691	0	-2
FRANKLIN TWP.	3	13	12	.691	0	-14
FRENCHTOWN BORO.	2	4	4	.691	0	-4
GLEN GARDNER BORO.	6	0	2	.691	0	-5
HAMPTON BORO.	0	0	0	.691	0	0
HIGH BRIDGE BORO.	0	0	0	.691	0	0
HOLLAND TWP.	0	25	11	.691	0	-11
KINGWOOD TWP.	7	0	9	.691	0	-8
LAMBERTVILLE CITY	20	27	14	.691	-5	-7
LEBANON BORO.	2	0	0	.691	0	-1
LEBANON TWP.	0	10	19	.691	0	-13
MILFORD BORO.	6	0	0	.691	0	-4
RARITAN TWP.	0	23	0	.691	0	-16
READINGTON TWP.	0	0	0	.691	0	0
STOCKTON BORO.	2	2	2	.691	0	-3
TEWKSBURY TWP.	0	0	0	.691	0	0
UNION TWP.	0	0	6	.691	0	-2
WEST AMWELL TWP.	2	4	0	.691	0	-4
Total Hunterdon	79	155	88		-5	-137
EAST WINDSOR TWP.	49	21	0	.665	-17	-25
EWING TWP.	26	53	10	.665	0	-28
HAMILTON TWP.	109	144	57	.665	0	-69
HIGHTSTOWN BORO.	38	19	0	.665	-12	-10
HOPEWELL BORO.	0	0	0	.665	0	0
HOPEWELL TWP.	0	0	7	.665	0	-3
LAWRENCE TWP.	8	44	18	.665	0	-31
PENNINGTON BORO.	0	0	0	.665	0	0
PRINCETON BORO.	51	20	47	.665	-23	-15
PRINCETON TWP.	23	16	9	.665	0	-29
TRENTON CITY	1006	239	260	.665	-86	-90
WASHINGTON TWP.	0	17	9	.665	0	-15
WEST WINDSOR TWP.	6	16	6	.665	0	-17
Total Mercer	1,316	589	423		-138	-332

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
CARTERET BORO.	126	50	50	.691	0	-14
CRANBURY TWP.	0	9	0	.691	0	-6
DUNELLEN BORO.	8	0	32	.691	0	-9
EAST BRUNSWICK TWP.	11	30	18	.691	0	-35
EDISON TWP.	57	55	41	.691	0	-88
HELMETTA BORO.	2	0	2	.691	0	-2
HIGHLAND PARK BORO.	53	14	0	.691	0	-12
JAMESBURG BORO.	16	0	0	.691	0	-8
METUCHEN BORO.	18	26	17	.691	0	-22
MIDDLESEX BORO.	0	13	0	.691	0	-9
MILLTOWN BORO.	0	0	0	.691	0	0
MONROE TWP.	0	24	116	.691	0	-20
NEW BRUNSWICK CITY	550	137	185	.691	-10	-57
NORTH BRUNSWICK TWP.	55	15	14	.691	0	-30
OLD BRIDGE TWP.	26	72	62	.691	0	-50
PERTH AMBOY CITY	756	191	212	.691	-132	-65
PISCATAWAY TWP.	52	78	51	.691	0	-46
PLAINSBORO TWP.	0	14	50	.691	0	-28
SAYREVILLE BORO.	21	74	40	.691	0	-30
SOUTH AMBOY CITY	6	15	19	.691	0	-6
SOUTH BRUNSWICK TWP.	0	47	5	.691	0	-34
SOUTH PLAINFIELD BOR	19	35	21	.691	0	-22
SOUTH RIVER BORO.	45	22	33	.691	0	-12
SPOTSWOOD BORO.	7	7	0	.691	0	-8
WOODBRIE TWP.	111	95	78	.691	0	-69
Total Middlesex	1,939	1,023	1,046		-142	-683
ABERDEEN TWP.	6	13	20	.665	0	-20
ALLENHURST BORO.	0	0	2	.665	0	-1
ALLENTOWN BORO.	9	0	2	.665	0	-7
ASBURY PARK CITY	205	109	133	.665	-91	-18
ATL. HIGHLANDS BORO.	9	0	0	.665	0	-6
AVON BY THE SEA BORO	0	12	8	.665	0	-7
BELMAR BORO.	27	17	15	.665	0	-8
BRADLEY BEACH BORO.	0	0	10	.665	0	-4
BRIELLE BORO.	0	0	0	.665	0	0
COLTS NECK TWP.	0	0	0	.665	0	0

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
DEAL BORO.	0	0	2	.665	0	-1
EATONTOWN BORO.	4	31	6	.665	0	-14
ENGLISHTOWN BORO.	4	2	62	.665	-21	-6
FAIR HAVEN BORO.	0	0	7	.665	0	-3
FARMINGDALE BORO.	7	0	0	.665	0	-4
FREEHOLD BORO.	78	43	51	.665	-49	-10
FREEHOLD TWP.	9	14	20	.665	0	-23
HAZLET TWP.	12	0	8	.665	0	-11
HIGHLANDS BORO.	17	8	0	.665	0	-6
HOLMDEL TWP.	0	9	22	.665	-5	-9
HOWELL TWP.	40	22	34	.665	0	-44
INTERLAKEN BORO.	0	0	0	.665	0	0
KEANSBURG BORO.	54	34	23	.665	-1	-8
KEYPORT BORO.	19	11	5	.665	0	-7
LITTLE SILVER BORO.	0	0	0	.665	0	0
LOCH ARBOUR VILLAGE	0	0	0	.665	0	0
LONG BRANCH CITY	183	95	81	.665	0	-22
MANALAPAN TWP.	0	39	10	.665	0	-30
MANASQUAN BORO.	29	9	9	.665	0	-11
MARLBORO TWP.	0	31	23	.665	0	-29
MATAWAN BORO.	0	6	0	.665	0	-4
MIDDLETOWN TWP.	58	40	83	.665	0	-71
MILLSTONE TWP.	0	22	0	.665	0	-15
MONMOUTH BEACH BORO.	0	7	0	.665	0	-5
NEPTUNE TWP.	58	82	67	.665	0	-21
NEPTUNE CITY BORO.	0	8	0	.665	0	-5
OCEAN TWP.	34	20	9	.665	0	-26
OCEANPORT BORO.	0	0	0	.665	0	0
RED BANK BORO.	51	0	24	.665	0	-11
ROOSEVELT BORO.	4	0	0	.665	0	-3
RUMSON BORO.	0	0	0	.665	0	0
SEA BRIGHT BORO.	5	17	0	.665	-3	-8
SEA GIRT BORO.	4	0	0	.665	0	-3
SHREWSBURY BORO.	0	0	0	.665	0	0
SHREWSBURY TWP.	0	2	0	.665	0	-1
SOUTH BELMAR BORO.	11	11	8	.665	-9	-4
SPRING LAKE BORO.	6	14	75	.665	-23	-14
SPRING LAKE HGTS BOR	0	0	0	.665	0	0
TINTON FALLS BORO.	0	41	17	.665	-17	-16
UNION BEACH BORO.	9	0	18	.665	0	-9

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
UPPER FREEHOLD TWP.	0	6	8	.665	0	-7
WALL TWP.	14	25	8	.665	0	-29
WEST LONG BRANCH BOR	0	0	0	.665	0	0
Total Monmouth	966	800	870		-219	-557
BOONTON TOWN	54	0	10	.714	0	-10
BOONTON TWP.	0	0	0	.714	0	0
BUTLER BORO.	16	8	16	.714	0	-7
CHATHAM BORO.	0	18	12	.714	0	-15
CHATHAM TWP.	0	13	7	.714	0	-12
CHESTER BORO.	7	0	3	.714	0	-6
CHESTER TWP.	0	0	0	.714	0	0
DENVILLE TWP.	6	8	19	.714	0	-16
DOVER TOWN	189	69	53	.714	-66	-15
EAST HANOVER TWP.	0	0	0	.714	0	0
FLORHAM PARK BORO.	0	50	44	.714	-42	-11
HANOVER TWP.	6	0	0	.714	0	-4
HARDING TWP.	0	0	0	.714	0	0
JEFFERSON TWP.	0	17	0	.714	0	-12
KINNELON BORO.	0	12	0	.714	0	-9
LINCOLN PARK BORO.	44	0	0	.714	0	-11
MADISON BORO.	22	55	26	.714	0	-19
MENDHAM BORO.	0	7	0	.714	0	-5
MENDHAM TWP.	0	0	0	.714	0	0
MINE HILL TWP.	16	21	6	.714	0	-6
MONTVILLE TWP.	0	9	10	.714	0	-10
MORRIS TWP.	0	11	6	.714	0	-10
MORRIS PLAINS BORO.	0	0	0	.714	0	0
MORRISTOWN TOWN	207	61	23	.714	-99	-16
MOUNTAIN LAKES BORO.	0	0	0	.714	0	0
MOUNT ARLINGTON BORO	0	0	0	.714	0	0
MOUNT OLIVE TWP.	0	58	17	.714	0	-18
NETCONG BORO.	8	0	6	.714	0	-4
PAR-TROY HILLS TWP.	99	83	78	.714	-76	-36
LONG HILL TWP	0	0	0	.714	0	0
PEQUANNOCK TWP.	0	0	0	.714	0	0
RANDOLPH TWP.	12	19	9	.714	0	-26
RIVERDALE BORO.	0	0	0	.714	0	0
ROCKAWAY BORO.	17	0	0	.714	0	-6

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
ROCKAWAY TWP.	4	21	24	.714	0	-21
ROXBURY TWP.	18	13	15	.714	0	-19
VICTORY GARDENS BORO	7	9	7	.714	-1	-2
WASHINGTON TWP.	0	0	8	.714	0	-3
WHARTON BORO.	25	7	8	.714	0	-6
Total Morris	757	569	407		-284	-336
BARNEGAT TWP.	0	0	0	.665	0	0
BARNEGAT LIGHT BORO.	0	3	3	.665	0	-3
BAY HEAD BORO.	5	0	3	.665	0	-4
BEACH HAVEN BORO.	0	0	0	.665	0	0
BEACHWOOD BORO.	19	0	0	.665	0	-11
BERKELEY TWP.	0	43	33	.665	0	-12
BRICK TWP.	8	49	51	.665	0	-48
DOVER TWP.	18	69	30	.665	0	-60
EAGLESWOOD TWP.	3	0	0	.665	0	-2
HARVEY CEDARS BORO.	0	0	0	.665	0	0
ISLAND HEIGHTS BORO.	0	0	0	.665	0	0
JACKSON TWP.	9	44	9	.665	0	-36
LACEY TWP.	10	17	10	.665	0	-20
LAKEHURST BORO.	0	0	0	.665	0	0
LAKEWOOD TWP.	188	200	238	.665	-163	-23
LAVALLETTE BORO.	0	0	0	.665	0	0
LITTLE EGG HARBOR TW	0	0	0	.665	0	0
LONG BEACH TWP.	0	0	0	.665	0	0
MANCHESTER TWP.	6	17	34	.665	0	-9
MANTOLOKING BORO.	0	0	3	.665	0	-1
OCEAN TWP.	0	8	8	.665	0	-6
OCEAN GATE BORO.	8	0	0	.665	0	-3
PINE BEACH BORO.	0	0	0	.665	0	0
PLUMSTED TWP.	0	0	0	.665	0	0
POINT PLEASANT BORO.	0	10	0	.665	0	-7
PT PLEASANT BEACH BO	29	17	33	.665	-15	-8
SEASIDE HEIGHTS BORO	14	5	5	.665	-1	-1
SEASIDE PARK BORO.	0	6	0	.665	0	-4
SHIP BOTTOM BORO.	0	4	2	.665	0	-3
SOUTH TOMS RIVER BOR	0	0	0	.665	0	0
STAFFORD TWP.	0	8	17	.665	0	-12
SURF CITY BORO.	0	2	2	.665	0	-2

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
TUCKERTON BORO.	7	0	0	.665	0	-4
Total Ocean	324	502	481		-179	-279
BLOOMINGDALE BORO.	13	0	0	.639	0	-8
CLIFTON CITY	433	180	169	.639	0	-56
HALEDON BORO.	66	17	15	.639	0	-7
HAWTHORNE BORO.	8	15	10	.639	0	-12
LITTLE FALLS TWP.	0	9	0	.639	0	-6
NORTH HALEDON BORO.	0	0	0	.639	0	0
PASSAIC CITY	1914	342	416	.639	-742	-91
PATERSON CITY	2112	717	809	.639	-386	-183
POMPTON LAKES BORO.	14	20	22	.639	0	-11
PROSPECT PARK BORO.	62	0	0	.639	0	-6
RINGWOOD BORO.	33	0	7	.639	0	-15
TOTOWA BORO.	16	15	15	.639	0	-9
WANAQUE BORO.	0	32	22	.639	0	-11
WAYNE TWP.	33	48	31	.639	0	-50
WEST MILFORD TWP.	27	28	27	.639	0	-24
WEST PATERSON BORO.	11	13	5	.639	0	-10
Total Passaic	4,742	1,436	1,548		-1128	-500
ALLOWAY TWP.	0	4	4	.715	0	-4
CARNEYS POINT TWP.	4	13	13	.715	0	-6
ELMER BORO.	4	3	0	.715	0	-3
EL SINBORO TWP.	0	0	0	.715	0	0
LOWER ALLOWAYS CR TW	3	5	8	.715	0	-5
MANNINGTON TWP.	0	6	0	.715	0	-4
OLDMANS TWP.	3	4	0	.715	0	-5
PENNS GROVE BORO.	30	21	22	.715	-4	-4
PENNSVILLE TWP.	7	6	13	.715	0	-11
PILESGROVE TWP.	1	0	0	.715	0	-1
PITTS GROVE TWP.	8	16	0	.715	0	-10
QUINTON TWP.	0	8	4	.715	0	-3
SALEM CITY	21	21	14	.715	0	-2
UPPER PITTS GROVE TWP	0	0	3	.715	0	-1
WOODSTOWN BORO.	5	0	14	.715	0	-4
Total Salem	86	107	95		-4	-63

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
BEDMINSTER TWP.	0	0	0	.691	0	0
BERNARDS TWP.	5	6	0	.691	0	-8
BERNARDSVILLE BORO.	22	0	0	.691	0	-15
BOUND BROOK BORO.	147	28	32	.691	-62	-8
BRANCHBURG TWP.	0	16	31	.691	-10	-13
BRIDGEWATER TWP.	0	71	56	.691	0	-66
FAR HILLS BORO.	3	0	0	.691	0	-2
FRANKLIN TWP.	54	67	85	.691	-49	-49
GREEN BROOK TWP.	0	0	0	.691	0	0
HILLSBOROUGH TWP.	0	14	13	.691	0	-15
MANVILLE BORO.	15	44	61	.691	-25	-9
MILLSTONE BORO.	3	0	0	.691	0	-2
MONTGOMERY TWP.	0	8	8	.691	0	-9
NORTH PLAINFIELD BOR	179	47	71	.691	-43	-20
PEAPACK GLADSTONE BO	4	3	2	.691	0	-6
RARITAN BORO.	25	8	21	.691	0	-7
ROCKY HILL BORO.	0	3	3	.691	0	-3
SOMERVILLE BORO.	38	8	0	.691	0	-9
SOUTH BOUND BROOK BO	42	20	32	.691	-34	-5
WARREN TWP.	8	0	11	.691	0	-10
WATCHUNG BORO.	10	8	0	.691	0	-12
Total Somerset	555	351	426		-223	-265
ANDOVER BORO.	0	0	0	.639	0	0
ANDOVER TWP.	0	0	0	.639	0	0
BRANCHVILLE BORO.	0	0	0	.639	0	0
BYRAM TWP.	7	13	13	.639	0	-12
FRANKFORD TWP.	9	0	0	.639	0	-6
FRANKLIN BORO.	28	0	0	.639	0	-4
FREDON TWP.	0	0	0	.639	0	0
GREEN TWP.	4	4	0	.639	0	-5
HAMBURG BORO.	8	0	0	.639	0	-5
HAMPTON TWP.	0	0	0	.639	0	0
HARDYSTON TWP.	0	7	7	.639	0	-7
HOPATCONG BORO.	9	16	27	.639	0	-14
LAFAYETTE TWP.	4	0	0	.639	0	-3
MONTAGUE TWP.	8	4	11	.639	0	-4
NEWTON TOWN	23	13	25	.639	0	-6

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
OGDENSBURG BORO.	11	0	0	.639	0	-5
SANDYSTON TWP.	2	2	5	.639	0	-4
SPARTA TWP.	4	14	6	.639	0	-14
STANHOPE BORO.	0	6	0	.639	0	-4
STILLWATER TWP.	13	6	9	.639	0	-7
SUSSEX BORO.	21	23	26	.639	-10	-3
VERNON TWP.	21	0	20	.639	0	-19
WALPACK TWP.	0	0	0	.639	0	0
WANTAGE TWP.	0	0	0	.639	0	0
Total Sussex	172	108	149		-10	-119
BERKELEY HEIGHTS TWP	14	12	0	.714	-1	-17
CLARK TWP.	0	8	8	.714	0	-9
CRANFORD TWP.	13	31	14	.714	0	-21
ELIZABETH CITY	1512	864	949	.714	-429	-176
FANWOOD BORO.	0	10	37	.714	0	-11
GARWOOD BORO.	6	0	0	.714	0	-4
HILLSIDE TWP.	84	18	35	.714	-1	-15
KENILWORTH BORO.	6	9	0	.714	0	-7
LINDEN CITY.	148	49	78	.714	-64	-17
MOUNTAINSIDE BORO.	0	8	53	.714	-16	-10
NEW PROVIDENCE BORO.	9	7	0	.714	0	-11
PLAINFIELD CITY	642	161	116	.714	-272	-37
RAHWAY CITY	116	132	125	.714	-102	-17
ROSELLE BORO.	96	33	61	.714	-38	-12
ROSELLE PARK BORO.	76	34	41	.714	-35	-10
SCOTCH PLAINS TWP.	15	7	15	.714	0	-22
SPRINGFIELD TWP.	0	19	8	.714	0	-15
SUMMIT CITY	54	0	12	.714	0	-26
UNION TWP.	97	47	50	.714	-4	-31
WESTFIELD TOWN	6	16	23	.714	0	-25
WINFIELD TWP.	2	0	3	.714	0	-1
Total Union	2,896	1,465	1,628		-962	-494
ALLAMUCHY TWP.	0	0	6	.714	0	-2
ALPHA BORO.	0	0	3	.714	0	-1
BELVIDERE TOWN	10	0	0	.714	0	-4
BLAIRSTOWN TWP.	10	6	6	.714	0	-7

Municipality	Rehabilitation Share (2004 - 2014)					
	Crowding	Plumbing	Kitchen	Low- Moderate Deterioration Share	Rehabili- tation Share Credit	Spontan- eous Rehabili- tation
	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
FRANKLIN TWP.	8	0	4	.714	0	-5
FRELINGHUYSEN TWP.	0	4	4	.714	0	-4
GREENWICH TWP.	4	12	12	.714	0	-9
HACKETTSTOWN TOWN	52	10	44	.714	0	-9
HARDWICK TWP.	0	2	2	.714	0	-2
HARMONY TWP.	0	4	0	.714	0	-3
HOPE TWP.	2	6	4	.714	0	-4
INDEPENDENCE TWP.	7	12	7	.714	0	-7
KNOWLTON TWP.	12	3	0	.714	0	-5
LIBERTY TWP.	3	4	9	.714	0	-5
LOPATCONG TWP.	7	9	0	.714	0	-4
MANSFIELD TWP.	0	0	0	.714	0	0
OXFORD TWP.	5	4	0	.714	0	-3
PHILLIPSBURG TOWN	17	34	55	.714	0	-6
POHATCONG TWP.	0	0	0	.714	0	0
WASHINGTON BORO.	24	0	49	.714	0	-5
WASHINGTON TWP.	0	0	0	.714	0	0
WHITE TWP.	0	0	0	.714	0	0
Total Warren	161	110	205		0	-87
Total State	33,832	16,530	17,531		-8464	-7316

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospective Need	2nd Round Prospective Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
Example Town	362	375	47	783
Atlantic				
ABSECON CITY	66	78	10	154
ATLANTIC CITY	518	3	109	630
BRIGANTINE CITY	74	49	7	130
BUENA BORO.	29	10	2	40
BUENA VISTA TWP.	1	18	2	22
CORBIN CITY	2	11	1	14
EGG HARBOR TWP.	327	438	55	820
EGG HARBOR CITY	18	24	3	45
ESTELL MANOR CITY	2	19	3	24
FOLSOM BORO.	0	20	3	22
GALLOWAY TWP.	103	196	29	328
HAMILTON TWP.	113	239	28	380
HAMMONTON TOWN	146	111	14	271
LINWOOD CITY	64	76	10	150
LONGPORT BORO.	27	32	4	64
MARGATE CITY	58	38	5	101
MULLICA TWP.	5	35	5	45
NORTHFIELD CITY	104	86	12	202
PLEASANTVILLE CITY	0	0	0	0
PORT REPUBLIC CITY	0	19	2	21
SOMERS POINT CITY	79	23	3	105
VENTNOR CITY	34	0	0	34
WEYMOUTH TWP.	1	14	2	17
Total Atlantic	1,770	1,538	309	3,618
Bergen				
ALLENDALE BORO.	24	39	45	108
ALPINE BORO.	18	68	79	165
BERGENFIELD BORO.	32	17	19	68
BOGOTA BORO.	9	0	0	9
CARLSTADT BORO.	66	54	66	186
CLIFFSIDE PARK BORO.	50	0	0	50
CLOSTER BORO.	27	29	34	90
CRESSKILL BORO.	17	18	22	56

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
DEMAREST BORO.	14	18	21	53
DUMONT BORO.	13	5	6	25
EAST RUTHERFORD BORO	23	23	24	70
EDGEWATER BORO.	13	4	5	21
ELMWOOD PARK BORO.	24	8	11	42
EMERSON BORO.	25	16	20	61
ENGLEWOOD CITY	53	30	35	119
ENGLEWOOD CLIFFS BOR	51	57	71	179
FAIR LAWN BORO.	55	30	38	123
FAIRVIEW BORO.	20	0	0	20
FORT LEE BORO.	128	11	13	152
FRANKLIN LAKES BORO.	62	105	118	285
GARFIELD CITY	0	0	0	0
GLEN ROCK BORO.	30	30	35	95
HACKENSACK CITY	143	12	14	169
HARRINGTON PARK BORO	13	15	18	45
HASBROUCK HEIGHTS BO	25	10	12	47
HAWORTH BORO.	11	18	21	51
HILLSDALE BORO.	24	29	35	89
HOHOKUS BORO.	10	25	29	64
LEONIA BORO.	7	7	8	22
LITTLE FERRY BORO.	14	3	4	20
LODI BORO.	0	0	0	0
LYNDHURST TWP.	37	19	22	77
MAHWAH TWP.	7	117	137	261
MAYWOOD BORO.	15	6	7	28
MIDLAND PARK BORO.	18	12	14	43
MONTVALE BORO.	55	72	78	205
MOONACHIE BORO.	25	25	28	77
NEW MILFORD BORO.	12	2	3	17
NORTH ARLINGTON BORO	14	0	0	14
NORTHVALE BORO.	32	17	23	72
NORWOOD BORO.	19	34	40	93
OAKLAND BORO.	48	59	70	177
OLD TAPPAN BORO.	21	26	31	79
ORADELL BORO.	22	22	27	71
PALISADES PARK BORO.	15	0	0	15
PARAMUS BORO.	185	174	209	568
PARK RIDGE BORO.	27	30	33	90

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
RAMSEY BORO.	59	45	52	156
RIDGEFIELD BORO.	13	9	13	35
RIDGEFIELD PK VILLAG	15	1	1	17
RIDGEWOOD VILLAGE	69	54	62	185
RIVER EDGE BORO.	20	18	21	58
RIVER VALE TWP.	22	34	40	96
ROCHELLE PARK TWP.	21	14	17	52
ROCKLEIGH BORO.	9	26	30	65
RUTHERFORD BORO.	68	7	8	83
SADDLE BROOK TWP.	29	33	39	100
SADDLE RIVER BORO.	24	48	56	128
SOUTH HACKENSACK TWP	10	12	17	39
TEANECK TWP.	57	44	50	151
TENAFLY BORO.	43	39	46	128
TETERBORO BORO.	63	14	19	95
UPPER SADDLE RIV BOR	45	57	64	166
WALDWICK BORO.	19	21	25	65
WALLINGTON BORO.	20	0	0	20
WASHINGTON TWP.	16	24	28	68
WESTWOOD BORO.	27	19	23	69
WOODCLIFF LAKE BORO.	34	49	54	137
WOOD-RIDGE BORO.	8	7	13	28
WYCKOFF TWP.	45	60	71	176
Total Bergen	2,287	1,927	2,273	6,488
Burlington				
BASS RIVER TWP.	1	12	2	15
BEVERLY CITY	20	0	0	20
BORDENTOWN CITY	12	16	3	31
BORDENTOWN TWP.	75	125	20	220
BURLINGTON CITY	45	39	7	91
BURLINGTON TWP.	208	219	34	461
CHESTERFIELD TWP.	24	26	4	55
CINNAMINSON TWP.	149	155	27	331
DELANCO TWP.	17	40	7	64
DELTRAN TWP.	100	99	16	215
EASTAMPTON TWP.	16	31	5	51
EDGEWATER PARK TWP.	14	13	2	29
EVESHAM TWP.	240	256	38	534

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
FIELDSBORO BORO.	2	16	3	21
FLORENCE TWP.	79	31	5	115
HAINESPORT TWP.	38	96	16	150
LUMBERTON TWP.	28	115	18	160
MANSFIELD TWP.	42	67	11	120
MAPLE SHADE TWP.	51	0	0	51
MEDFORD TWP.	181	221	33	435
MEDFORD LAKES BORO.	17	40	6	63
MOORESTOWN TWP.	311	248	47	606
MOUNT HOLLY TWP.	0	0	0	0
MOUNT LAUREL TWP.	248	494	72	814
NEW HANOVER TWP.	0	4	1	4
NORTH HANOVER TWP.	1	0	0	1
PALMYRA BORO.	28	9	1	38
PEMBERTON BORO.	2	6	1	9
PEMBERTON TWP.	0	0	0	0
RIVERSIDE TWP.	8	0	0	8
RIVERTON BORO.	5	9	1	15
SHAMONG TWP.	24	56	9	89
SOUTHAMPTON TWP.	40	42	7	89
SPRINGFIELD TWP.	23	25	4	53
TABERNACLE TWP.	37	64	10	112
WASHINGTON TWP.	1	9	2	12
WESTAMPTON TWP.	53	143	24	220
WILLINGBORO TWP.	123	134	22	279
WOODLAND TWP.	0	18	3	21
WRIGHTSTOWN BORO.	9	1	0	10
Total Burlington	2,271	2,878	461	5,610
Camden				
AUDUBON BORO.	8	0	0	8
AUDUBON PARK BORO.	2	2	1	4
BARRINGTON BORO.	2	5	1	8
BELLMAWR BORO.	59	44	7	110
BERLIN BORO.	87	62	9	158
BERLIN TWP.	27	72	10	109
BROOKLAWN BORO.	12	10	2	24
CAMDEN CITY	0	0	0	0
CHERRY HILL TWP.	806	17	117	940

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
CHESILHURST BORO.	8	18	3	30
CLEMENTON BORO.	27	0	0	27
COLLINGSWOOD BORO.	33	0	0	33
GIBBSBORO BORO.	47	56	8	112
GLOUCESTER TWP.	168	172	27	367
GLOUCESTER CITY	0	0	0	0
HADDON TWP.	31	1	0	32
HADDONFIELD BORO.	127	58	10	195
HADDON HEIGHTS BORO.	18	3	0	21
HI-NELLA BORO.	1	0	0	1
LAUREL SPRINGS BORO.	9	6	1	17
LAWNSIDE BORO.	11	19	3	33
LINDENWOLD BORO.	57	0	0	57
MAGNOLIA BORO.	16	4	1	21
MERCHANTVILLE BORO.	7	0	0	7
MOUNT EPHRAIM BORO.	21	10	2	33
OAKLYN BORO.	6	0	0	6
PENNSAUKEN TWP.	0	0	0	0
PINE HILL BORO.	21	0	0	21
PINE VALLEY BORO.	5	40	6	50
RUNNEMEDE BORO.	29	9	1	40
SOMERDALE BORO.	69	24	3	97
STRATFORD BORO.	42	24	4	70
TAVISTOCK BORO.	4	71	11	86
VOORHEES TWP.	186	233	37	456
WATERFORD TWP.	42	56	9	107
WINSLOW TWP.	127	231	36	394
WOODLYNNE BORO.	2	0	0	2
Total Camden	2,116	1,248	310	3,675
Cape May				
AVALON BORO.	123	110	18	251
CAPE MAY CITY	47	10	1	59
CAPE MAY POINT BORO.	17	17	2	36
DENNIS TWP.	152	69	9	229
LOWER TWP.	188	137	18	343
MIDDLE TWP.	312	123	18	453
NORTH WILDWOOD CITY	83	0	0	83
OCEAN CITY CITY	280	131	19	430

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
SEA ISLE CITY CITY	77	32	5	113
STONE HARBOR BORO.	72	70	9	152
UPPER TWP.	133	185	24	341
WEST CAPE MAY BORO.	5	2	0	7
WEST WILDWOOD BORO.	18	15	2	35
WILDWOOD CITY	0	0	0	0
WILDWOOD CREST BORO.	39	2	0	41
WOODBINE BORO.	31	57	7	95
Total Cape May	1,578	958	132	2,668
Cumberland				
BRIDGETON CITY	0	0	0	0
COMMERCIAL TWP.	16	25	4	45
DEERFIELD TWP.	28	13	2	42
DOWNE TWP.	2	8	1	11
FAIRFIELD TWP.	16	63	8	87
GREENWICH TWP.	2	11	1	14
HOPEWELL TWP.	21	93	12	126
LAWRENCE TWP.	0	10	1	11
MAURICE RIVER TWP.	5	17	2	25
MILLVILLE CITY	0	0	0	0
SHILOH BORO.	0	7	1	7
STOW CREEK TWP.	0	14	2	16
UPPER DEERFIELD TWP.	43	173	26	242
VINELAND CITY	0	0	0	0
Total Cumberland	133	433	60	626
Essex				
BELLEVILLE TWP.	0	0	0	0
BLOOMFIELD TWP.	0	0	0	0
CALDWELL BORO. TWP.	19	0	0	19
CEDAR GROVE TWP.	39	2	7	48
ORANGE CITY TWP.	0	0	0	0
EAST ORANGE CITY	0	0	0	0
ESSEX FELS TWP.	11	2	8	21
FAIRFIELD TWP.	157	12	43	212
GLEN RIDGE BORO. TWP	17	0	2	20
IRVINGTON TOWN	0	0	0	0
LIVINGSTON TWP.	200	12	47	259

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
MAPLEWOOD TWP.	50	0	0	50
MILLBURN TWP.	141	7	31	179
MONTCLAIR TWP.	2	0	0	2
NEWARK CITY	0	0	0	0
NORTH CALDWELL TWP.	23	3	11	37
NUTLEY TWP.	63	0	0	63
ROSELAND BORO.	90	7	24	121
SOUTH ORANGE VILL TW	64	0	0	64
VERONA TWP.	37	0	0	37
WEST CALDWELL TWP.	97	7	29	133
WEST ORANGE TWP.	167	2	10	179
Total Essex	1,176	53	213	1,442
Gloucester				
CLAYTON BORO.	38	52	9	98
DEPTFORD TWP.	226	272	45	543
EAST GREENWICH TWP.	53	169	29	251
ELK TWP.	39	69	13	121
FRANKLIN TWP.	13	142	22	178
GLASSBORO BORO.	0	0	0	0
GREENWICH TWP.	73	213	38	324
HARRISON TWP.	33	154	24	211
LOGAN TWP.	126	284	45	455
MANTUA TWP.	92	185	29	307
MONROE TWP.	164	255	40	459
NATIONAL PARK BORO.	12	15	2	29
NEWFIELD BORO.	0	13	2	15
PAULSBORO BORO.	0	0	0	0
PITMAN BORO.	23	14	2	40
SOUTH HARRISON TWP.	0	26	5	31
SWEDESBORO BORO.	17	6	1	23
WASHINGTON TWP.	173	288	47	507
WENONAH BORO.	6	22	3	31
WEST DEPTFORD TWP.	113	229	42	384
WESTVILLE BORO.	27	0	0	27
WOODBURY CITY	0	0	0	0
WOODBURY HEIGHTS BOR	20	31	5	57
WOOLWICH TWP.	49	136	23	209
Total Gloucester	1,297	2,576	426	4,299

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
Hudson				
BAYONNE CITY	0	0	0	0
EAST NEWARK BORO.	2	0	0	2
GUTTENBERG TOWN	33	0	0	33
HARRISON TOWN	16	2	3	21
HOBOKEN CITY	0	0	0	0
JERSEY CITY	0	0	0	0
KEARNY TOWN	6	58	75	139
NORTH BERGEN TWP.	0	0	0	0
SECAUCUS TOWN	157	154	166	478
UNION CITY	0	0	0	0
WEEHAWKEN TWP.	0	0	0	0
WEST NEW YORK TOWN	0	0	0	0
Total Hudson	215	215	244	673
Hunterdon				
ALEXANDRIA TWP.	0	19	3	22
BETHLEHEM TWP.	10	28	4	42
BLOOMSBURY BORO.	8	8	1	18
CALIFON BORO.	0	18	3	21
CLINTON TOWN	23	26	3	52
CLINTON TWP.	91	213	31	335
DELAWARE TWP.	0	20	3	23
EAST AMWELL TWP.	3	34	5	41
FLEMINGTON BORO.	45	0	0	45
FRANKLIN TWP.	9	23	3	35
FRENCHTOWN BORO.	0	2	0	2
GLEN GARDNER BORO.	0	6	1	7
HAMPTON BORO.	0	2	0	2
HIGH BRIDGE BORO.	15	11	1	27
HOLLAND TWP.	0	14	2	16
KINGWOOD TWP.	1	17	2	20
LAMBERTVILLE CITY	0	0	0	0
LEBANON BORO.	8	24	3	35
LEBANON TWP.	0	24	3	27
MILFORD BORO.	0	4	1	5
RARITAN TWP.	141	193	28	362
READINGTON TWP.	91	265	37	394

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospect- tive Need	2nd Round Prospect- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
STOCKTON BORO.	0	5	1	6
TEWKSBURY TWP.	28	84	11	123
UNION TWP.	0	68	10	78
WEST AMWELL TWP.	0	15	2	17
Total Hunterdon	473	1,123	160	1,756
Mercer				
EAST WINDSOR TWP.	169	160	16	345
EWING TWP.	164	322	25	511
HAMILTON TWP.	284	388	32	705
HIGHTSTOWN BORO.	21	25	2	47
HOPEWELL BORO.	0	29	2	32
HOPEWELL TWP.	86	446	33	565
LAWRENCE TWP.	362	540	42	944
PENNINGTON BORO.	0	54	4	58
PRINCETON BORO.	236	76	6	318
PRINCETON TWP.	108	207	16	331
TRENTON CITY	0	0	0	0
WASHINGTON TWP.	90	184	15	289
WEST WINDSOR TWP.	259	645	46	951
Total Mercer	1,779	3,076	240	5,095
Middlesex				
CARTERET BORO.	0	0	0	0
CRANBURY TWP.	93	114	16	223
DUNELLEN BORO.	4	0	0	4
EAST BRUNSWICK TWP.	391	235	32	658
EDISON TWP.	525	386	53	964
HELMETTA BORO.	14	11	2	26
HIGHLAND PARK BORO.	27	0	0	27
JAMESBURG BORO.	7	0	0	7
METUCHEN BORO.	55	40	6	100
MIDDLESEX BORO.	71	30	5	105
MILLTOWN BORO.	34	27	4	65
MONROE TWP.	75	423	60	558
NEW BRUNSWICK CITY	0	0	0	0
NORTH BRUNSWICK TWP.	244	135	19	398
OLD BRIDGE TWP.	213	203	28	444
PERTH AMBOY CITY	0	0	0	0

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
PISCATAWAY TWP.	420	286	41	747
PLAINSBORO TWP.	88	106	13	208
SAYREVILLE BORO.	127	120	17	264
SOUTH AMBOY CITY	17	0	0	17
SOUTH BRUNSWICK TWP.	305	500	63	868
SOUTH PLAINFIELD BOR	173	188	28	389
SOUTH RIVER BORO.	20	0	0	20
SPOTSWOOD BORO.	31	15	2	49
WOODBIDGE TWP.	497	13	43	553
Total Middlesex	3,430	2,833	430	6,693
Monmouth				
ABERDEEN TWP.	152	120	9	281
ALLENHURST BORO.	14	36	3	53
ALLENTOWN BORO.	1	28	2	31
ASBURY PARK CITY	0	0	0	0
ATL. HIGHLANDS BORO.	62	23	2	87
AVON BY THE SEA BORO	14	5	0	20
BELMAR BORO.	62	0	0	62
BRADLEY BEACH BORO.	28	0	0	28
BRIELLE BORO.	83	79	6	167
COLTS NECK TWP.	103	105	9	217
DEAL BORO.	25	29	2	56
EATONTOWN BORO.	296	192	15	503
ENGLISHTOWN BORO.	36	31	2	69
FAIR HAVEN BORO.	73	63	5	141
FARMINGDALE BORO.	0	18	1	19
FREEHOLD BORO.	141	47	4	192
FREEHOLD TWP.	488	507	41	1,036
HAZLET TWP.	246	164	12	423
HIGHLANDS BORO.	29	0	0	29
HOLMDEL TWP.	391	351	31	772
HOWELL TWP.	427	488	39	955
INTERLAKEN BORO.	8	32	2	43
KEANSBURG BORO.	0	0	0	0
KEYPORT BORO.	14	0	0	14
LITTLE SILVER BORO.	104	96	7	207
LOCH ARBOUR VILLAGE	2	29	2	33
LONG BRANCH CITY	0	0	0	0

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
MANALAPAN TWP.	241	431	34	706
MANASQUAN BORO.	107	42	3	153
MARLBORO TWP.	455	522	42	1,019
MATAWAN BORO.	103	39	3	144
MIDDLETOWN TWP.	800	13	51	864
MILLSTONE TWP.	7	69	5	81
MONMOUTH BEACH BORO.	36	34	2	73
NEPTUNE TWP.	0	0	0	0
NEPTUNE CITY BORO.	22	11	1	33
OCEAN TWP.	672	204	16	892
OCEANPORT BORO.	65	84	7	157
RED BANK BORO.	339	91	7	436
ROOSEVELT BORO.	0	27	2	29
RUMSON BORO.	130	127	10	268
SEA BRIGHT BORO.	18	19	2	38
SEA GIRT BORO.	51	66	5	122
SHREWSBURY BORO.	116	168	10	294
SHREWSBURY TWP.	10	2	0	12
SOUTH BELMAR BORO.	17	14	1	32
SPRING LAKE BORO.	71	63	5	138
SPRING LAKE HGTS BOR	50	24	2	76
TINTON FALLS BORO.	296	334	25	655
UNION BEACH BORO.	41	43	3	87
UPPER FREEHOLD TWP.	0	40	3	44
WALL TWP.	415	626	49	1,090
WEST LONG BRANCH BOR	139	81	6	227
Total Monmouth	7,002	5,616	490	13,108
Morris				
BOONTON TOWN	16	0	0	16
BOONTON TWP.	7	1	4	11
BUTLER BORO.	8	0	1	10
CHATHAM BORO.	41	2	9	53
CHATHAM TWP.	39	3	11	52
CHESTER BORO.	0	1	4	5
CHESTER TWP.	2	2	8	12
DENVILLE TWP.	123	13	55	191
DOVER TOWN	22	0	0	22
EAST HANOVER TWP.	106	10	42	159

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
FLORHAM PARK BORO.	143	12	50	205
HANOVER TWP.	132	14	61	208
HARDING TWP.	46	2	10	58
JEFFERSON TWP.	35	2	10	47
KINNELON BORO.	22	3	14	39
LINCOLN PARK BORO.	29	3	11	43
MADISON BORO.	59	1	5	66
MENDHAM BORO.	0	2	7	8
MENDHAM TWP.	10	2	8	20
MINE HILL TWP.	17	3	12	32
MONTVILLE TWP.	111	10	40	161
MORRIS TWP.	99	13	52	163
MORRIS PLAINS BORO.	90	4	14	108
MORRISTOWN TOWN	225	0	0	225
MOUNTAIN LAKES BORO.	23	4	15	42
MOUNT ARLINGTON BORO	9	0	2	11
MOUNT OLIVE TWP.	61	0	0	61
NETCONG BORO.	3	0	0	3
PAR-TROY HILLS TWP.	339	21	79	439
LONG HILL TWP	44	1	4	50
PEQUANNOCK TWP.	60	5	20	84
RANDOLPH TWP.	108	10	40	158
RIVERDALE BORO.	13	3	12	28
ROCKAWAY BORO.	24	1	4	30
ROCKAWAY TWP.	178	13	54	245
ROXBURY TWP.	114	9	38	161
VICTORY GARDENS BORO	2	0	0	2
WASHINGTON TWP.	30	2	9	42
WHARTON BORO.	17	1	6	24
Total Morris	2,408	175	712	3,295
Ocean				
BARNEGAT TWP.	173	151	12	336
BARNEGAT LIGHT BORO.	38	47	3	88
BAY HEAD BORO.	22	44	3	69
BEACH HAVEN BORO.	44	26	2	72
BEACHWOOD BORO.	60	64	5	129
BERKELEY TWP.	327	264	19	610
BRICK TWP.	537	403	29	970

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
DOVER TWP.	821	842	72	1,735
EAGLESWOOD TWP.	10	25	2	36
HARVEY CEDARS BORO.	19	26	2	47
ISLAND HEIGHTS BORO.	10	21	2	33
JACKSON TWP.	344	836	68	1,248
LACEY TWP.	345	217	18	580
LAKEHURST BORO.	48	19	1	68
LAKEWOOD TWP.	0	0	0	0
LAVALLETTE BORO.	60	23	1	84
LITTLE EGG HARBOR TW	131	59	5	195
LONG BEACH TWP.	45	0	0	45
MANCHESTER TWP.	218	140	12	370
MANTOLOKING BORO.	22	38	3	63
OCEAN TWP.	123	104	8	236
OCEAN GATE BORO.	8	4	0	12
PINE BEACH BORO.	21	20	2	43
PLUMSTED TWP.	7	42	3	51
POINT PLEASANT BORO.	215	132	10	357
PT PLEASANT BEACH BO	64	108	6	178
SEASIDE HEIGHTS BORO	23	0	0	23
SEASIDE PARK BORO.	36	16	1	53
SHIP BOTTOM BORO.	46	25	2	73
SOUTH TOMS RIVER BOR	27	25	2	53
STAFFORD TWP.	301	235	19	555
SURF CITY BORO.	27	22	2	51
TUCKERTON BORO.	49	21	2	71
Total Ocean	4,222	3,998	316	8,537
Passaic				
BLOOMINGDALE BORO.	16	52	61	129
CLIFTON CITY	-115	58	70	13
HALEDON BORO.	4	0	0	4
HAWTHORNE BORO.	26	8	10	44
LITTLE FALLS TWP.	32	23	26	82
NORTH HALEDON BORO.	17	25	30	72
PASSAIC CITY	0	0	0	0
PATERSON CITY	0	0	0	0
POMPTON LAKES BORO.	18	28	33	79
PROSPECT PARK BORO.	1	0	0	1

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
RINGWOOD BORO.	3	16	20	39
TOTOWA BORO.	44	70	81	195
WANAQUE BORO.	13	109	129	251
WAYNE TWP.	231	323	371	926
WEST MILFORD TWP.	27	23	28	79
WEST PATERSON BORO.	18	28	50	96
Total Passaic	337	765	908	2,010
Salem				
ALLOWAY TWP.	0	17	2	20
CARNEYS POINT TWP.	47	119	17	184
ELMER BORO.	1	11	1	13
EL SINBORO TWP.	9	16	2	28
LOWER ALLOWAYS CR TW	2	24	3	29
MANNINGTON TWP.	1	18	2	22
OLDMANS TWP.	56	128	16	200
PENNS GROVE BORO.	0	0	0	0
PENNSVILLE TWP.	54	173	23	251
PILESGROVE TWP.	4	27	4	35
PITTS GROVE TWP.	23	30	4	58
QUINTON TWP.	2	13	2	16
SALEM CITY	0	0	0	0
UPPER PITTS GROVE TWP	5	18	3	26
WOODSTOWN BORO.	0	8	1	9
Total Salem	205	603	83	891
Somerset				
BEDMINSTER TWP.	67	79	11	157
BERNARDS TWP.	216	253	39	508
BERNARDSVILLE BORO.	50	67	10	127
BOUND BROOK BORO.	4	0	0	4
BRANCHBURG TWP.	93	182	26	302
BRIDGEWATER TWP.	220	455	62	736
FAR HILLS BORO.	13	21	3	37
FRANKLIN TWP.	362	375	47	783
GREEN BROOK TWP.	63	82	11	155
HILLSBOROUGH TWP.	116	302	43	461
MANVILLE BORO.	2	0	0	2
MILLSTONE BORO.	0	19	3	22

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospect- tive Need	2nd Round Prospect- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
MONTGOMERY TWP.	63	225	31	319
NORTH PLAINFIELD BOR	35	0	0	35
PEAPACK GLADSTONE BO	23	53	8	84
RARITAN BORO.	55	23	3	82
ROCKY HILL BORO.	1	21	3	25
SOMERVILLE BORO.	170	0	0	170
SOUTH BOUND BROOK BO	4	0	0	4
WARREN TWP.	161	338	45	544
WATCHUNG BORO.	59	136	19	213
Total Somerset	1,778	2,629	364	4,771
Sussex				
ANDOVER BORO.	0	2	3	5
ANDOVER TWP.	26	10	12	47
BRANCHVILLE BORO.	1	4	5	10
BYRAM TWP.	0	11	13	25
FRANKFORD TWP.	6	10	12	29
FRANKLIN BORO.	0	3	3	6
FREDON TWP.	9	7	8	24
GREEN TWP.	0	7	8	15
HAMBURG BORO.	2	4	5	11
HAMPTON TWP.	17	10	11	37
HARDYSTON TWP.	0	6	7	13
HOPATCONG BORO.	26	24	28	79
LAFAYETTE TWP.	2	9	10	21
MONTAGUE TWP.	0	3	3	7
NEWTON TOWN	27	0	0	27
OGDENSBURG BORO.	1	4	5	9
SANDYSTON TWP.	2	4	4	10
SPARTA TWP.	6	24	28	59
STANHOPE BORO.	0	5	6	11
STILLWATER TWP.	0	5	6	11
SUSSEX BORO.	0	0	0	0
VERNON TWP.	4	18	22	44
WALPACK TWP.	0	0	0	0
WANTAGE TWP.	3	11	13	27
Total Sussex	131	181	212	524

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospec- tive Need	2nd Round Prospec- tive Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
<b>Union</b>				
BERKELEY HEIGHTS TWP	70	8	31	108
CLARK TWP.	51	2	10	63
CRANFORD TWP.	114	2	7	122
ELIZABETH CITY	0	0	0	0
FANWOOD BORO.	24	1	5	31
GARWOOD BORO.	17	0	0	17
HILLSIDE TWP.	0	0	0	0
KENILWORTH BORO.	39	3	12	53
LINDEN CITY.	99	4	24	127
MOUNTAINSIDE BORO.	49	5	20	74
NEW PROVIDENCE BORO.	91	3	11	105
PLAINFIELD CITY	0	0	0	0
RAHWAY CITY	80	0	0	80
ROSELLE BORO.	0	0	0	0
ROSELLE PARK BORO.	16	0	0	16
SCOTCH PLAINS TWP.	88	6	25	119
SPRINGFIELD TWP.	80	3	13	96
SUMMIT CITY	121	3	11	134
UNION TWP.	157	4	16	177
WESTFIELD TOWN	98	2	8	108
WINFIELD TWP.	1	0	0	1
Total Union	1,195	45	192	1,432
<b>Warren</b>				
ALLAMUCHY TWP.	1	1	3	5
ALPHA BORO.	10	0	0	11
BELVIDERE TOWN	0	0	0	0
BLAIRSTOWN TWP.	0	1	3	4
FRANKLIN TWP.	5	0	1	6
FRELINGHUYSEN TWP.	0	0	1	2
GREENWICH TWP.	32	1	2	35
HACKETTSTOWN TOWN	66	0	0	66
HARDWICK TWP.	0	0	1	2
HARMONY TWP.	18	2	7	28
HOPE TWP.	0	0	2	2
INDEPENDENCE TWP.	8	0	0	8
KNOWLTON TWP.	8	0	1	10
LIBERTY TWP.	0	0	2	2

COUNTY Municipality	Prior Round Obligation (1987 - 1999)			
	1st Round Prospective Need	2nd Round Prospective Need	2nd Round Reallo- cated Present Need	Total Obliga- tion From Prior Rounds
	Column 1	Column 2	Column3	Column 4
LOPATCONG TWP.	18	2	10	30
MANSFIELD TWP.	12	0	0	12
OXFORD TWP.	0	0	0	0
PHILLIPSBURG TOWN	0	0	0	0
POHATCONG TWP.	33	1	3	37
WASHINGTON BORO.	11	0	0	11
WASHINGTON TWP.	35	1	3	39
WHITE TWP.	3	1	4	7
Total Warren	261	11	46	318
 Total State	 36,065	 32,881	 8,580	 77,527

Municipalities affected by the 1,000-unit limitation described in N.J.A.C. 5:93-14 will be subject to verification and validation at the time a municipality submits its petition for certification.

**APPENDIX C**

COUNCIL ON AFFORDABLE HOUSING (COAH)

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1987 – 1999 PRIOR OBLIGATION NUMBERS  
2004 – 2014 REHABILITATION SHARE NUMBERS

*Prepared by*

CENTER FOR URBAN POLICY RESEARCH (CUPR)  
RUTGERS UNIVERSITY  
NEW BRUNSWICK, NEW JERSEY

*Principal Consultants*

ROBERT W. BURCHELL, Ph.D.  
WILLIAM R. DOLPHIN, M.A.

JULY 13, 2004

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
<b><u>Atlantic</u></b>			
	ABSECON CITY	11	154
	ATLANTIC CITY	326	630
	BRIGANTINE CITY	0	130
	BUENA BORO.	14	40
	BUENA VISTA TWP.	0	22
	CORBIN CITY	0	14
	EGG HARBOR TWP.	33	820
	EGG HARBOR CITY	30	45
	ESTELL MANOR CITY	0	24
	FOLSOM BORO.	0	22
	GALLOWAY TWP.	11	328
	HAMILTON TWP.	22	380
	HAMMONTON TOWN	42	271
	LINWOOD CITY	18	150
	LONGPORT BORO.	0	64
	MARGATE CITY	0	101
	MULLICA TWP.	10	45
	NORTHFIELD CITY	2	202
	PLEASANTVILLE CITY	62	0
	PORT REPUBLIC CITY	0	21
	SOMERS POINT CITY	6	105
	VENTNOR CITY	86	34
	WEYMOUTH TWP.	3	17
	<b><u>Total Atlantic</u></b>	<b><u>677</u></b>	<b><u>3,618</u></b>
<b><u>Bergen</u></b>			
	ALLENDALE BORO.	0	108
	ALPINE BORO.	0	165
	BERGENFIELD BORO.	27	68
	BOGOTA BORO.	32	9
	CARLSTADT BORO.	12	186
	CLIFFSIDE PARK BORO.	45	50
	CLOSTER BORO.	0	90
	CRESSKILL BORO.	0	56
	DEMAREST BORO.	0	53
	DUMONT BORO.	5	25
	EAST RUTHERFORD BORO	34	70
	EDGEWATER BORO.	6	21
	ELMWOOD PARK BORO.	5	42
	EMERSON BORO.	0	61
	ENGLEWOOD CITY	65	119
	ENGLEWOOD CLIFFS BOR	0	179

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	FAIR LAWN BORO.	6	123
	FAIRVIEW BORO.	30	20
	FORT LEE BORO.	16	152
	FRANKLIN LAKES BORO.	0	285
	GARFIELD CITY	61	0
	GLEN ROCK BORO.	0	95
	HACKENSACK CITY	87	169
	HARRINGTON PARK BORO	0	45
	HASBROUCK HEIGHTS BO	2	47
	HAWORTH BORO.	0	51
	HILLSDALE BORO.	0	89
	HOHOKUS BORO.	0	64
	LEONIA BORO.	15	22
	LITTLE FERRY BORO.	21	20
	LODI BORO.	22	0
	LYNDHURST TWP.	24	77
	MAHWAH TWP.	3	261
	MAYWOOD BORO.	6	28
	MIDLAND PARK BORO.	3	43
	MONTVALE BORO.	0	205
	MOONACHIE BORO.	1	77
	NEW MILFORD BORO.	1	17
	NORTH ARLINGTON BORO	23	14
	NORTHVALE BORO.	0	72
	NORWOOD BORO.	0	93
	OAKLAND BORO.	0	177
	OLD TAPPAN BORO.	0	79
	ORADELL BORO.	0	71
	PALISADES PARK BORO.	26	15
	PARAMUS BORO.	0	568
	PARK RIDGE BORO.	0	90
	RAMSEY BORO.	0	156
	RIDGEFIELD BORO.	14	35
	RIDGEFIELD PK VILLAG	42	17
	RIDGEWOOD VILLAGE	25	185
	RIVER EDGE BORO.	0	58
	RIVER VALE TWP.	0	96
	ROCHELLE PARK TWP.	2	52
	ROCKLEIGH BORO.	0	65
	RUTHERFORD BORO.	31	83
	SADDLE BROOK TWP.	0	100
	SADDLE RIVER BORO.	0	128
	SOUTH HACKENSACK TWP	2	39
	TEANECK TWP.	89	151
	TENAFLY BORO.	14	128

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	TETERBORO BORO.	0	95
	UPPER SADDLE RIV BOR	0	166
	WALDWICK BORO.	6	65
	WALLINGTON BORO.	41	20
	WASHINGTON TWP.	0	68
	WESTWOOD BORO.	13	69
	WOODCLIFF LAKE BORO.	0	137
	WOOD-RIDGE BORO.	30	28
	WYCKOFF TWP.	0	176
	<b><u>Total Bergen</u></b>	<b><u>887</u></b>	<b><u>6,488</u></b>
<b><u>Burlington</u></b>			
	BASS RIVER TWP.	5	15
	BEVERLY CITY	12	20
	BORDENTOWN CITY	0	31
	BORDENTOWN TWP.	2	220
	BURLINGTON CITY	30	91
	BURLINGTON TWP.	19	461
	CHESTERFIELD TWP.	0	55
	CINNAMINSON TWP.	0	331
	DELANCO TWP.	1	64
	DELRAN TWP.	0	215
	EASTAMPTON TWP.	4	51
	EDGEWATER PARK TWP.	4	29
	EVESHAM TWP.	0	534
	FIELDSBORO BORO.	0	21
	FLORENCE TWP.	21	115
	HAINESPORT TWP.	0	150
	LUMBERTON TWP.	16	160
	MANSFIELD TWP.	0	120
	MAPLE SHADE TWP.	19	51
	MEDFORD TWP.	0	435
	MEDFORD LAKES BORO.	0	63
	MOORESTOWN TWP.	0	606
	MOUNT HOLLY TWP.	30	0
	<i>MOUNT LAUREL</i> TWP.	0	814
	NEW HANOVER TWP.	0	4
	NORTH HANOVER TWP.	8	1
	PALMYRA BORO.	5	38
	PEMBERTON BORO.	5	9
	PEMBERTON TWP.	40	0
	RIVERSIDE TWP.	32	8
	RIVERTON BORO.	4	15
	SHAMONG TWP.	0	89
	SOUTHAMPTON TWP.	0	89

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	SPRINGFIELD TWP.	0	53
	TABERNACLE TWP.	0	112
	WASHINGTON TWP.	0	12
	WESTAMPTON TWP.	2	220
	WILLINGBORO TWP.	4	279
	WOODLAND TWP.	0	21
	WRIGHTSTOWN BORO.	3	10
	<b><u>Total Burlington</u></b>	<b><u>264</u></b>	<b><u>5,610</u></b>
<b><u>Camden</u></b>			
	AUDUBON BORO.	7	8
	AUDUBON PARK BORO.	0	4
	BARRINGTON BORO.	0	8
	BELLMAWR BORO.	13	110
	BERLIN BORO.	2	158
	BERLIN TWP.	0	109
	BROOKLAWN BORO.	0	24
	CAMDEN CITY	505	0
	CHERRY HILL TWP.	0	940
	CHESILHURST BORO.	0	30
	CLEMENTON BORO.	17	27
	COLLINGSWOOD BORO.	38	33
	GIBBSBORO BORO.	3	112
	GLOUCESTER TWP.	45	367
	GLOUCESTER CITY	44	0
	HADDON TWP.	18	32
	HADDONFIELD BORO.	1	195
	HADDON HEIGHTS BORO.	7	21
	HI-NELLA BORO.	0	1
	LAUREL SPRINGS BORO.	0	17
	LAWNSIDE BORO.	2	33
	LINDENWOLD BORO.	38	57
	MAGNOLIA BORO.	4	21
	MERCHANTVILLE BORO.	4	7
	MOUNT EPHRAIM BORO.	0	33
	OAKLYN BORO.	9	6
	PENNSAUKEN TWP.	86	0
	PINE HILL BORO.	26	21
	PINE VALLEY BORO.	0	50
	RUNNEMEDE BORO.	8	40
	SOMERDALE BORO.	4	97
	STRATFORD BORO.	15	70
	TAVISTOCK BORO.	0	86
	VOORHEES TWP.	0	456
	WATERFORD TWP.	21	107

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	WINSLOW TWP.	44	394
	WOODLYNNE BORO.	11	2
	<b><u>Total Camden</u></b>	<b><u>971</u></b>	<b><u>3,675</u></b>
<b><u>Cape May</u></b>			
	AVALON BORO.	0	251
	CAPE MAY CITY	3	59
	CAPE MAY POINT BORO.	0	36
	DENNIS TWP.	5	229
	LOWER TWP.	26	343
	MIDDLE TWP.	12	453
	NORTH WILDWOOD CITY	8	83
	OCEAN CITY CITY	71	430
	SEA ISLE CITY CITY	0	113
	STONE HARBOR BORO.	0	152
	UPPER TWP.	0	341
	WEST CAPE MAY BORO.	7	7
	WEST WILDWOOD BORO.	0	35
	WILDWOOD CITY	49	0
	WILDWOOD CREST BORO.	0	41
	WOODBINE BORO.	10	95
	<b><u>Total Cape May</u></b>	<b><u>191</u></b>	<b><u>2,668</u></b>
<b><u>Cumberland</u></b>			
	BRIDGETON CITY	185	0
	COMMERCIAL TWP.	1	45
	DEERFIELD TWP.	16	42
	DOWNE TWP.	8	11
	FAIRFIELD TWP.	0	87
	GREENWICH TWP.	0	14
	HOPEWELL TWP.	0	126
	LAWRENCE TWP.	0	11
	MAURICE RIVER TWP.	2	25
	MILLVILLE CITY	75	0
	SHILOH BORO.	0	7
	STOW CREEK TWP.	2	16
	UPPER DEERFIELD TWP.	6	242
	VINELAND CITY	253	0
	<b><u>Total Cumberland</u></b>	<b><u>548</u></b>	<b><u>626</u></b>
<b><u>Essex</u></b>			
	BELLEVILLE TWP.	118	0
	BLOOMFIELD TWP.	205	0
	CALDWELL BORO. TWP.	0	19
	CEDAR GROVE TWP.	0	48

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	ORANGE CITY TWP.	225	0
	EAST ORANGE CITY	609	0
	ESSEX FELS TWP.	0	21
	FAIRFIELD TWP.	0	212
	GLEN RIDGE BORO. TWP	6	20
	IRVINGTON TOWN	506	0
	LIVINGSTON TWP.	0	259
	MAPLEWOOD TWP.	56	50
	MILLBURN TWP.	0	179
	MONTCLAIR TWP.	204	2
	NEWARK CITY	2,525	0
	NORTH CALDWELL TWP.	0	37
	NUTLEY TWP.	28	63
	ROSELAND BORO.	0	121
	SOUTH ORANGE VILL TW	22	64
	VERONA TWP.	0	37
	WEST CALDWELL TWP.	0	133
	WEST ORANGE TWP.	185	179
	<b><u>Total Essex</u></b>	<b><u>4,690</u></b>	<b><u>1,442</u></b>
<b><u>Gloucester</u></b>			
	CLAYTON BORO.	16	98
	DEPTFORD TWP.	0	543
	EAST GREENWICH TWP.	0	251
	ELK TWP.	2	121
	FRANKLIN TWP.	18	178
	GLASSBORO BORO.	26	0
	GREENWICH TWP.	7	324
	HARRISON TWP.	0	211
	LOGAN TWP.	0	455
	MANTUA TWP.	0	307
	MONROE TWP.	19	459
	NATIONAL PARK BORO.	1	29
	NEWFIELD BORO.	0	15
	PAULSBORO BORO.	26	0
	PITMAN BORO.	8	40
	SOUTH HARRISON TWP.	0	31
	SWEDESBORO BORO.	3	23
	WASHINGTON TWP.	0	507
	WENONAH BORO.	0	31
	WEST DEPTFORD TWP.	20	384
	WESTVILLE BORO.	24	27
	WOODBURY CITY	52	0
	WOODBURY HEIGHTS BOR	1	57
	WOOLWICH TWP.	0	209

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	<b><u>Total Gloucester</u></b>	<b><u>223</u></b>	<b><u>4,299</u></b>
<b><u>Hudson</u></b>	BAYONNE CITY	302	0
	EAST NEWARK BORO.	13	2
	GUTTENBERG TOWN	54	33
	HARRISON TOWN	104	21
	HOBOKEN CITY	275	0
	JERSEY CITY	3,092	0
	KEARNY TOWN	236	139
	NORTH BERGEN TWP.	629	0
	SECAUCUS TOWN	24	478
	UNION CITY	932	0
	WEEHAWKEN TWP.	143	0
	WEST NEW YORK TOWN	655	0
	<b><u>Total Hudson</u></b>	<b><u>6,458</u></b>	<b><u>673</u></b>
<b><u>Hunterdon</u></b>	ALEXANDRIA TWP.	0	22
	BETHLEHEM TWP.	0	42
	BLOOMSBURY BORO.	0	18
	CALIFON BORO.	0	21
	CLINTON TOWN	0	52
	CLINTON TWP.	0	335
	DELAWARE TWP.	0	23
	EAST AMWELL TWP.	0	41
	FLEMINGTON BORO.	11	45
	FRANKLIN TWP.	1	35
	FRENCHTOWN BORO.	2	2
	GLEN GARDNER BORO.	0	7
	HAMPTON BORO.	0	2
	HIGH BRIDGE BORO.	0	27
	HOLLAND TWP.	11	16
	KINGWOOD TWP.	0	20
	LAMBERTVILLE CITY	27	0
	LEBANON BORO.	0	35
	LEBANON TWP.	1	27
	MILFORD BORO.	0	5
	RARITAN TWP.	0	362
	READINGTON TWP.	0	394
	STOCKTON BORO.	0	6
	TEWKSBURY TWP.	0	123
	UNION TWP.	0	78
	WEST AMWELL TWP.	0	17
	<b><u>Total Hunterdon</u></b>	<b><u>53</u></b>	<b><u>1,756</u></b>

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
<b><u>Mercer</u></b>			
	EAST WINDSOR TWP.	5	345
	EWING TWP.	28	511
	HAMILTON TWP.	120	705
	HIGHTSTOWN BORO.	15	47
	HOPEWELL BORO.	0	32
	HOPEWELL TWP.	0	565
	LAWRENCE TWP.	10	944
	PENNINGTON BORO.	0	58
	PRINCETON BORO.	27	318
	PRINCETON TWP.	0	331
	TRENTON CITY	746	0
	WASHINGTON TWP.	0	289
	WEST WINDSOR TWP.	0	951
	<b><u>Total Mercer</u></b>	<b><u>951</u></b>	<b><u>5,095</u></b>
<b><u>Middlesex</u></b>			
	CARTERET BORO.	126	0
	CRANBURY TWP.	0	223
	DUNELLEN BORO.	9	4
	EAST BRUNSWICK TWP.	0	658
	EDISON TWP.	5	964
	HELMETTA BORO.	0	26
	HIGHLAND PARK BORO.	34	27
	JAMESBURG BORO.	3	7
	METUCHEN BORO.	15	100
	MIDDLESEX BORO.	0	105
	MILLTOWN BORO.	0	65
	MONROE TWP.	40	558
	NEW BRUNSWICK CITY	477	0
	NORTH BRUNSWICK TWP.	24	398
	OLD BRIDGE TWP.	41	444
	PERTH AMBOY CITY	538	0
	PISCATAWAY TWP.	63	747
	PLAINSBORO TWP.	0	208
	SAYREVILLE BORO.	50	264
	SOUTH AMBOY CITY	15	17
	SOUTH BRUNSWICK TWP.	0	868
	SOUTH PLAINFIELD BOR	23	389
	SOUTH RIVER BORO.	47	20
	SPOTSWOOD BORO.	2	49
	WOODBIDGE TWP.	103	553
	<b><u>Total Middlesex</u></b>	<b><u>1,617</u></b>	<b><u>6,693</u></b>

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
<u>Monmouth</u>			
	ABERDEEN TWP.	0	281
	ALLENHURST BORO.	0	53
	ALLENTOWN BORO.	0	31
	ASBURY PARK CITY	148	0
	ATL. HIGHLANDS BORO.	0	87
	AVON BY THE SEA BORO	4	20
	BELMAR BORO.	27	62
	BRADLEY BEACH BORO.	0	28
	BRIELLE BORO.	0	167
	COLTS NECK TWP.	0	217
	DEAL BORO.	0	56
	EATONTOWN BORO.	12	503
	ENGLISHTOWN BORO.	0	69
	FAIR HAVEN BORO.	0	141
	FARMINGDALE BORO.	0	19
	FREEHOLD BORO.	40	192
	FREEHOLD TWP.	0	1,036
	HAZLET TWP.	0	423
	HIGHLANDS BORO.	10	29
	HOLMDEL TWP.	0	772
	HOWELL TWP.	10	955
	INTERLAKEN BORO.	0	43
	KEANSBURG BORO.	59	0
	KEYPORT BORO.	15	14
	LITTLE SILVER BORO.	0	207
	LOCH ARBOUR VILLAGE	0	33
	LONG BRANCH CITY	192	0
	MANALAPAN TWP.	0	706
	MANASQUAN BORO.	17	153
	MARLBORO TWP.	0	1,019
	MATAWAN BORO.	0	144
	MIDDLETOWN TWP.	25	864
	MILLSTONE TWP.	0	81
	MONMOUTH BEACH BORO.	0	73
	NEPTUNE TWP.	96	0
	NEPTUNE CITY BORO.	0	33
	OCEAN TWP.	13	892
	OCEANPORT BORO.	0	157
	RED BANK BORO.	31	436
	ROOSEVELT BORO.	0	29
	RUMSON BORO.	0	268
	SEA BRIGHT BORO.	4	38
	SEA GIRT BORO.	0	122
	SHREWSBURY BORO.	0	294

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	SHREWSBURY TWP.	0	12
	SOUTH BELMAR BORO.	4	32
	SPRING LAKE BORO.	4	138
	SPRING LAKE HGTS BOR	0	76
	TINTON FALLS BORO.	0	655
	UNION BEACH BORO.	4	87
	UPPER FREEHOLD TWP.	0	44
	WALL TWP.	0	1,090
	WEST LONG BRANCH BOR	0	227
	<b><u>Total Monmouth</u></b>	<b><u>715</u></b>	<b><u>13,108</u></b>
<b><u>Morris</u></b>			
	BOONTON TOWN	33	16
	BOONTON TWP.	0	11
	BUTLER BORO.	17	10
	CHATHAM BORO.	2	53
	CHATHAM TWP.	0	52
	CHESTER BORO.	0	5
	CHESTER TWP.	0	12
	DENVILLE TWP.	2	191
	DOVER TOWN	124	22
	EAST HANOVER TWP.	0	159
	FLORHAM PARK BORO.	0	205
	HANOVER TWP.	0	208
	HARDING TWP.	0	58
	JEFFERSON TWP.	0	47
	KINNELON BORO.	0	39
	LINCOLN PARK BORO.	20	43
	MADISON BORO.	46	66
	MENDHAM BORO.	0	8
	MENDHAM TWP.	0	20
	MINE HILL TWP.	22	32
	MONTVILLE TWP.	0	161
	MORRIS TWP.	0	163
	MORRIS PLAINS BORO.	0	108
	MORRISTOWN TOWN	86	225
	MOUNTAIN LAKES BORO.	0	42
	MOUNT ARLINGTON BORO	0	11
	MOUNT OLIVE TWP.	30	61
	NETCONG BORO.	4	3
	PAR-TROY HILLS TWP.	48	439
	LONG HILL TWP	0	50
	PEQUANNOCK TWP.	0	84
	RANDOLPH TWP.	0	158
	RIVERDALE BORO.	0	28

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	ROCKAWAY BORO.	6	30
	ROCKAWAY TWP.	6	245
	ROXBURY TWP.	9	161
	VICTORY GARDENS BORO	11	2
	WASHINGTON TWP.	0	42
	WHARTON BORO.	20	24
	<b><u>Total Morris</u></b>	<b><u>486</u></b>	<b><u>3,295</u></b>
<b><u>Ocean</u></b>			
	BARNEGAT TWP.	0	336
	BARNEGAT LIGHT BORO.	0	88
	BAY HEAD BORO.	0	69
	BEACH HAVEN BORO.	0	72
	BEACHWOOD BORO.	2	129
	BERKELEY TWP.	29	610
	BRICK TWP.	8	970
	DOVER TWP.	9	1,735
	EAGLESWOOD TWP.	0	36
	HARVEY CEDARS BORO.	0	47
	ISLAND HEIGHTS BORO.	0	33
	JACKSON TWP.	2	1,248
	LACEY TWP.	1	580
	LAKEHURST BORO.	0	68
	LAKEWOOD TWP.	158	0
	LAVALLETTE BORO.	0	84
	LITTLE EGG HARBOR TW	0	195
	LONG BEACH TWP.	0	45
	MANCHESTER TWP.	19	370
	MANTOLOKING BORO.	0	63
	OCEAN TWP.	2	236
	OCEAN GATE BORO.	2	12
	PINE BEACH BORO.	0	43
	PLUMSTED TWP.	0	51
	POINT PLEASANT BORO.	0	357
	PT PLEASANT BEACH BO	19	178
	SEASIDE HEIGHTS BORO	12	23
	SEASIDE PARK BORO.	0	53
	SHIP BOTTOM BORO.	0	73
	SOUTH TOMS RIVER BOR	0	53
	STAFFORD TWP.	0	555
	SURF CITY BORO.	0	51
	TUCKERTON BORO.	1	71
	<b><u>Total Ocean</u></b>	<b><u>266</u></b>	<b><u>8,537</u></b>

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
<b><u>Passaic</u></b>			
	BLOOMINGDALE BORO.	0	129
	CLIFTON CITY	395	13
	HALEDON BORO.	51	4
	HAWTHORNE BORO.	6	44
	LITTLE FALLS TWP.	0	82
	NORTH HALEDON BORO.	0	72
	PASSAIC CITY	754	0
	PATERSON CITY	1,522	0
	POMPTON LAKES BORO.	18	79
	PROSPECT PARK BORO.	34	1
	RINGWOOD BORO.	8	39
	TOTOWA BORO.	16	195
	WANAQUE BORO.	17	251
	WAYNE TWP.	13	926
	WEST MILFORD TWP.	21	79
	WEST PATERSON BORO.	7	96
	<b><u>Total Passaic</u></b>	<b><u>2,861</u></b>	<b><u>2,010</u></b>
<b><u>Salem</u></b>			
	ALLOWAY TWP.	0	20
	CARNEYS POINT TWP.	11	184
	ELMER BORO.	2	13
	EL SINBORO TWP.	0	28
	LOWER ALLOWAYS CR TW	4	29
	MANNINGTON TWP.	1	22
	OLDMANS TWP.	0	200
	PENNS GROVE BORO.	37	0
	PENNSVILLE TWP.	3	251
	PILESGROVE TWP.	0	35
	PITTS GROVE TWP.	7	58
	QUINTON TWP.	4	16
	SALEM CITY	33	0
	UPPER PITTS GROVE TWP	0	26
	WOODSTOWN BORO.	5	9
	<b><u>Total Salem</u></b>	<b><u>108</u></b>	<b><u>891</u></b>
<b><u>Somerset</u></b>			
	BEDMINSTER TWP.	0	157
	BERNARDS TWP.	0	508
	BERNARDSVILLE BORO.	0	127
	BOUND BROOK BORO.	63	4
	BRANCBURG TWP.	0	302
	BRIDGEWATER TWP.	5	736
	FAR HILLS BORO.	0	37

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	FRANKLIN TWP.	18	783
	GREEN BROOK TWP.	0	155
	HILLSBOROUGH TWP.	0	461
	MANVILLE BORO.	30	2
	MILLSTONE BORO.	0	22
	MONTGOMERY TWP.	0	319
	NORTH PLAINFIELD BOR	121	35
	PEAPACK GLADSTONE BO	0	84
	RARITAN BORO.	24	82
	ROCKY HILL BORO.	0	25
	SOMERVILLE BORO.	23	170
	SOUTH BOUND BROOK BO	16	4
	WARREN TWP.	0	544
	WATCHUNG BORO.	0	213
	<b><u>Total Somerset</u></b>	<b><u>299</u></b>	<b><u>4,771</u></b>
<b><u>Sussex</u></b>			
	ANDOVER BORO.	0	5
	ANDOVER TWP.	0	47
	BRANCHVILLE BORO.	0	10
	BYRAM TWP.	5	25
	FRANKFORD TWP.	0	29
	FRANKLIN BORO.	13	6
	FREDON TWP.	0	24
	GREEN TWP.	0	15
	HAMBURG BORO.	0	11
	HAMPTON TWP.	0	37
	HARDYSTON TWP.	0	13
	HOPATCONG BORO.	11	79
	LAFAYETTE TWP.	0	21
	MONTAGUE TWP.	8	7
	NEWTON TOWN	26	27
	OGDENSBURG BORO.	2	9
	SANDYSTON TWP.	0	10
	SPARTA TWP.	0	59
	STANHOPE BORO.	0	11
	STILLWATER TWP.	9	11
	SUSSEX BORO.	24	0
	VERNON TWP.	2	44
	WALPACK TWP.	0	0
	WANTAGE TWP.	0	27
	<b><u>Total Sussex</u></b>	<b><u>102</u></b>	<b><u>524</u></b>

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
<b><u>Union</u></b>			
	BERKELEY HEIGHTS TWP	0	108
	CLARK TWP.	0	63
	CRANFORD TWP.	16	122
	ELIZABETH CITY	1,462	0
	FANWOOD BORO.	10	31
	GARWOOD BORO.	0	17
	HILLSIDE TWP.	70	0
	KENILWORTH BORO.	4	53
	LINDEN CITY.	90	127
	MOUNTAINSIDE BORO.	0	74
	NEW PROVIDENCE BORO.	0	105
	PLAINFIELD CITY	310	0
	RAHWAY CITY	108	80
	ROSELLE BORO.	65	0
	ROSELLE PARK BORO.	50	16
	SCOTCH PLAINS TWP.	0	119
	SPRINGFIELD TWP.	2	96
	SUMMIT CITY	17	134
	UNION TWP.	87	177
	WESTFIELD TOWN	0	108
	WINFIELD TWP.	1	1
	<b><u>Total Union</u></b>	<b><u>2,293</u></b>	<b><u>1,432</u></b>
<b><u>Warren</u></b>			
	ALLAMUCHY TWP.	0	5
	ALPHA BORO.	0	11
	BELVIDERE TOWN	4	0
	BLAIRSTOWN TWP.	7	4
	FRANKLIN TWP.	2	6
	FRELINGHUYSEN TWP.	0	2
	GREENWICH TWP.	7	35
	HACKETTSTOWN TOWN	53	66
	HARDWICK TWP.	0	2
	HARMONY TWP.	0	28
	HOPE TWP.	3	2
	INDEPENDENCE TWP.	9	8
	KNOWLTON TWP.	6	10
	LIBERTY TWP.	4	2
	LOPATCONG TWP.	7	30
	MANSFIELD TWP.	0	12
	OXFORD TWP.	3	0
	PHILLIPSBURG TOWN	52	0
	POHATCONG TWP.	0	37
	WASHINGTON BORO.	31	11

COUNTY	Municipality	Rehabilitation Share	Total Obligation From Prior Rounds (1987 - 1999)
	WASHINGTON TWP.	0	39
	WHITE TWP.	0	7
	<u>Total Warren</u>	<u>187</u>	<u>318</u>
	<u>Total State</u>	<u>24,847</u>	<u>77,527</u>

Municipalities affected by the 1,000-unit limitation described in N.J.A.C. 5:93-14 will be subject to verification and validation at the time a municipality submits its petition for certification.

**APPENDIX D**

**COUNCIL ON AFFORDABLE HOUSING (COAH)**

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**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE STATE PLANNING COMMISSION AND  
THE COUNCIL ON AFFORDABLE HOUSING**

JULY 13, 2004

## MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING, dated this \_\_\_\_\_ day of \_\_\_\_\_ 2004 is entered into by and between the New Jersey State Planning Commission (Commission) and the New Jersey Council on Affordable Housing (the Council) to establish a cooperative planning process that will foster constitutional and legislative mandates outlined in both the Fair Housing Act and the State Planning Act.

WHEREAS, the New Jersey Supreme Court determined, in its *Mount Laurel* decisions, that every New Jersey municipality has a constitutional obligation to provide, through its land use regulations, a realistic opportunity for a fair share of the region's present and prospective needs for housing that is affordable to low- and moderate-income families; and

WHEREAS, in response to the *Mount Laurel* decisions, the New Jersey Legislature enacted the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.) on July 2, 1985 and created the Council as the administrative alternative to the court and granted the Council primary jurisdiction in determining municipal compliance with the Fair Housing Act; and

WHEREAS, the Legislature, recognizing that an adequate response to judicial mandates respecting housing for low- and moderate-income persons requires sound planning to prevent sprawl and to promote suitable use of land, also adopted the State Planning Act (N.J.S.A. 52:18A-196 et seq.) as companion legislation to the Fair Housing Act to be effective on January 2, 1986; and

WHEREAS, the State Planning Act required the Commission to develop the State Development and Redevelopment Plan (State Plan) to be used as a tool for assessing suitable locations for infrastructure, housing, economic growth, and conservation; and

WHEREAS, the intent of the State Planning Act is to achieve better coordination of statewide land use policies among all levels of government; and

WHEREAS, the State Plan includes policies designed to promote low- and moderate-income housing through code enforcement, housing subsidies, community-wide housing approaches, and coordinated efforts with the Council; and

WHEREAS, the State Plan also includes a goal of providing adequate housing at a reasonable cost for low- and moderate-income households; creating and maintaining housing at appropriate locations and densities while removing unnecessary regulatory and financial barriers to the delivery of housing; and

WHEREAS, Cross-acceptance is the process for developing the State Plan involving input from all levels of government, and Plan Endorsement is the process for implementing the State Plan at the local and regional levels; and

WHEREAS planning for affordable housing should be an essential element of the Cross-acceptance and Plan Endorsement processes; and

WHEREAS, the Fair Housing Act recognizes that low- and moderate-income housing planning and financing mechanisms must be in accordance with regional considerations and sound planning principles; and

WHEREAS, to ensure coordinated efforts between the Council and the Commission, a previous Memorandum of Understanding, predicated upon a State Plan that was adopted on June 12, 1992, was approved by both entities on October 27, 1992 and September 18, 1992 respectively; and

WHEREAS, new policies initiated by both entities warrant a revision of the previously approved Memorandum of Understanding; and

WHEREAS, in accordance with the Fair Housing Act, the Council has included administrative rules and procedures in its third round rules that utilize the State Plan and the State Plan Policy Map (SPPM) when considering certification of municipal housing elements and fair share plans as well as requests for site specific relief that are directed to the Council from the courts; and

WHEREAS, the Commission has promulgated administrative rules and procedures pertaining to Plan Endorsement in which the plans of municipal petitioners, including the housing element of the master plan required by the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), will be reviewed, and if found to be consistent with the State Plan and regional goals, endorsed by the Commission; and

WHEREAS, the Council has promulgated administrative rules and procedures pertaining to Substantive Certification in which the housing element of the municipal master plans and a fair share plan submitted by municipal petitioners will be reviewed, and if found to be consistent with the Fair Housing Act, the State Plan and the Council's rules, will be certified by the Council; and

WHEREAS, the Plan Endorsement Guidelines approved by the Commission state that any municipality seeking Advanced Plan Endorsement must document in its petition that it has received a current Resolution of Substantive Certification from the Council or a judgment of compliance from the courts; and

WHEREAS, it is mutually beneficial to the Council and the Commission to enter into this Memorandum of Understanding to develop a cooperative planning process that will enable the Council to meet its constitutional and legislative mandate to develop a planning and financing mechanism for low- and moderate-income housing that is in accordance with regional considerations and sound planning concepts and ensure that the Commission maintains, revises and implements a State Plan that promotes the distribution of affordable housing throughout

New Jersey in locations and patterns that are consistent with the goals of the State Planning Act; and

WHEREAS, the cooperative planning process developed pursuant to this Memorandum of Understanding will advance coordinated and comprehensive planning in the State, will result in greater predictability in planning with respect to meeting the mandates of the Council and the Commission and will thereby benefit State agencies, counties, municipalities and the public interest.

NOW THEREFORE, in consideration of the principles, assurances and premises contained in this Memorandum of Understanding, the Commission and the Council hereby agree to the following:

1. Both the Commission and the Council will share all available information useful or necessary to achieve the objectives of this Memorandum of Understanding. The Commission will direct the Office of Smart Growth (OSG) to provide the Council, in a timely manner, such reports, petitions, recommendations or reviews that are necessary for the Council to carry out its responsibilities, including reports, petitions, recommendations or reviews generated through the Cross-acceptance and Plan Endorsement processes. The Council will direct its staff to notify OSG of all petitions for certification of a housing element and fair share plan that are received and to provide OSG with all reports, recommendations and reviews generated through the Council's Substantive Certification process in a timely manner, that will aid the Commission in reviewing municipal Plan Endorsement petitions.
2. The Commission and the Council agree that simultaneous participation by municipalities in the processes of both entities will be encouraged at the time a municipality either petitions the Council for Substantive Certification or petitions the Commission for Plan Endorsement, and that any information submitted to one entity shall be consistent with that submitted to the other, including residential and employment growth projections.
3. A cooperative planning process will be established and maintained between the Commission and the Council and their respective staff to advance coordinated and comprehensive State and regional planning and provide consistent planning policies on which municipalities and counties may rely.
4. The State Plan Policy Map (SPPM), which includes planning areas, designated centers, critical environmental sites, and historic and cultural sites, provides the Council with a framework for locating sites based on considerations of infrastructure availability, environmental sensitivity and historic preservation. All planning areas can accommodate growth and therefore can accommodate a commensurate affordable housing obligation, in a manner consistent with the goals, objectives, and policies of the State Plan. Planning Areas 1 and 2 and designated centers are the preferred locations for a municipality to address its growth share obligation in a manner that is consistent with the goals, objectives, and policies of the State Plan.

5. The Commission shall include population, household and employment growth projections for each municipality in the State Development and Redevelopment Plan, including projections for the year 2015. Municipal growth projections shall be published in the Commission's adopted plan as "Plan Projections."
6. The Commission shall require any municipality seeking Advanced Plan Endorsement, in accordance with the State Planning Rules, N.J.A.C. 5:85.1 et seq., either on its own or as part of a county, regional or inter-municipal petition, to have current Substantive Certification from the Council, or a current judgment of compliance from the court.
7. Any municipality with a grant of Substantive Certification from the Council shall include in its third year monitoring report to the Council evidence of receipt of Initial Plan Endorsement from the Commission.

BE IT FURTHER AGREED, that the Commission and the Council authorize this Memorandum of Understanding to be duly executed by their authorized representatives to be effective on the date first written above.

NEW JERSEY STATE PLANNING COMMISSION

By: \_\_\_\_\_

Title: \_\_\_\_\_

NEW JERSEY COUNCIL ON AFFORDABLE HOUSING

By: \_\_\_\_\_

Title: \_\_\_\_\_

**APPENDIX E**

**COUNCIL ON AFFORDABLE HOUSING (COAH)**

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**UCC USE GROUPS FOR  
PROJECTING AND IMPLEMENTING  
NON-RESIDENTIAL COMPONENTS OF GROWTH SHARE**

JULY 13, 2004

## Appendix E

A one in 25 non-residential ratio shall be used to determine the number of affordable units to be created for each new job created in a municipality. For every 25 new jobs created in a municipality, as measured by new or expanded non-residential construction, the municipality shall have the obligation to provide one affordable residential unit. New jobs created shall be based on the gross square footage of non-residential development and on the use group of the facility being constructed. Use groups are as defined by the International Building Code (IBC) which has been incorporated by reference into the Uniform Construction Code (UCC). The following chart shall be used to project and implement the non-residential component of growth share:

Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B	Office buildings. Places where business transactions of all kinds occur. Includes banks, corporate offices, government offices, professional offices, car showrooms and outpatient clinics.	<b>8,333</b>	<b>3</b>
M	Mercantile uses. Buildings used to display and sell products. Includes retail stores, strip malls, shops and gas stations.	<b>25,000</b>	<b>1</b>
F	Factories where people make, process, or assemble products. Includes automobile manufacturers, electric power plants, foundries, and incinerators. F use group includes F1 and F2.	<b>12,500</b>	<b>2</b>
S	Storage uses. Includes warehouses, parking garages, lumberyards, and aircraft hangers. S group includes S1 and S2.	<b>125,000</b>	<b>0.2</b>
H	High Hazard manufacturing, processing, generation and storage uses. H group includes H1, H2, H3, H4 and H5.	<b>25,000</b>	<b>1</b>
A1	Assembly uses including concert halls and TV studios.	<b>12,500</b>	<b>2</b>
A2	Assembly uses including casinos, night clubs, restaurants and taverns.	<b>8,333</b>	<b>3</b>
A3	Assembly uses including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship	<b>8,333</b>	<b>3</b>
A4	Assembly uses including arenas, skating rinks and pools.	<b>8,333</b>	<b>3</b>
A5	Assembly uses including bleachers, grandstands, amusement park structures and stadiums	<b>Exclude</b>	<b>Exclude</b>
E	Schools K – 12	<b>25,000</b>	<b>1</b>
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	<b>12,500</b>	<b>2</b>
R1	Hotels and motels	<b>31,250</b>	<b>0.8</b>
U	Miscellaneous uses. Fences tanks, barns, agricultural buildings, sheds, greenhouses, etc.	<b>Exclude</b>	<b>Exclude</b>
<b>In the case of mixed-use development, the jobs calculation will be assigned in proportion to the square footage of each use in the mixed use development.</b>			

For example, if a municipality issues a certificate of occupancy for a 25,000 square foot office building (use group B), the affordable housing obligation would be  $25,000 \div 8,333$  or three affordable units. Alternatively, the affordable housing obligation for this same development could be calculated by applying a ratio of one unit for each 25 jobs created as follows:  $25,000 \div 1,000 \times 3 \div 25 = 3$ .

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## NOTES

<sup>1</sup> N.J.S.A. 52:27D-301 et seq.

<sup>2</sup> *Southern Burlington County NAACP v. The Township of Mount Laurel*, 67 N.J. 151, 336A.2d 713, Appeal Dismissed and Cert. Denied, 423 U.S. 808 (1975) [*Mount Laurel I*]; *Southern Burlington County NAACP v. Township of Mount Laurel*, 92 N.J. 158, 456 A.2d 390 (1983) [*Mount Laurel II*].

<sup>3</sup> New Jersey Department of Community Affairs, Office of Smart Growth. 2004. *New Jersey State Development and Redevelopment Plan*. Trenton, NJ (April).

<sup>4</sup> U.S. Census Bureau. 2000. *U.S. Census of Population and Housing (2000). Public Use Microdata Sample (PUMS)*. [www.census.gov](http://www.census.gov).

<sup>5</sup> U.S. Census Bureau. 2000. *U.S. Census of Population and Housing (2000). Worker Flow Files*. "Your Gateway to Census 2000." [www.census.gov](http://www.census.gov).

<sup>6</sup> EXCEL by Microsoft

<sup>7</sup> U.S. Office of Management and Budget. June 2003. *Metropolitan Statistical Areas of the United States*. Washington, DC: OMB.

<sup>8</sup> New Jersey Department of Community Affairs, Office of Smart Growth. 2004. *New Jersey State Development and Redevelopment Plan*. Trenton, NJ (April), p. 28.

<sup>9</sup> U.S. Department of Housing and Urban Development. 2000. *Section 8 Income Limitations (New Jersey)*. Washington, DC: HUD.

<sup>10</sup> U.S. Census Bureau. 2000. *U.S. Census of Population and Housing (2000)*. "Your Gateway to Census 2000." [www.census.gov](http://www.census.gov).

<sup>11</sup> There are 8,580 of 17,077 units retained because an expanded round two Secondary Sources of Supply is allowed to reduce both round two Prospective Need and round two Reallocated Present Need. This reduces round two Reallocated Present Need by one-half and actually increases round two Prospective Need beyond what it would have been by almost this same amount. An amount equivalent to the reduced Reallocated Present Need (approximately 8,500 units) is applied to round 3 Rehabilitation Share to reduce the Rehabilitation need in cities where this need is increasing.

<sup>12</sup> New Jersey Department of Community Affairs, Office of Smart Growth. 2004. *New Jersey State Development and Redevelopment Plan*. Trenton, NJ (April).

<sup>13</sup> A number of national programs for affordable housing use "backend" debt of 38-40 percent (Fannie Mae, Freddie Mac) as a limitation on ability to afford.

<sup>14</sup> This 5,255 figure is based on the Census count of about an 8,900 increase of persons in group homes over the period 1990 to 2000. It is assumed that approximately 80% of this population is low or moderate income (7,000) and that units constructed for this population would house two persons per unit (3,500). It is also multiplied by 1.5 to account for a 15-year period (5,255). No information is available on the incomes of those that live in group quarters. Anecdotal evidence indicates that these arrangements support residential accommodations for low-income and very low-income households.

<sup>15</sup> U. S. Bureau of the Census/U.S. Department of Housing and Urban Development. American Housing Survey, 1989-1999. [www.huduser.org/datasets/AHS.html](http://www.huduser.org/datasets/AHS.html).

<sup>16</sup> Ibid.

<sup>17</sup> New Jersey Department of Community Affairs. New Jersey Housing and Mortgage Finance Agency. 2004. *Federal Low Income Housing Tax Credit Program*. Agency File.

<sup>18</sup> New Jersey Department of Labor, Division of Planning and Research. 2003. *Residential Building Permits and Demolitions* (annual series). Trenton, NJ: NJDOL.

<sup>19</sup> Interview by Robert W. Burchell (Center for Urban Policy Research, Rutgers University) with James W. Hughes, Dean, Edward J. Bloustein School of Planning and Public Policy, Rutgers University, July 2004.

<sup>20</sup> Ibid.

<sup>21</sup> New Jersey Council on Affordable Housing (COAH). *Status Report* (quarterly).