

TOWN OF HACKETTSTOWN

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HOUSING ELEMENT & FAIR SHARE PLAN



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

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INTRODUCTION

According to the Fair Housing Act of 1985, a Housing Plan Element must be designed to address the municipal fair share for low and moderate income housing as determined by The New Jersey Council on Affordable Housing (“COAH”), which is charged with determining need and creating the standards by which the Act is carried out.

This is the Town of Hackettstown’s first Housing Element and Fair Share Plan (“HEFSP”) under COAH’s new Third Round Methodology for the period between 2004 and 2018. COAH substantially redesigned the process that provides affordable housing opportunities in New Jersey municipalities. During the First and Second Rounds, using a predetermined formula, COAH prescribed a specific number of units for which a municipality had to provide a realistic opportunity. The prescribed number was based on housing and employment conditions in the municipality, any remaining prior round unit obligation that was not constructed, or otherwise committed for, and deficient housing units occupied by low and moderate income housing units, known as the rehabilitation share.

The Third Round Methodology adopted in 2008, requires that a municipality’s fair share consist of three elements, of which the third is newly added:

1. Rehabilitation share;
2. Any remaining Prior Round obligation that was not provided for;
3. Growth Share
 - For every four market rate residential units that receive a certificate of occupancy one new affordable housing unit must be created.
 - For every sixteen jobs created upon receipt of certificates of occupancy as a result of nonresidential new construction or expansion of existing non-residential uses, one unit affordable unit must be created using COAH formulae relating built space to number of employees.

MUNICIPAL SUMMARY

The Town of Hackettstown is located in Warren County. Hackettstown contains both Rural Environmentally Sensitive and Environmentally Sensitive State Planning Areas – the majority of the Town is Rural Environmentally Sensitive. The Town, which contains 2,404 acres, is predominately a developed community. Hackettstown is bordered by Washington Township and Mount Olive Township in Morris County and Allamuchy, Independence and Mansfield Townships in Warren County. Approximately 8.8 percent of The Town of Hackettstown is within the Highlands Preservation Area where Plan Conformance is mandatory, while the rest of the Town is within the Highlands Planning Area where Plan Conformance is voluntary.



Between 1990 and 2000, Hackettstown's population increased to 8,984, up 864 persons since the 1990 Census. Looking into the future, the North Jersey Transportation Planning Authority (NJTPA) projects the Town to grow to 9,930 persons between now and 2020.

COAH STATUS

Hackettstown received its first substantive certification on August 4, 1993 with an employment adjustment. The Town received 81 units credit for Heritage House, a US HUD Section 202 funded housing development. The Town also adopted a Planned Residential Development (PRD) zone at a gross density of 4 units with an 11% set-aside for affordable units.

On May 3, 2000, Hackettstown received substantive certification for its HEFSP, which addressed the Town's 1987-1999 cumulative pre-credited need obligation of 135 units with 74 rehabilitation share and 61 units of new construction. With the First Round employment adjustment, the Second Round obligation was reduced to 122 with a 48 unit new construction and 74 unit rehabilitation obligation. The Town had the following sites in the Second Round Certified Plan:

- Heritage House with 81 age-restricted units,
- Van Paftinos 8 of 14 age-restricted units,
- Brook Hollow Estates with 21 for-sale units.

The Town had contracted with Affordable Housing Management Services to administer its housing program and with Warren County Housing Program to administer its rehabilitation program. Hackettstown adopted an Affirmative Marketing Ordinance and payment in lieu of construction after receiving COAH certification.

Hackettstown adopted a Housing Element and Fair Share Plan in April of 2006 to address its Third Round obligation. This plan addressed a 53 unit rehabilitation obligation, a prior round obligation of 66 and a growth share obligation of 113. The growth share period in this report was 2004 to 2014. The Plan was submitted to COAH, but never received substantive certification because COAH was sued in the interim.

Under COAH's 2008 rules, Hackettstown now has a rehabilitation obligation of 76 units, a 62 unit prior round obligation and a growth share obligation of 132 units. This is a combined total of 270 units. The chart below shows the Town's COAH components.



HACKETTSTOWN TOWN: COAH OBLIGATION				
Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
76	62	80 ÷ 5 16	1850 ÷ 16 116	132

Currently, Hackettstown has a number of residential developments that are under construction, pending approval or are anticipated, which will generate more than 673 housing units within the next 10 years. These residential developments will generate a potential of 854 new housing units when combined with development that has already occurred between January 1, 2004 and December 31, 2008. Therefore, the Town must plan for a higher third round or growth share obligation than what COAH or the Highlands has allocated to Hackettstown. The Town will now have to plan for a growth share obligation of 241 affordable units between now and 2018.

HACKETTSTOWN TOWN: COAH OBLIGATION				
Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
76	62	854 ÷ 5 170.8	1,113 ÷ 16 69.6	240.4

GOALS & OBJECTIVES

The overriding policy of the HEFSP is to ensure the provision of a variety of housing opportunities sufficient to address the needs of the community and the region, including the need for affordable housing, while at the same time respecting the density limits and resource constraints of lands within the Preservation Area, and the numerous other policies, goals and objectives set forth by the Town's Master Plan. The Housing Plan furthers the Municipal Land Use Law purposes of zoning and fulfills the New Jersey Fair Housing Act, which in keeping with New Jersey Supreme Court doctrine, as expressed in the "Mount Laurel" decisions, recognizes that every municipality in a "growth area" has a constitutional obligation to provide, through its land use regulations, a realistic opportunity for its fair share of affordable housing.

In furtherance of Hackettstown's efforts to ensure sound planning, this Housing Element and Fair Share Plan incorporates the following goals and objectives with respect to future housing in the Highlands Preservation Area:

- To the extent feasible, the Town's zoning will guide anticipated new residential development into compact, center-based projects.
- To provide a realistic opportunity for the provision of the municipal share of the region's present and prospective needs for housing for low- and moderate-income families.



- To the maximum extent feasible, to incorporate affordable housing units into any new residential construction that occurs within Hackettstown, including any mixed-use, redevelopment, and/or adaptive reuse projects.
- To preserve and monitor the existing stock of affordable housing.
- To reduce long term housing costs through:
 - The implementation of green building and energy efficient technology in the rehabilitation, redevelopment and development of housing. Recent innovations in building practices and development regulations reflect significant energy efficiency measures, and therefore cost reductions, through building materials, energy efficient appliances, water conservation measures, innovative and alternative technologies that support conservation practices, and common sense practices, such as recycling and re-use.
 - The promotion of the use of sustainable site design, efficient water management, energy efficient technologies, green building materials and equipment, and retrofitting for efficiencies.
 - Maximizing the efficient use of existing infrastructure, through such means as redevelopment, infill and adaptive reuse.
- To use a smart growth approach to achieve housing needs:
 - Use land more efficiently to engender economically vibrant communities, complete with jobs, houses, shopping, recreation, entertainment and multiple modes of transportation.
 - Support a diverse mix of housing that offers a wide range of choice in terms of value, type and location. In addition, seek quality housing design that provides adequate light, air and open space.
 - Target housing to areas with existing higher densities and without environmental constraints, within walking distance of schools, employment, services, transit and community facilities with sufficient capacity to support them.

CONTENT OF HOUSING ELEMENT

The Municipal Land Use Law (“MLUL”) requires that “the housing element be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing”. A municipal master plan must contain a housing element to give a municipality protection from ‘builder’s remedy lawsuits’ through the COAH process. As per the MLUL, the housing element must contain at least the following items:

- A. Minimum requirements contained in N.J.S.A. 52:27D-310:
 - An inventory of the municipality’s housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;



- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
 - An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
 - An analysis of the existing jobs and employment characteristics of the municipality, and a projection of the probable future jobs and employment characteristics of the municipality
 - A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
 - A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.
- B. Household projection in Appendix F(2) of COAH's Third Round Rules
 - C. Employment projection in Appendix F(2) of COAH's Third Round Rules
 - D. Prior round obligation in Appendix C of COAH's Third Round Rules
 - E. Rehabilitation share in Appendix B of COAH's Third Round Rules
 - F. Projected growth share in accordance with N.J.A.C. 5:97-2.4

Supporting Information to be submitted:

- G. Copy of most recently adopted municipal zoning ordinance
- H. Copy of most up to date tax map



HOUSING ELEMENT

1. HOUSING DEMOGRAPHICS

It should be noted that the 2000 census data for housing and population is incorrect. In 2003, the total population and housing unit count for 2000 was officially reduced by the Census Bureau to 8,984 persons and 3,538 housing units. This is a reduction of 809 housing units or 19% from the 2000 census data. Review of the following demographic analysis should take these corrections into consideration since the detailed census data has not been corrected.

HOUSING TYPE BY UNITS IN STRUCTURE		
Unit Type	Number	Percentage
1, Detached	1,915	44%
1, Attached	257	6%
2	334	8%
3 or 4	266	6%
5 to 9	412	10%
10 to 19	727	17%
20 or more	429	10%
Mobile Home	7	0%
Other	0	0%
Total	4,347	100%
Median Rooms Per Unit	5	

Source: US Census Bureau DP-4 Profile of Selected Housing Characteristics: 2000

As of the 2000 census, there were 4,347 housing units in Hackettstown. The majority of the owner occupied housing stock consists of single-family detached housing. The Town's housing stock includes single-family detached units, single-family attached units, multi-family dwelling units, and mobile homes. Single-family detached dwellings totaled 1,915, or 44.1% of the total housing stock. Including the 257 single-family attached dwelling units, single-family dwelling units account for 50% of the Town's total housing stock. Almost 27% of the Town's housing stock is multi-family units containing ten or more units. Of the 4,134 occupied housing units in the Town, 1,991 units, or 48.2% were owner occupied and 2,143 units, or 51.8% were rentals. The median of 5.0 rooms per unit is indicative of Hackettstown's primarily single-family housing stock.

PURCHASE AND RENTAL VALUE OF HOUSING STOCK

The median value of owner occupied housing in Hackettstown was \$154,000 according to the 2000 census. The largest value range of homes in Hackettstown was the \$150,000 to \$199,999

VALUE OF OWNER-OCCUPIED UNITS		
Value	Number of Units	Percent of Total
Less than \$100,000	116	6.3%
\$100,000 to \$149,999	716	39.0%
\$150,000 to \$199,999	718	39.1%
\$200,000 to \$299,999	253	13.8%
\$300,000 to \$499,999	33	1.8%
\$500,000 or more	0	0.0%
TOTAL	1,836	100.0%
Median (in dollars)	\$154,000	

Source: US Census Bureau DP-4. Profile of Selected Housing Characteristics: 2000



with 718 of the total 1,836 houses in the Town.

According to the 2000 Census, there were 2,144 renter-occupied units in Hackettstown. Of those units, 59% rented for less than \$750 per month. The median gross rent for Hackettstown was \$719. Note that a low-income two bedroom rental unit could rent for about \$692 a month, excluding the cost of utilities.

CONDITION OF HOUSING STOCK

The Census does not classify housing units as standard or substandard, but it can provide an estimate of substandard housing units that are occupied by low and moderate income households. COAH uses the Census to determine which units are overcrowded with more than one person living per room and dilapidated – lacking complete plumbing and/or kitchen facilities. COAH computes a municipality's rehabilitation share by adding together the number of overcrowded and dilapidated units and then multiplying that sum by the municipality's regional low/moderate-income deterioration share. Subtracted from this result is any rehabilitation share credit.

YEAR STRUCTURE BUILT

COAH's new methodology for calculating rehabilitation has made one significant change from the methods presented in the original Third Round Rules. Housing units built in 1949 or earlier are now flagged instead of units built in 1939 or earlier. Research has demonstrated that units built 50 or more years ago are much more likely to be in substandard condition. Included in the rehabilitation calculation are overcrowded units and dilapidated housing. Overcrowded units are defined by the U.S. Department of Housing and Urban Development as those with more than one person living per room. Finally, COAH includes dilapidated housing – lacking complete plumbing and/or kitchen facilities as reported by the 2000 Census.

AGE OF HOUSING STOCK		
Year Built	Total Units	Percent
1939 or earlier	982	23%
1940 to 1949	211	5%
1950 to 1959	474	11%
1960 to 1969	904	21%
1970 to 1979	767	18%
1980 to 1989	591	14%
1990 to 1994	186	4%
1995 to 1998	186	4%
1999 to March 2000	46	1%
TOTAL	4,347	100%

Source: US Census Bureau DP-4 Profile of Selected Housing Characteristics: 2000

Approximately 28% of Hackettstown's housing stock was built before 1950. Units built before 1950 is a factor in COAH's determine of each municipality's rehabilitation share. In Hackettstown, 1,193 units



were constructed before 1950. COAH has cited an obligation of 76 rehabilitation units for the Town, reflecting the relatively good condition of these older homes. The years prior to 1939 produced Hackettstown's largest amount of housing units (982 units). After the spike of development between 1960 and 1989, residential development in the Town has slowed.

PERSONS PER ROOM

1.01 or more persons per room is an index of overcrowding. The majority of the occupied housing units have 1.00 occupants per room or less, and a total of 182 units may be overcrowded.

OCCUPANTS PER ROOM		
Occupants	Number of Units	Percent of Total
1.00 or less	3,952	96%
1.01 to 1.50	75	2%
1.51 or more	107	3%

Source: US Census Bureau DP-4. Profile of Selected Housing Characteristics: 2000

PLUMBING FACILITIES

Inadequate plumbing facilities are indicated by either a lack of exclusive use of plumbing or incomplete plumbing facilities. The 2000 Census indicates that 10 units or 0.2% of the total housing stock within Hackettstown lacks complete plumbing facilities.

KITCHEN FACILITIES

Inadequate kitchen facilities are indicated by shared use of a kitchen or the lack of a sink with piped water, a stove or a refrigerator. The 2000 Census indicates that 44 units or 1.0% of the total housing stock within Hackettstown lacks complete kitchen facilities.

HEATING FUEL

Inadequate heating is use of coal, coke, wood or no fuel for heating. A total of 16 units or 0.4% of the total occupied housing units may have inadequate heating.



CONDITION OF HOUSING STOCK		
Fuel Type	Number of Units	Percent of Total
Lack of complete plumbing	10	0.2%
Lack of complete kitchen	44	1.1%
Lack of telephone service	41	1.0%
Utility gas	2,312	55.9%
Bottled, tank, or LP gas	88	2.1%
Electricity	462	11.2%
Fuel oil, kerosene, etc.	1,256	30.4%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	0	0.0%
Other fuel	8	0.2%
No fuel used	8	0.2%

Source: US Census Bureau DP-4. Profile of Selected Housing Characteristics: 2000

Most of the Census indicators available at the municipal level indicate a sound housing stock. Approximately 0.3% of the units are occupied by more than 1 person per room. The vast majority of the housing stock has complete plumbing facilities, telephone service, and kitchen facilities.

Although the majority of the housing stock in Hackettstown Town is relatively new, 270 units, or 35.8% of the existing housing units were built prior to 1950. Given this situation, there is the potential for a significant number of units in Hackettstown Town to be eligible for rehabilitation; in fact, Hackettstown has maintained an on-going rehabilitation program for many years through the Warren County Housing Rehabilitation program. Since 2000, 5 homes have participated in this program.

2. POPULATION DEMOGRAPHICS

Based upon corrected census data, Hackettstown population had a net increase of 134 persons or 1.5% over the last 20 years. Population decreased by 8.3%, or 730 persons between 1980 and 1990, but rebounded by 864 persons or 10.6% in the last decade.

POPULATION GROWTH			
Year	Population	Population Change	Percentage Change
1980	8,850	---	---
1990	8,120	-730	-8.30%
2000	8,984	864	10.60%



By 2015, the New Jersey Transportation Planning Authority (NJTPA) projected that Hackettstown's population will increase to 9,760, a gain of 631 persons. (Please note that this is based on uncorrected census data.)

PERMANENT POPULATION PROJECTION	
Year	Population
2005	9,460
2010	9,720
2015	9,760
2020	9,930

Source: NJTPA Population Forecast by County and Municipality

The median age in Hackettstown in 2000 was 35.4. In 2000, 26.0% of Hackettstown's population was 19 years of age and younger, while 12.2% of the population, or 1,270 persons were 65 years or older. This represents a 24.5% increase in the senior population from 1990 when there were 1,020 persons 65 years or older. Hackettstown had a population increase of 10.6% using corrected census numbers between 1990 and 2000.

POPULATION BY AGE COHORT		
Age	Number	Percent
Under 5 years	658	6.3%
5 to 9 years	689	6.6%
10 to 14 years	634	6.1%
15 to 19 years	727	7.0%
20 to 24 years	695	6.7%
25 to 34 years	1,720	16.5%
35 to 44 years	1,808	17.4%
45 to 54 years	1,348	13.0%
55 to 59 years	509	4.9%
60 to 64 years	345	3.3%
65 to 74 years	631	6.1%
75 to 84 years	431	4.1%
85 years and over	208	2.0%
TOTAL	10,403	100%

Source: US Census Bureau DP-1. Profile of General Demographic Characteristics: 2000

HOUSEHOLD SIZE & TYPE

The average household size, according to the Census data, was 2.41 persons. By comparison, the average family size in Hackettstown was 3.10 persons in 2000. As the chart below shows, 61.2% of Hackettstown households were families in 2000. Over 9.3% of families in the Town were headed by a female householder with no husband present. Finally, a total of 11.0% or 456 households were non-family with the householder 65 years and over.



HOUSEHOLD TYPE		
Type	Number	Percent
Family households (families)	2,532	61.2%
Married-couple family	1,984	48.0%
Female householder, no husband present	385	9.3%
Non-Family Households	1,602	38.8%
Householder 65 years and over	456	11.0%
Total	4,134	100%

INCOME AND POVERTY STATUS

The 2000 Census indicates that the median household income in 1999 for Hackettstown was \$51,955. This is 2.4% lower than the median household income of Warren County, which is \$56,100, and 5.8% lower than the State, which is \$55,146. The 1990 Census indicates that in 1989, the Town's median household income was \$39,307; there was a 32.2% increase from the 1989 to 1999 Census.

INCOME CHARACTERISTICS			
	Hackettstown	Warren County	New Jersey
Median Household Income	\$51,955	\$56,100	\$55,146
Median Family Income	\$64,383	\$66,223	\$65,370
Per Capita Income	\$24,741	\$25,728	\$27,006
Poverty Status (% of People)	4.80%	5.40%	8.50%
Poverty Status (% of Families)	2.30%	3.60%	6.30%

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000

Like median household income, per capita income is also slightly lower in Hackettstown than Warren County, and the State. In 1999, Hackettstown's per capita income was \$24,742, which is \$986 less than Warren County's per capita income of \$25,728. The State's per capita income is \$27,006, which is \$2,264, or 8.4% greater than Hackettstown's per capita income. However, Hackettstown's poverty status is

HOUSEHOLD INCOME		
	Households	Percentage
Less than \$10,000	160	3.9%
\$10,000 to \$14,999	179	4.3%
\$15,000 to \$24,999	390	9.5%
\$25,000 to \$34,999	333	8.1%
\$35,000 to \$49,999	872	21.1%
\$50,000 to \$74,999	1,036	25.1%
\$75,000 to \$99,999	579	14.0%
\$100,000 to \$149,999	437	10.6%
\$150,000 to \$199,999	92	2.2%
\$200,000 or more	48	1.2%
Total	4,126	100.0%

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000



less than that of Warren County and New Jersey.

The 2000 Census indicates that the greatest percent of Hackettstown households had an income between \$50,000 and \$74,999 in 1999. Over 25% of the households in Hackettstown had an income in this bracket. More than 46% of households in the Town had an income less than \$50,000 in 1999.

3. EMPLOYMENT DEMOGRAPHICS

According to the NJTPA, as of 2000 there were 6,080 jobs in Hackettstown. This number increased to 6,180 in 2005. By 2020, NJTPA estimates 6,340 jobs. This represents a potential increase of 2.6% in jobs from 2005 to 2020 or an increase of 160 jobs.

IN-PLACE EMPLOYMENT BY INDUSTRY

The Department of Labor and Workforce Development reports on employment and wages within the State of New Jersey, the most recent in-place employment report was completed in 2003. As the data below shows, limited information was available for Hackettstown. The available data reveals that in 2003 there were a total of 756 private employers in Hackettstown with 8,677 employees. Retail trade contained the largest number of establishments, 111 or 14.5% of the total establishments. Those 111 retail establishments employed 1,191 workers. The manufacturing industry employed the largest number of workers with 2,447 or 26.7% of all workers within Hackettstown. Additionally, there were 5 federal government establishments with 66 workers.



IN-PLACE EMPLOYMENT BY INDUSTRY				
Industry	Establishments	Percentage	Employees	Percentage
Construction	95	12.4%	494	5.3%
Manufacturing	39	5.1%	2,447	26.5%
Wholesale trade	41	5.3%	154	1.7%
Retail trade	111	14.5%	1,191	12.9%
Transportation & warehousing	17	2.2%	167	1.8%
Information	11	1.4%	85	0.9%
Finance & insurance	37	4.8%	284	3.1%
Real estate & rental & leasing	17	2.2%	96	1.0%
Professional & technical services	71	9.3%	351	3.8%
Management of companies	-	-	-	-
Administrative services	50	6.5%	504	5.5%
Educational services	-	-	-	-
Health care	92	12.0%	1,417	15.3%
Arts, entertainment, recreation	13	1.7%	97	1.1%
Accommodation & food services	55	7.2%	646	7.0%
Other services	83	10.8%	342	3.7%
Unclassified entities	15	2.0%	16	0.2%
PRIVATE SECTOR TOTAL	756	98.6%	8,677	93.9%
FEDERAL GOVT TOTAL	5	0.7%	66	0.7%
LOCAL GOVT TOTAL	6	0.8%	495	5.4%

Source: NJ Department of Labor & Workforce Development, Employment & Wages, 2003 Annual Report

WORKER CLASS

In 2000 the majority of residents were private wage and salary workers, constituting 85% of all workers. Government workers made up 12% or 645 workers. In 2000, a total of 5,548 residents were employed. Only 5% of those in the labor force were unemployed during the 2000 Census.

WORKER CLASS		
	Number	Percent
Private wage and salary workers	4,722	85%
Government workers	645	12%
Self-employed workers in own not incorporated business	160	3%
Unpaid family workers	21	0%
Total employed residents	5,548	95%
Total unemployed residents	272	5%
Total residents in labor force	5,820	100%

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000



WORKERS BY INDUSTRY

An analysis of the employed Hackettstown residents (over 16) by economic sector indicates that the majority of Hackettstown workers were involved in educational, health and social services, followed by retail trade.

Most Hackettstown workers are involved in management, professional and related occupations and sales and office occupations. Of the total Hackettstown workforce, 62 percent have been classified by the 2000 Census as managerial and professional or sales and office support. Overall Warren County workers are only slightly lower at 61.9% in these categories.

EMPLOYED CIVILIAN POPULATION BY INDUSTRY - 16 YEARS OF AGE OR OLDER		
Industry	Hackettstown Number	Hackettstown %
Agriculture, forestry, fishing and hunting, and mining	5	0.1%
Construction	471	8.5%
Manufacturing	799	14.4%
Wholesale trade	195	3.5%
Retail trade	741	13.4%
Transportation and warehousing, and utilities	280	5.0%
Information	283	5.1%
Finance, insurance, real estate, and rental and leasing	347	6.3%
Professional, scientific, management, administrative	575	10.4%
Educational, health and social services	1,072	19.3%
Arts, entertainment, recreation, accommodation and food services	363	6.5%
Other services (except public administration)	225	4.1%
Public administration	192	3.5%

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000

PLACE OF WORK

Approximately 26% of Hackettstown residents work within the Town, 10.6% work outside of the Town but within Warren County, 61.1% work outside of the County but within New Jersey and 2.2% work outside New Jersey. Nearly 75% of commuters (4,053) drive alone to work, and 881 commuters car pool, which gives a total of 4,934 or 91.2% of commuters who are auto dependent residing in Hackettstown. About 1.6% commuters use public transit and a small number of residents (250) walk to work.



PLACE OF WORK						
Employment Area	Hackettstown	Hackettstown %	Warren County	Warren County %	New Jersey	New Jersey %
Total Employed	5,412		50,358		3,876,433	
Worked in state of residence:	5,295	97.80%	46,443	92.30%	3,396,785	87.60%
Worked within municipality of residence	1,415	26.10%	8,406	16.7	761,684	19.60%
Worked outside of municipality but within county of residence	574	10.60%	12,628	25.1	1,364,495	35.20%
Worked outside county of residence but within the state	3,306	61.10%	25,409	50.5	1,270,606	32.80%
Worked outside state of residence	117	2.20%	3,915	1.80%	479,648	12.40%

Source: US Census Bureau P26. PLACE OF WORK FOR WORKERS 16 YEARS AND OVER--STATE AND COUNTY LEVEL and P29. PLACE OF WORK FOR WORKERS 16 YEARS AND OVER--MINOR CIVIL DIVISION LEVEL

TRAVEL TIME TO WORK

The mean commute time among Hackettstown residents is 32.1 minutes, with 17.3% of the population having a travel time of less than 10 minutes. Compared to the mean of 33.3 and 30.0 minutes travel times for Warren County and the State respectively, Hackettstown residents spend less time than others within the County and more than others in the State commuting to or from their place of employment.

COMMUTE TIME						
	Hackettstown	Hackettstown %	Warren County	Warren County %	New Jersey	New Jersey %
Total:	5412		50,358		3,876,433	
Did not work at home:	5297	97.9%	48,676	97.7%	3,769,877	97.3%
Less than 5 minutes	225	4.2%	1,932	3.8%	99,241	2.6%
5 to 9 minutes	711	13.1%	5,303	10.5%	347,598	9.0%
10 to 14 minutes	670	12.4%	5,753	11.4%	482,988	12.5%
15 to 19 minutes	352	6.5%	4,345	8.6%	510,571	13.2%
20 to 24 minutes	457	8.4%	4,785	9.5%	497,467	12.8%
25 to 29 minutes	152	2.8%	2,150	4.3%	210,226	5.4%
30 to 34 minutes	489	9.0%	5,015	10.1%	492,539	12.7%
35 to 39 minutes	186	3.4%	1,484	3.0%	109,571	2.8%
40 to 44 minutes	306	5.7%	2,361	5.1%	156,148	4.0%
45 to 59 minutes	871	16.1%	6,402	13.0%	352,609	9.1%
60 to 89 minutes	721	13.3%	6,919	14.0%	335,777	8.7%
90 or more minutes	157	2.9%	2,227	4.4%	175,142	4.5%
Worked at home	115	2.1%	1,682	3.3%	106,556	2.7%
Mean travel time (minutes)	32.1		33.3		30	

Source: US Census Bureau P31. TRAVEL TIME TO WORK FOR WORKERS 16 YEARS AND OVER



4. PROJECTED GROWTH SHARE

MEASURING THE ACTUAL GROWTH SHARE OBLIGATION

“Growth Share” is the affordable housing obligation generated in Hackettstown by both residential and non-residential development between January 1, 2004 and December 31, 2018. Growth Share is represented by a ratio of one affordable housing unit for every four market-rate units constructed and one affordable housing unit for every 16 new jobs created by non-residential additions or new construction based on the conversion table located in COAH’s Third Round Rules, Appendix D.

Hackettstown’s actual growth share obligation is composed of two components: residential and non-residential. The actual residential growth share obligation is the total number of market-rate residential certificates of occupancy issued within the Town between January 1, 2004 and December 31, 2018. For every four market rate residential units issued a certificate of occupancy from January 1, 2004 and later, one additional unit affordable to low and moderate income households must be provided in a manner approved by COAH. Also for every sixteen new jobs added to the municipality after January 1, 2004, one unit affordable to low and moderate income households must be provided. Appendix D of the Third Round Rules provides the ratios for square feet generating one affordable unit and jobs per 1,000 square feet for each use group.

The following chart summarizes the non-residential growth share calculation ratios.



NON-RESIDENTIAL GROWTH SHARE CALCULATIONS			
Use Group	Use Group Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B - Office	Office buildings	5,714	2.8
M - Retail	Buildings that display and sell products, includes retail stores, shops, gas stations	9,412	1.7
F - Industrial	Factories where products are made, processed, or assembled	13,333	1.2
S - Storage	Includes warehouses, lumberyards	16,000	1
H - Hazardous	High hazard manufacturing, processing, generation and storage uses	10,000	1.6
A1 - Assembly	Includes theaters, concert halls, tv studios	10,000	1.6
A2 - Assembly	Includes casinos, night clubs, restaurants	5,000	3.2
A3 - Assembly	Includes libraries, lecture halls, arcades, galleries, funeral parlors, gymnasiums	10,000	1.6
A4 - Assembly	Includes arenas, skating rinks and pools	4,706	3.4
A5 - Assembly	Includes amusement park structures and stadiums	6,154	2.6
I - Institutional	Includes assisted living facilities, hospitals, nursing homes, jails and day care facilities	6,154	2.6
R1 - Hotel	Hotel, motel, dormitories and continuing care retirement communities	9,412	1.7

HOUSING PROJECTIONS

The New Jersey Department of Community Affairs (DCA), Division of Codes and Standards collects monthly construction records and provides information on residential certificates of occupancy and demolition permits from 1996 to 2007. It was found that DCA data was incorrect and included dormitories in the residential CO data and not in the non-residential square footage data. Additionally, assembly space constructed at Centenary College was included in the non-residential data and had to be extracted because it is excluded from generating a growth share obligation for Hackettstown. COAH requires each municipality to project the municipality's housing stock growth for the next ten years and include construction permits issued, approvals of applications for development and probable future construction of low- and moderate-income housing.

In order to project ahead into the future, the historic trends must be analyzed. Construction data from 1996 until 2003 reveals that Hackettstown had a net residential growth (excluding demolitions) of 482 units. This averages to 60 new units per year. Demolitions are not subtracted from Certificates of Occupancy (Cos) because COAH does not allow them to be deducted. Demolition data is provided for informational purposes only.



TABLE R-1 HISTORIC TREND OF CERTIFICATES OF OCCUPANCY & DEMOLITIONS PERMITS									
	1996	1997	1998	1999	2000	2001	2002	2003	Total
COs Issued	2	14	46	70	69	30	180	71	482
Demolitions	1	0	6	7	0	5	3	1	23

Source: "Housing Units Certified" - New Jersey Department of Community Affairs (NJCA). <http://www.state.nj.us/dca/codes/cr/cc>

Since the beginning of the Third Round, 145 new dwelling units have been constructed in Hackettstown. Table R-2 shows the certificates of occupancy that occurred since January 1, 2004, which will generate an obligation for the Town if they were **not** a part of an inclusionary development.

TABLE R-2 ACUTAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS						
	2004	2005	2006	2007	2008	Total
COs Issued	43	3	17	45	37	145
Demolitions	1	0	0	0	0	1

Source: Hackettstown Construction Department Certificate of Occupancy List

Table R-3 presents residential development activity that is anticipated between 2009 and 2018. This includes approved development applications, pending applications and anticipated residential development. Table R-3 contains also contains the Highlands Build-Out results for residential development, which has been allocated to occur during the remainder of the Third Round period. Approved and projected development is estimated to produce 709 residential units during this ten year period.



TABLE R-3 ANTICIPATED, PENDING & APPROVED RESIDENTIAL DEVELOPMENTS											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Approved Development Applications											
Already COed	39										39
Hunter's Brook		16									16
											0
Pending Development Applications											
Jane Paffinos, LLC				52	52						104
											0
Anticipated Development Applications											
Bergen Tool Redevelopment						67	67				134
Van Paffinos III				50	50	50	50				200
Lion Gate			60	60	60						180
Other Projected Development											
Highlands Build-Out		4	4	4	4	4	4	4	4	4	36
											0
Total Projected Development	39	20	64	166	166	121	121	4	4	4	709

Source: Construction Department, Planning Board Applications List & Highlands Build-Out Study

Table R-4 shows the total residential growth, the sum of both the actual residential development and the projected residential growth from 2004 to 2018. A total of 854 units are estimated for the Town.

TABLE R-4 TOTAL NET RESIDENTIAL GROWTH (SUM OF ACTUAL & PROJECTED GROWTH)																
	Actual					Projected										Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Total COs Issued	43	3	17	45	37	39	20	64	166	166	121	121	4	4	4	854

From the total number of residential certificates of occupancy issued in the Town, the following can be subtracted:

- Affordable housing units that received credit in a first or second round certified plan or court of judgment of compliance which have been or are projected to be constructed after January 1, 2004;
- Market-rate units in an inclusionary or mixed-use development where these affordable units received credit in a first or second round certified plan or court judgment of compliance, which have been or are projected to be constructed after January 1, 2004, provided these sites are zoned to produce affordable housing units (maximum exclusion of market-rate units from residential growth is 5.67 times the number of affordable units);
- Additional market-rate units resulting from an increase in density for an inclusionary or mixed-use development that are constructed after January 1, 2004, provided the required affordable units are constructed on-site;
- Affordable units constructed to address the Third Round obligation.



Table R-5 and Table R-6 are excluded from this report because they do not pertain to Hackettstown.

COAH requires that one affordable unit be built for every four market-rate units actually constructed. To calculate the projected growth share obligation of the potential residential development, COAH states that the municipality shall divide the total by five. If built as projected, the final net residential growth will require the construction of a total of 178 affordable housing units.

TABLE R-7 AFFORDABLE HOUSING UNIT GROWTH PROJECTIONS																
	Actual					Projected										Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Total Net Growth	43	3	17	45	37	39	20	64	166	166	121	121	4	4	4	854
Divided by 4	10.8	0.8	4.3	11.3	9.3											36.3
Divided by 5						7.8	4.0	12.8	33.2	33.2	24.2	24.2	0.8	0.8	0.8	142
Total Affordable Units	10.8	0.8	4.3	11.3	9.3	7.8	4.0	12.8	33.2	33.2	24.2	24.2	0.8	0.8	0.8	178

Note: Negative growth projections are not permitted. Total net growth of less than 0 is rounded up to 0.

EMPLOYMENT PROJECTIONS

To project future employment characteristics, the historical trends will be utilized as well as anticipated, pending or approved non-residential applications. New Jersey Construction Reporter data was gathered to illustrate the pace of non-residential development in Hackettstown since 1996, but due to many inconsistencies with actual Certificates of Occupancy (CO) issued, building certificate data was pulled for 2004 through 2007 and utilized.

As Table NR-1 shows the Town has gained A-2 assembly, office and institutional development, retail and RI construction (which includes dorms, hotels and motels) between 1996 and 2003. No demolitions occurred between 1996 and 2003. The New Jersey Construction Reporter does not include the square footage of non-residential demolitions on its website, only the number of demolitions for each use per year. Once again, Hackettstown's records were reviewed and it was discovered that 4,650 square feet of assembly space, 20,300 square feet of retail space and 1,800 square feet of storage space was demolished in 1999. All of these demolitions occurred to make way for new development seen in subsequent years. The jobs associated with these demolished buildings can be subtracted from those jobs generated by new buildings.



TABLE NR-1 HISTORIC TREND OF CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS ISSUED									
	1996	1997	1998	1999	2000	2001	2002	2003	Total
Square Footage Constructed Based on Certificates of Occupancy Issued									
A1 - Assembly	0	0	0	0	0	0	0	0	0
A2 - Assembly	515	0	0	0	22,380	2,018	0	0	24,913
A3 - Assembly	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0
B - Office	5,856	0	8,889	5,112	0	0	255	8,000	28,112
F - Industrial	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	3,000	12,000	65,300	0	80,300
M - Retail	0	0	0	23,292	512	38,193	7,440	0	69,437
R1 - Dormitory	40,545	0	5,782	13,321	0	0	0	80,812	140,460
S - Storage	0	0	0	0	0	0	0	0	0
Total New Development	46,916	0	14,671	41,725	25,892	52,211	72,995	88,812	343,222
Square Footage Lost Based on Demolition Permits Issued									
A1 - Assembly	0	0	0	0	0	0	0	0	0
A2 - Assembly	0	0	0	4,650	0	0	0	0	4,650
A3 - Assembly	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0
B - Office	0	0	0	300	0	0	0	0	300
F - Industrial	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0	0	0	0
M - Retail	0	0	0	20,300	0	0	0	0	20,300
R1 - Dormitory	0	0	0	0	0	0	0	0	0
S - Storage	0	0	0	1,800	0	0	0	0	1,800
Total Demolitions	0	0	0	27,050	0	0	0	0	27,050

Source: "Square Feet of Nonresidential Space Reported on Certificates of Occupancy" - New Jersey Department of Community Affairs.
<http://www.state.nj.us/dca/codes/cr/conrep.shtml>

As for the first five years of the Third Round cycle, A-2 assembly uses, office space, industrial, retail and R-1 uses have been constructed. A large amount of retail space was demolished in 2004, primarily due to the redevelopment of the Hackettstown Mall. In 2006, Town records indicate the demolition of a gymnasium and in 2007 the demolition of a restaurant. Demolished non-residential space totaled over 200,000 square feet during this five year period. Jobs related to those buildings demolished can be deducted from the growth share obligation.



TABLE NR-2 ACTUAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS						
	2004	2005	2006	2007	2008	Total
Square Footage Constructed Based on Certificates of Occupancy Issued						
A1 - Assembly	0		0	0	0	0
A2 - Assembly	0	9,281	0	2,368	0	11,649
A3 - Assembly	0	0	0	0	7,489	7,489
A4 - Assembly	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0
B - Office	0	0	51,072	5,020	0	56,092
F - Industrial	181,636	0	0	0	0	181,636
H - High Hazard	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0
M - Retail	0	158,358	0	0	0	158,358
R1 - Dormitory	0	0	0	42,967	0	42,967
S - Storage	0	0	0	0	69,212	69,212
Total New Development	181,636	167,639	51,072	50,355	0	450,702
Square Footage Lost Based on Demolition Permits Issued						
A1 - Assembly	0	0	0	0	0	0
A2 - Assembly	0	0	0	2,600	0	2,600
A3 - Assembly	0	0	15,500	0	0	15,500
A4 - Assembly	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0
B - Office	0	0	0	0	0	0
F - Industrial	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0
M - Retail	187,485	0	0	0	0	187,485
R1 - Dormitory	0	0	0	0	0	0
S - Storage	0	0	0	0	0	0
Total Demolitions	187,485	0	15,500	2,600	0	205,585

Source: Hackettstown Construction Department Certificate of Occupancy List

Table NR-3 shows the number of jobs that were generated between 1996 and 2003 according to COAH's non-residential job generation formulae contained in Appendix D of the rules. As the table shows, 716 jobs were generated by new non-residential development. Additionally, 50 jobs were lost due to demolitions. This is a net result of 666 jobs between 1996 and 2003.



TABLE NR-3 HISTORIC TREND OF CERTIFICATES OF OCCUPANCY & DEMOLITIONS PERMITS ISSUED										
Use Group	Jobs / 1,000 sf	1996	1997	1998	1999	2000	2001	2002	2003	Total
Jobs Created Based on Certificates of Occupancy Issued										
A1 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A2 - Assembly	3.2	1.6	0.0	0.0	0.0	71.6	6.5	0.0	0.0	79.7
A3 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A4 - Assembly	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A5 - Assembly	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B - Office	2.8	16.4	0.0	24.9	14.3	0.0	0.0	0.7	22.4	78.7
F - Industrial	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
H - High Hazard	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
I - Institutional	2.6	0.0	0.0	0.0	0.0	7.8	31.2	169.8	0.0	208.8
M - Retail	1.7	0.0	0.0	0.0	39.6	0.9	64.9	12.6	0.0	118.0
R1 - Dormitory	1.7	68.9	0.0	9.8	22.6	0.0	0.0	0.0	129.3	230.7
S - Storage	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total New Development		87.0	0.0	34.7	76.6	80.3	102.6	183.1	151.7	716.0
Jobs Lost Based on Demolition Permits Issued										
A1 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A2 - Assembly	3.2	0.0	0.0	0.0	14.9	0.0	0.0	0.0	0.0	14.9
A3 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A4 - Assembly	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A5 - Assembly	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B - Office	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
F - Industrial	1.2	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.4
H - High Hazard	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
I - Institutional	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
M - Retail	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R1 - Dormitory	1.7	0.0	0.0	0.0	34.5	0.0	0.0	0.0	0.0	34.5
S - Storage	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Demolitions		0.0	0.0	0.0	49.8	0.0	0.0	0.0	0.0	49.8

Source: Jobs per square foot based on COAH formule contained in Appendix D

Table NR-4 converts non-residential development that has been constructed between January 1, 2004 and December 31, 2008 to jobs generated per use group. The 450,000 plus square feet generated an estimated 836 jobs. The demolished space will allow for 352 jobs to be subtracted from jobs generated for a total of 484. For every sixteen jobs generated, one affordable unit will be required. Therefore, these 484 jobs will require 30 affordable housing units.



TABLE NR-4 ACTUAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS ISSUED							
Use Group	Jobs / 1,000 sf	2004	2005	2006	2007	2008	Total
Jobs Created Based on Certificates of Occupancy Issued							
A1 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0
A2 - Assembly	3.2	0.0	29.7	0.0	7.6	0.0	37.3
A3 - Assembly	1.6	0.0	0.0	0.0	0.0	12.0	12.0
A4 - Assembly	3.4	0.0	0.0	0.0	0.0	0.0	0.0
A5 - Assembly	2.6	0.0	0.0	0.0	0.0	0.0	0.0
B - Office	2.8	0.0	0.0	143.0	14.1	0.0	157.1
F - Industrial	1.2	218.0	0.0	0.0	0.0	0.0	218.0
H - High Hazard	1.6	0.0	0.0	0.0	0.0	0.0	0.0
I - Institutional	2.6	0.0	0.0	0.0	0.0	0.0	0.0
M - Retail	1.7	0.0	269.2	0.0	0.0	0.0	269.2
R1 - Dormitory	1.7	0.0	0.0	0.0	73.0	0.0	73.0
S - Storage	1.0	0.0	0.0	0.0	0.0	69.2	69.2
Total New Development		218.0	298.9	143.0	94.7	81.2	835.7
Jobs Lost Based on Demolition Permits Issued							
A1 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0
A2 - Assembly	3.2	0.0	0.0	0.0	8.3	0.0	8.3
A3 - Assembly	1.6	0.0	0.0	24.8	0.0	0.0	24.8
A4 - Assembly	3.4	0.0	0.0	0.0	0.0	0.0	0.0
A5 - Assembly	2.6	0.0	0.0	0.0	0.0	0.0	0.0
B - Office	2.8	0.0	0.0	0.0	0.0	0.0	0.0
F - Industrial	1.2	0.0	0.0	0.0	0.0	0.0	0.0
H - High Hazard	1.6	0.0	0.0	0.0	0.0	0.0	0.0
I - Institutional	2.6	0.0	0.0	0.0	0.0	0.0	0.0
M - Retail	1.7	318.7	0.0	0.0	0.0	0.0	318.7
R1 - Dormitory	1.7	0.0	0.0	0.0	0.0	0.0	0.0
S - Storage	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Demolitions		318.7	0.0	24.8	8.3	0.0	351.8

Source: Jobs per square foot based on COAH formulae contained in Appendix D

Tables NR-5A1, NR-5A2, NR-5B, NR-5I, NR-5M and NR-5R1 present non-residential development activity that is anticipated to occur between 2009 and 2018. This includes approved buildings, anticipated projects and projected development based on the Highlands Build-Out Study.



TABLE NR-5A1												
"A1" USE GROUP: Developments and Anticipated Developments by the Year that COs are Anticipated to be Issued*												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Area	Jobs
Square Footage of Approved Development Applications												
Centenary College - Lackland Center		49,884									49,884	79.8
Centenary College - Wrestling Room		5,210									5,210	8.3
Square Footage of Pending Development Applications												
											0	0.0
											0	0.0
Square Footage of Anticipated Development Applications												
											0	0.0
											0	0.0
Square Footage of Other Projected Development												
											0	0.0
Total	0	55,094	0	0	0	0	0	0	0	0	55,094	88.2
Total Projected Demolitions											0	0.0

* 1.6 jobs per 1,000 square feet

Source: Historical Trend Projection, Current Market Conditions & Highlands Build-Out Study

Table NR-5A1 shows the amount of A1 development projected for the remainder of the third round. Currently, Centenary College's Lackland Center is under construction and will likely receive its CO by the end of 2010. This student center will generate 80 new jobs according to COAH. Additionally, the wrestling room at the College completed a 5,000 square foot addition. Both will generate an obligation for the Town.

TABLE NR-5A2												
"A2" USE GROUP: Developments and Anticipated Developments by the Year that COs are Anticipated to be Issued*												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Area	Jobs
Square Footage of Approved Development Applications												
											0	0.0
											0	0.0
											0	0.0
Square Footage of Pending Development Applications												
											0	0.0
											0	0.0
											0	0.0
Square Footage of Anticipated Development Applications												
											0	0.0
											0	0.0
											0	0.0
Square Footage of Other Projected Development												
Highlands Build-Out		2,500		5,000			3,500		4,000		15,000	48.0
Total	0	2,500	0	5,000	0	0	3,500	0	4,000	0	15,000	48.0
Total Projected Demolitions					2,000			2,500			4,500	14.4

*3.2 jobs per 1,000 square feet

Source: Historical Trend Projection, Current Market Conditions & Highlands Build-Out Study

Table NR-5A2 shows the amount of assembly-type development, which includes buildings such as restaurants, that is anticipated for the Town between 2009 and 2018. The estimated 15,000 square feet of assembly space would generate roughly 48 new jobs, which would be offset by the demolition of 4,500 square feet and loss of 14.4 jobs. This would result in a net growth of 33.6 new jobs for the Town.



TABLE NR-5B "B" USE GROUP: ANTICIPATED DEVELOPMENTS BY YEAR CO ANTICIPATED TO BE ISSUED*													
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Area	Jobs	
Square Footage of Approved Development Applications													
											0	0.0	
Gordon - MAB		45,000									45,000	126.0	
Square Footage of Pending Development Applications													
											0	0.0	
											0	0.0	
Square Footage of Anticipated Development Applications													
											0	0.0	
											0	0.0	
Square Footage of Other Projected Development													
Highlands Build-Out						3,000	3,000			2,250	8,250	23.1	
Total	0	45,000	0	0	0	3,000	3,000	0	0	2,250	53,250	149.1	
Total Projected Demolitions					4,000				1,000		5,000	14.0	

*2.8 jobs per 1,000 square feet

Source: Construction Department, Historical Trend Projection, Current Market Conditions & Highlands Build-Out Study

Table NR-5B above shows the square footage of approved and projected office developments within Hackettstown. Between 2009 and 2018 over 53,000 square feet of office space is anticipated, which will create almost 150 jobs in the Town. Only 5,000 square feet of office space is anticipated to be demolished to make way for the new construction, which would result in the loss of 14 jobs.

TABLE NR-5I "I" USE GROUP: Developments and Anticipated Developments by the Year that COs are Anticipated to be Issued*													
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Area	Jobs
Square Footage of Approved Development Applications													
												0	0.0
												0	0.0
												0	0.0
Square Footage of Pending Development Applications													
												0	0.0
												0	0.0
												0	0.0
Square Footage of Anticipated Development Applications													
												0	0.0
												0	0.0
												0	0.0
Square Footage of Other Projected Development													
Highlands Build-Out				10,000			20,000			10,000		40,000	104.0
Total	0	0	0	10,000	0	0	20,000	0	0	10,000	0	40,000	104.0
Total Projected Demolitions												0	0.0

Source: Historical Trend Projection, Current Market Conditions, Highlands Build-Out Report

*2.6 jobs per 1,000 square feet

Table NR-5I shows the square footage of projected future institutional facilities. Hackettstown is estimated to gain 40,000 square feet of institutional space by 2018. This could include assisted living facilities, hospitals or daycare facilities.



TABLE NR-5M												
"M" USE GROUP: Developments and Anticipated Developments by the Year that COs are Anticipated to be Issued*												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Area	Jobs
Square Footage of Approved Development Applications												
											0	0.0
											0	0.0
Square Footage of Pending Development Applications												
											0	0.0
											0	0.0
Square Footage of Anticipated Development Applications												
Bergen Tool						19,500	19,500				39,000	66.3
Lion Gate								10,000	10,000		20,000	34.0
Square Footage of Other Projected Development												
Highlands Build-Out			25,000	40,000			3,000			40,000	108,000	183.6
Total	0	0	25,000	40,000	0	19,500	22,500	10,000	10,000	40,000	167,000	283.9
Total Projected Demolitions		80,000			4,000				25,000		109,000	183.3

Source: Historical Trend Projection, Current Market Conditions, Highlands Build-Out Report

*1.7 job per 1,000 square feet

Table NR-5M shows anticipated and future projected retail development. The Town is expected to build over 160,000 square feet of new retail-type development and demolish 109,000 square feet of existing retail space. The result would be a net growth of 98.6 jobs.

TABLE NR-5R1												
"R-1" USE GROUP: Developments and Anticipated Developments by the Year that COs are Anticipated to be Issued*												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Area	Jobs
Square Footage of Approved Development Applications												
											0	0.0
											0	0.0
											0	0.0
Square Footage of Pending Development Applications												
											0	0.0
											0	0.0
											0	0.0
Square Footage of Anticipated Development Applications												
											0	0.0
											0	0.0
											0	0.0
Square Footage of Other Projected Development												
Highlands Build-Out			50,000					50,000			100,000	170.0
Total	0	0	50,000	0	0	0	0	50,000	0	0	100,000	170.0
Total Projected Demolitions											0	0.0

Source: Historical Trend Projection, Current Market Conditions, Highlands Build-Out Report

*1.7 jobs per 1,000 square feet

Table NR-5R1 projects future R1 development, which includes hotels, motels and dormitories such as those located at Centenary College. A total of 100,000 square feet is expected to be built between 2009 and 2018, most likely at the college.



The total of the approved, pending, anticipated and projected historic non-residential development is shown in Table NR-6. It is anticipated that almost 430,400 square feet of non-residential space will be constructed between January 1, 2009 and December 31, 2018. In addition, an estimated 118,500 square feet of non-residential space will be demolished, which will reduce the growth share obligation generated.

TABLE NR-6 NET PROJECTED NEW DEVELOPMENT											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Square Footage Constructed Based on Certificates of Occupancy Issued											
A1 - Assembly	0	55,094	0	0	0	0	0	0	0	0	55,094
A2 - Assembly	0	2,500	0	5,000	0	0	3,500	0	4,000	0	15,000
A3 - Assembly	0	0	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0	0	0
B - Office	0	45,000	0	0	0	3,000	3,000	0	0	2,250	53,250
F - Industrial	0	0	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	10,000	0	0	20,000	0	0	10,000	0	40,000
M - Retail	0	0	25,000	40,000	0	19,500	22,500	10,000	10,000	40,000	167,000
R1 - Dormitory	0	0	50,000	0	0	0	0	50,000	0	0	100,000
S - Storage	0	0	0	0	0	0	0	0	0	0	0
Total Development	0	102,594	85,000	45,000	0	42,500	29,000	60,000	24,000	42,250	430,344
Square Footage Lost Based on Demolition Permits Issued											
A1 - Assembly	0	0	0	0	0	0	0	0	0	0	0
A2 - Assembly	0	0	0	0	2,000	0	0	2,500	0	0	4,500
A3 - Assembly	0	0	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0	0	0
B - Office	0	0	0	0	4,000	0	0	0	1,000	0	5,000
F - Industrial	0	0	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0	0	0	0	0	0
M - Retail	0	20,000	40,000	20,000	4,000	0	0	0	25,000	0	109,000
R1 - Dormitory	0	0	0	0	0	0	0	0	0	0	0
S - Storage	0	0	0	0	0	0	0	0	0	0	0
Total Demolitions	0	20,000	40,000	20,000	10,000	0	0	2,500	26,000	0	118,500
Total Projected Net Non-Residential Growth	0	82,594	45,000	25,000	-10,000	42,500	29,000	57,500	-2,000	42,250	311,844

Source: Historical Trend Projection, Current Market Conditions, Highlands Build-Out Report

The non-residential space projected in Table NR-6 is transformed into new job growth in Table NR-7. An estimated 843 new jobs will be created over the next ten years and 214 will be lost due to demolitions. This yields a new growth of 629 new jobs.



TABLE NR-7 NET PROJECTED EMPLOYMENT GROWTH (BY JOBS)												
	Jobs / 1,000 sf	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Jobs Created Based on Certificates of Occupancy Issued												
A1 - Assembly	1.6	0.0	88.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	88.2
A2 - Assembly	3.2	0.0	8.0	0.0	16.0	0.0	0.0	11.2	0.0	12.8	0.0	48.0
A3 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A4 - Assembly	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A5 - Assembly	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B - Office	2.8	0.0	126.0	0.0	0.0	0.0	8.4	8.4	0.0	0.0	6.3	149.1
F - Industrial	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
H - High Hazard	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
I - Institutional	2.6	0.0	0.0	26.0	0.0	0.0	52.0	0.0	0.0	26.0	0.0	104.0
M - Retail	1.7	0.0	0.0	42.5	68.0	0.0	33.2	38.3	17.0	17.0	68.0	283.9
R1 - Dormitory	1.7	0.0	0.0	85.0	0.0	0.0	0.0	0.0	85.0	0.0	0.0	170.0
S - Storage	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total New Development		0.0	222.2	153.5	84.0	0.0	93.6	57.9	102.0	55.8	74.3	843.2
Jobs Lost Based on Demolition Permits Issued												
A1 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A2 - Assembly	3.2	0.0	0.0	0.0	0.0	6.4	0.0	0.0	8.0	0.0	0.0	14.4
A3 - Assembly	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A4 - Assembly	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A5 - Assembly	2.6	0.0	0.0	0.0	0.0	11.2	0.0	0.0	0.0	2.8	0.0	14.0
B - Office	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
F - Industrial	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
H - High Hazard	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
I - Institutional	2.6	0.0	34.0	68.0	34.0	6.8	0.0	0.0	0.0	42.5	0.0	185.3
M - Retail	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R1 - Dormitory	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
S - Storage	1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Demolitions		0.0	34.0	68.0	34.0	24.4	0.0	0.0	8.0	45.3	0.0	213.7
Total Projected Net Employment Growth		0	188	86	50	-24	94	58	94	11	74	629

Adding the actual development that has occurred between 2004 and 2008 with the projected development anticipated to occur between 2009 and 2018 yields a net employment growth of 1,113.2 new jobs as shown in NR-8. Table NR-9 translates the new jobs generated into affordable units needed. The 1,100 plus jobs will require 69.6 affordable housing units.

TABLE NR-8 TOTAL NET NON-RESIDENTIAL EMPLOYMENT GROWTH (SUM OF ACTUAL & PROJECTED GROWTH)																
	Actual Job Growth					Projected Job Growth										Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Total New Developments	218.0	298.9	143.0	94.7	81.0	0.0	222.15	153.5	84.0	0.0	93.55	57.85	102.0	55.8	74.3	1,678.7
Total Demolition	318.7	0.0	24.8	8.3	0.0	0.0	34.0	68.0	34.0	24.4	0.0	0.0	8.0	45.3	0.0	565.5
Total Net Employment Growth	-100.8	298.9	118.2	86.4	81.0	0.0	188.15	85.5	50.0	-24.4	93.55	57.85	94.0	10.5	74.3	1,113.2



TABLE NR-9 AFFORDABLE HOUSING UNIT OBLIGATION GENERATED BY NON-RESIDENTIAL DEVELOPMENT																	
	Actual Job Growth					Projected Job Growth											Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Total Net Employment Growth	-100.8	298.9	118.2	86.4	81.0	0.0	188.2	85.5	50.0	-24.4	93.6	57.9	94.0	10.5	74.3	1,113.2	
Divided by 16	-6.3	18.7	7.4	5.4	5.1	0.0	11.8	5.3	3.1	-1.5	5.8	3.6	5.9	0.7	4.6	69.6	

Note: Negative growth projections are not permitted. Total net growth of less than 0 is rounded up to 0.

Table T-I illustrates the affordable housing obligation by year for residential and non-residential development between 2004 and 2018. Residential development alone will generate the need for 178 affordable housing units, while non-residential development will require 70 affordable housing units. The total obligation for the Third Round is estimated to be 248 affordable housing units.

TABLE T-I TOTAL PROJECTED AFFORDABLE HOUSING OBLIGATION GENERATED BETWEEN 2004 & 2018																	
	Actual Obligation Generated					Projected Obligation to be Generated											Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Total Residential	10.8	0.8	4.3	11.3	9.3	7.8	4.0	12.8	33.2	33.2	24.2	24.2	0.8	0.8	0.8	178	
Total Non-Residential	-6.3	18.7	7.4	5.4	5.1	0.0	11.8	5.3	3.1	-1.5	5.8	3.6	5.9	0.7	4.6	70	
Total Obligation	4.5	19.4	11.6	16.6	14.3	7.8	15.8	18.1	36.3	31.7	30.0	27.8	6.7	1.5	5.4	248	

5. CAPACITY FOR FAIR SHARE

A determination of Hackettstown's present and probable fair share for affordable housing, along with the capacity to accommodate those units is required by COAH. As shown in Table T-I, Hackettstown has generated an obligation of 52.1 affordable housing units between 2004 and 2008. This means that the Town has a present need of 52.1 affordable units, generated in just the first four years of the Third Round cycle. As for Hackettstown's future affordable housing share, future residential and non-residential construction in the Town is projected to generate an obligation of 197.9 affordable housing units for the remainder of the Third Round cycle between 2008 and 2018.

Hackettstown's capacity to accommodate its present and prospective affordable housing need is determined by three components – land, water and sewer. Note that land development is limited by wetlands, flood plains, easements (conservation, sewer, water), parcel size and municipal regulations.

Anticipated land uses include infill and redevelopment within the Town. Hackettstown's economic development policy is to encourage development that maintains the character of the Town. Constraints on development typically include wetlands as well as sufficient land sizes to accommodate new development. Measures to deal with constraints include the continued balance of health and safety with new development proposals.

Hackettstown Municipal Utilities Authority (HMUA) is the water and sewer provider for Hackettstown, as well as Independence Township and Mansfield Township in Warren County and Mt. Olive Township



and Washington Township in Morris County. HMUA has six well supplies and a surface water treatment facility supplied by three reservoirs. The Sewer Utility includes 95 miles of sanitary sewer collection system which transports wastewater for treatment at a Water Pollution Control Plant rated at 3.3 million gallons per day (MGD) located in the Highlands Preservation Area. The utility operates on a first come, first serve basis regarding capacity.

In 2008 Hatch, Mott, MacDonald completed a water and wastewater flow projections report, which indicated that the HMUA is permitted a maximum monthly water withdrawal from all its sources of 4.12 MGD. Currently the system has an average daily demand of 2.62 MGD. HMUA's potable water system is approaching its design point for the existing water supply. The wastewater system has a maximum capacity of 3.3 MGD whereas demand, on average, is 2.3 MGD per day.

The report concludes that the water system capacity of 4.3 MGD will meet daily peak demands through 2015, but will require additional capacity moving forward. To address this issue, HMUA is considering replacing their existing surface water supplies with additional or expanded groundwater wells. Additionally, the wastewater system is estimated to reach permitted capacity in 2017. If HMUA wishes to increase its permitted wastewater capacity, it could be limited by the location of the facility in the Highlands Preservation Area, its proximity to a C-I water and changing State regulations.

Hatch, Mott, MacDonald's report was completed using the most recent regulations, which are anticipated to change. Both the water and wastewater systems are forecasted to reach capacity before the end of the Third Round. It is not known if all the developments projected in the Town of Hackettstown, including those with affordable units, can be served because capacity is provided in the HMUA service area on a first come, first service basis.

According to the July 2009 Hackettstown Town Municipal Build-Out Report Hackettstown has sufficient water and wastewater capacity to meet the build-out projection resulting from the Highlands Module 1 and Module 2 work.

There are no existing structures appropriate for conversion to affordable housing at this time. As for structures suitable for rehabilitation, according to the Census and COAH, there are at least 76 structures in the Town.

Presently, there are multiple developers within Hackettstown who are proposing or have received approval for inclusionary projects:

- Van Paftinos III (family rental inclusionary)
- Jane Paftinos, LLC (age-restricted inclusionary)
- Lion Gate (family rental inclusionary)

Outside of these three projects no other developers have expressed an interest to provide affordable housing in Hackettstown.



RELATIONSHIP TO REGIONAL MASTER PLAN

Page 199 of the RMP discusses the one goal and numerous policies and objectives associated with housing and community facilities.

Goal 60: Market-rate and affordable housing sufficient to meet the needs of the Highlands Region within the context of economic, social and environmental considerations and constraints.

The policies and objectives include the following items:

- Preserving and monitoring of existing stocks of affordable housing.
- Promotion of center-based development that contains a mix of housing types.
- Promotion of affordable housing within new residential, mixed-use development, redevelopment, etc.
- Locating new housing within walking distance to schools, employment, transit, etc.

Hackettstown's HEFSP includes a variety of mechanisms, including age-restricted housing, inclusionary development, group homes and mixed-use developments. Some of these units will be within walking distance of the train station, shops, restaurants and schools. The Bergen Tool Redevelopment project is located within the downtown area, which furthers the ideal of center-based development. The Bergen Tool Redevelopment, Lion Gate and Van Pafinos III are also within walking distance to the train station. All of the proposed mechanisms will promote the RMP's goals, policies and objectives.

STATUS OF HACKETTSTOWN'S PETITION FOR RMP PLAN CONFORMANCE

Hackettstown has completed an Initial Assessment Grant, report dated April 20, 2009. The Town has also completed six of the seven required Modules (excluding Module 3, HEFSP) and filed a petition for Plan Conformance relative to the Preservation Area on December 7, 2009. The Town's Engineer, Paul Sterbenz, and Planner, John Madden, have met with Highlands staff on January 21, 2010 and March 3, 2010 to discuss Land Use Capability Zone Map RMP map update issues related to the HEFSP's mechanisms.

CONTENT OF FAIR SHARE PLAN

The following information is required by COAH as part of the Fair Share Plan (N.J.A.C. 5:97-3.2):

- A. Description of existing credits intended to satisfy the obligation;
- B. Description of any adjustments to any portion of the fair share obligation, which shall include all information and documentation required;
- C. Description of mechanisms that will be used to meet the new total obligation;
- D. Draft an implementation schedule that sets forth a detailed timetable for units to be provided
 - Documentation for mechanisms to address the prior round obligation, rehabilitation share and growth share obligation up to the first plan review shall be submitted at the time of petition



- Documentation for zoning for inclusionary development, accessory apartment program, or market to affordable program shall be submitted at the time of petition and implemented within 45 days of certification;
- E. If seeking vacant land adjustment or household and employment growth projection adjustment shall submit all the information required, unless:
 - Municipality demonstrates that the mechanisms do not rely upon the availability of vacant land or municipality reserves scarce resources;
- F. Include draft and/or adopted ordinances necessary for implementation;
- G. Demonstrate that existing zoning or planned changes provide adequate capacity to accommodate affordable housing;
- H. Demonstrate existing planned water/waste water treatment capacity is sufficient to accommodate all proposed mechanisms; and
- I. Draft a spending plan if the municipality maintains or intends to establish an affordable housing trust fund, which includes:
 - Projection of revenues anticipated from development fees
 - Projection of revenues from other sources
 - Description of administrative mechanism that will be used to collect and distribute revenues
 - Description of use of all affordable housing trust funds
 - Schedule for expenditure of all housing trust funds
 - Schedule for creation or rehabilitation of housing units
 - If supporting or sponsoring public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development
 - Plan to spend trust fund balance as of date of its third round petition within four years of the council's approval of spending plan
 - Method through which the municipality will address any expected or unexpected shortfall if revenues aren't sufficient
 - Description of anticipated use of excess affordable housing trust funds.

In adopting its housing element, a municipality may provide for its fair share of low and moderate income housing by means of any technique or combination of techniques which provide a realistic opportunity for the provision of the fair share. These potential techniques include but are not limited to:

- Rehabilitation of existing substandard housing units;
- ECHO units;
- Zoning for inclusionary development;
- Redevelopment;
- Municipally-sponsored and 100% affordable developments;
- Accessory apartment program;
- Market to affordable program (formally referred to as a buy down program);
- Supportive and special needs housing;
- Assisted living residences;



- Utilization of funds generated by development fees on new construction to build affordable units;
- Other innovative strategies.

FAIR SHARE PLAN

1. FAIR SHARE OBLIGATION

Hackettstown's Fair Share Plan has been redrawn to the extent necessary to address the affordable housing obligation, while at the same time complying with the Highlands Area density and resource constraints within the Preservation Area. Prior plans for the provision of affordable housing units, which have not yet been implemented have been evaluated for consistency with these provisions and altered accordingly.

REGIONAL INCOME LIMITS

Dwelling units are affordable to low and moderate income households if the maximum sales price or rental cost is within their ability to pay such costs, based on a specific formula. COAH provides income limits based upon the median gross household income of the COAH housing region in which the household is located. A moderate income household is one with a gross household income equal to or more than 50%, but less than 80%, of the median gross regional household income. A low-income household is one with a gross household income equal to 50% or less of the median gross regional household income. Hackettstown Town is located in Region 2, which contains Warren, Essex, Morris and Union Counties.

Using the 2008 weighted regional income limits adopted by COAH, a four-person Region 2 median household income is estimated at \$83,771. A moderate-income four-person household could earn a maximum of \$67,017 (80% of regional median) and a four person low-income household could earn a maximum of \$42,886 (50% of regional median). Income levels for one to five person households as of 2008 are shown in the following chart.

2008 REGIONAL INCOME LIMITS FOR REGION 2 MUNICIPALITIES					
	1 person	2 person	3 person	4 person	5 person
Median	\$58,640	\$67,017	\$75,394	\$83,771	\$90,473
Moderate	\$46,912	\$53,613	\$60,315	\$67,017	\$72,378
Low	\$29,320	\$33,508	\$37,697	\$42,886	\$45,236

Source: COAH, <http://www.nj.gov/dca/coah/incomelimits.pdf>



COAH REQUIREMENTS

COAH has specific requirements on unit size distribution, affordable unit sales price and rental costs, bedroom mix among other regulations which are provided in N.J.A.C. 5:80-26.1 et.seq. In each affordable development, at least 50% of the restricted units within each bedroom distribution must be low income and the remainder moderate income. For affordable developments that are not age-restricted, not more than 20% of the units may be efficiency or one-bedroom units, and at least 30% shall be two-bedroom units, and at least 20% shall be three-bedroom units. Age-restricted affordable units can provide a modified bedroom distribution.

The monthly cost of owner occupied units, which includes mortgage (principal and interest), taxes, insurance and homeowner's or condominium association fees may not exceed 28 percent of gross monthly household income. In addition, moderate-income sales units must be available for at least three different prices and low-income sales units available for at least two different prices for each bedroom type.

Under COAH regulations, rents may not exceed 30 percent of the eligible monthly income of the appropriate household size. The maximum average rent must be affordable to households earning not more than 60 percent of median income; the average rent for low and moderate income units must be affordable to households earning no more than 52% of median income. There must be rents established for each bedroom type having both low and moderate income units provided that 10 percent must be affordable to families earning no more than 35% of median income.

Hackettstown's Fair Share Plan describes the projects, strategies and funding sources that the Town proposes to address its affordable housing obligation as set by COAH. The Town's Third Round Housing Element and Fair Share Plan addresses a growth share obligation of 241 units. The three components that must be addressed by this plan are contained in the table below.

HACKETTSTOWN TOWN: COAH OBLIGATION				
Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
76	62	854 ÷ 5 170.8	1,113 ÷ 16 69.6	240.4

2. HACKETTSTOWN'S COAH OBLIGATION

Hackettstown's Fair Share Plan describes the projects, strategies and funding sources with which the Town proposes to address its affordable housing obligation, as it has been set by COAH. The Town's Third Round Housing Element and Fair Share Plan addresses a growth share obligation of 241 units. The three components that must be addressed by this plan are:



REHABILITATION: 76 UNITS

COAH determined Hackettstown's share for rehabilitation units to be 76 homes. This number was calculated by COAH utilizing 2000 Census characteristics that included over-crowded units, older housing units built before 1939 and units with incomplete plumbing facilities or kitchen facilities.

PRIOR ROUND: 62 UNITS

Hackettstown has a Prior Round obligation of 62 units to address in this plan. There are minimum and maximum requirements regarding the development of rentals and age-restricted units for the Prior Round obligation (PRO), which are listed below:

Minimum rental requirement = $25\%(\text{PRO} - \text{Prior Cycle Credits}) = .25(62 - 81) = 0$

Maximum age-restricted = $25\%(\text{PRO} + \text{Rehabilitation Share} - \text{Prior Cycle Credits} - \text{Rehabilitation Credits}) = .25(62 + 76 - 81 - 5) = 13$ (must round down for maximums)

Maximum bonus credits = $25\%(\text{PRO}) = .25(62) = 15$ (must round down for maximums)

THIRD ROUND: 241 UNITS

Hackettstown must plan for a growth share obligation of 241 units, lacking any adjustments. COAH's rules require that 50% of the growth share obligation (GSO) for Hackettstown be family housing units, not restricted to any age or group. Additionally, there are other requirements regarding the development of affordable units that are listed below:

Minimum family units = $50\%(\text{GSO}) = .50(241) = 121$

Minimum rental requirement = $25\%(\text{GSO}) = .25(241) = 61$

Minimum family rental units = $.50(\text{rental requirement}) = .50(.25(241)) = 31$

Maximum age-restricted = $25\%(\text{GSO}) = .25(241) = 60$

Maximum bonus credits = $25\%(\text{GSO}) = .25(241) = 60$

3. ADJUSTMENTS

Hackettstown is not seeking any downward adjustment of its rehabilitation, prior round or growth share obligations.



4. EXISTING CREDITS

Hackettstown has a total of 153 existing credits from completed rehabilitations, existing age-restricted developments, an inclusionary for-sale complex and a group home provider.

REHABILITATION CREDITS (5)

Hackettstown must rehabilitate a total of 76 units. Between 2000 and 2006, 5 homes have been rehabilitated in Hackettstown through the Warren County Housing Program. The average of more than \$20,000 was spent per home and all have affordability controls of 99 years.

PRIOR ROUND CREDITS (62)

Heritage House is an age-restricted rental facility that was constructed in 1985. Heritage House has a 40 year mortgage that expires in 2025, funded by HUD Section 202. A stipulation of the mortgage is that it retains affordability requirements. Since the facility was constructed in 1985 it falls under prior cycle credits and is eligible for one credit per unit, for a total of **62** credits that can be applied towards the prior round. Credits in excess of the prior round obligation can be applied to the third round obligation as per NJAC 5:97-4.2(c), if the controls on affordability are in place through December 31, 2018. Heritage House meets the rule requirements because it has a 40 year mortgage that extends to 2025 and **19** credits could be carried over. Note that prior cycle credits applied to the prior round are a one for one credit, despite characteristics, but when applied to the third round prior cycle credits carry the characteristics associated with the unit (i.e. age-restriction).

THIRD ROUND CREDITS (86)

Heritage House meets the rule requirements for affordability controls because it has a 40 year mortgage that extends to 2025 and therefore **19** credits can be carried over to the third round. Note that prior cycle credits applied to the prior round are a one for one credit, despite characteristics, but when applied to the third round prior cycle credits carry the characteristics associated with the unit (i.e. age-restriction).

Brook Hollow Estates is an inclusionary development completed by K. Hovnanian in 1998. The development contains 21 family affordable for-sale units of a total 187 units. It is eligible for **21** credits, which will be applied to the third round for crediting purposes.

Van Paftinos I is located in the Mountain Avenue area on Block 127, Lot 7 along Vans Drive and is an inclusionary development that contains 14 age-restricted affordable rental units of a total 76 units. The units received a certificate of occupancy in 1995 and are deed restricted for 30 years. The units are eligible for **14** credits, which will be applied to the third round.



The Center for Humanistic Change of New Jersey maintains a group home at 101 – 105 Christopher Street. The facility is regulated by the New Jersey Department of Human Service, Division of Developmental Disabilities. The facility has a total of 5 bedrooms that serve low-income residents. The facility received its Certificate of Occupancy in 1995 and is eligible for **5** credits.

Van Paftinos II located at 620 Willow Grove Street is an inclusionary development with 21 age-restricted affordable rentals of 100 total units. The development received its certificate of occupancy in 2003 and the affordable units have a thirty year deed restriction. The facility is eligible for **21** credits.

As a part of two non-residential development resolution, B&W Associates, LLP and Gordon MAB Hackettstown, LLC entered into agreements with Robert Russell, owner of 103 Valentine Street, Unit 1 and 105 Valentine Street, Units 1,2, 3 4 and 5 to provide six family rental units. The units are deed restricted for 30 years and are managed by Housing Affordability Services. The units are eligible for **6** credits.

The following chart shows the existing credits and bonuses Hackettstown has to date.

EXISTING PRIOR ROUND CREDITS				
Facility	Type	Credit	Bonus	Total
Heritage House	Prior Cycle	62	-	62
	TOTAL	62	0	62

EXISTING THIRD ROUND CREDITS				
Facility	Type	Credit	Bonus	Total
Heritage House	Age-restricted Rental	19	-	19
Brook Hollow Estates	Family For-sale	21	-	21
Van Paftinos I	Age-restricted Rental	14	-	14
Center for Humanistic Change	Supportive/Special Needs	5	-	5
Van Paftinos II	Age-restricted Rental	21	-	21
B &W and Gordon MAB Hackettstown: Valentine Street	Family Rental	6	-	6
	TOTAL	86	0	86

5. PROPOSED MECHANISMS

REHABILITATION MECHANISMS

Hackettstown intends to encourage residents to utilize the existing Warren County Housing Program to rehabilitate homes. During 2005 and 2006, a total of 5 homes were rehabilitated through the program. It



is estimated that at least another 6 to 10 homeowners will utilize Warren County's program between now and 2018.

Hackettstown can apply new construction credits towards its rehabilitation obligation as per NJAC 5:97-6.2(b)7, so long as those units meet the criteria in NJAC 5:97-4.3. Therefore, credits in excess of the third round obligation can be applied towards the rehabilitation obligation. This totals to **60** new construction credits, reducing the rehabilitation obligation to 11 outstanding rehabilitations.

In case of a shortfall, Hackettstown will apply for a Small Cities/CBDG grant now available through the Department of Community Affairs. The grant's purpose is to rehabilitate homes and encourage the construction of affordable housing. Other eligible costs include activities that support an affordable housing development like site assemblage, engineering, infrastructure improvements and utilities hook ups. Hackettstown will apply for at least a \$100,000 grant to be used for housing rehabilitation. Finally, the Town will earmark funds from its total development fees projected to be collected over the next ten years for rehabilitation to supplement the existing rehabilitation mechanisms in case of a shortfall of rehabilitation credits.

THIRD ROUND MECHANISMS

I. Jane Paftinos, LLC

This inclusionary development is located at 21 Route 57 on Block 129, Lot 26. The development received preliminary approval in 2004 for a total of 128 units including 26 affordable units. Since then, the development has changed owners and the proposed development plan has decreased to 104 total units with 21 age-restricted affordable units. The units will be age-restricted rentals and will be deed restricted for 30 years once completed. The site would be eligible for **21** credits.

The Highlands' Site Consistency Review Report indicates that this site is within the Existing Community Environmentally-Constrained Sub-Zone in the Planning Area. This development will be within one mile of the Town's train station and will be served by public water and sewer. The New Jersey Department of Environmental Protection issued a Treatment Works Approval (TWA) on February 1, 2010 for this site (Permit No. 09-0492). Despite having a number of natural resources on-site, this property is being redeveloped – as it previously/currently contains a residence on it. The Jane Paftinos, LLC development is consistent with the Highlands' goals of redevelopment, compact development, proximity to alternative modes of transportation and the creation of a range of housing types and costs.

2. Hunter's Brook Payment-in-Lieu

As a part of the approval for Hunter's Brook, a 101 unit residential project, Hackettstown received a payment in lieu of \$275,000 to be deposited into the affordable housing trust fund.



3. Lion Gate at Musconetcong, LLC (Lion Gate)

In September of 2009 the Town amended the HC Zone District from age-restricted housing to mixed-use multi-family residential as a conditional use. The Zone now permits as a conditional use 12 dwelling units per acre with a 17% affordable housing set-aside. A maximum of 20,000 square feet of retail space is permitted as well. The Zone is expected to produce a total of 180 units and 31 affordable family rental units. A total of **31** credits are anticipated.

The Highlands' Site Consistency Review Report indicates that Block 125, Lot 9.01 is within the Existing Community Zone in the Planning Area. This mixed-use development will be within one mile of the Town's train station and will be served by public water and sewer. The site has NJDEP permits. Despite having a number of natural resources on-site, this property is a redevelopment project— as it previously was the location of a commercial building and has prior site plan approval for a similar-sized age-restricted development granted prior to the RMP adoption. The Lion Gate development is consistent with the Highlands' goals of redevelopment, compact and mixed-use development, proximity to alternative modes of transportation and the creation of a range of housing types and price points.

4. Van Paftinos III (Bilby Road)

Located along Bilby Road is Block 45, Lots 1.01 and 2, which is a 14.2+/- acre parcel. The property is in the process of being rezoned to provide a 40% set-aside for affordable family rental units. An estimated 80 affordable units will be built, which could yield up to 53 bonuses for a total of **133** credits.

The Highlands' Site Consistency Review Report indicates that the Van Paftinos III project is within the Protection Zone in the Planning Area. The Town's professionals have met with the Highlands Council staff regarding RMP updates for this site, which were requested as part of the December 2009 Plan Conformance petition and the majority of it will be placed in the Existing Community Zone. This inclusionary development will be within one mile of the Town's train station and will be served by public water and sewer. This project is consistent with the Highlands' goals of compact development, proximity to alternative modes of transportation and the creation of a range of housing types and price points.

5. Bergen Tool Redevelopment

Hackettstown is an older Town with buildings and sites that are older and dilapidated. The Bergen Tool site's redevelopment is expected with zoning incentives to occur privately by the owners of this underutilized parcel. An ordinance amending the Land Development Ordinance of Hackettstown has been drafted and will be introduced in the spring of 2010. The draft ordinance requires a 20% affordable housing set-aside and permits a mixture of residential and commercial uses. The affordable units will be required to be family rental units and will yield an anticipated 23 credits and at least 7 bonus credits for a total of **30** credits.

The Highlands' Site Consistency Review Report indicates that Block 21, Lot 18 is within the Existing Community Zone in the Planning Area. This mixed-use development will be within one mile of the



Town's train station and will be served by public water and sewer. Despite having some natural resources on-site, this property is a redevelopment project. The proposed Bergen Tool development scheme is consistent with the Highlands' goals of redevelopment, compact and mixed-use development, proximity to alternative modes of transportation and the creation of a range of housing types at various prices.

6. Group Home

Hackettstown currently contains one group home and encourages other similar facilities to locate within its borders. While this plan does not rely on future facilities to contribute credits to meet Hackettstown's current obligation, it does support these facilities and has provided \$50,000 within its Spending Plan to assist future group home facilities with the purchase of an existing home and/or conversion of an existing home.

7. Development Fee Ordinance

Finally, the Town will amend its existing development fee ordinance to impose a 2.5% equalized assessed value (EAV) fee on non-residential development and a 1.5% EAV on residential development to go into the housing trust fund. The monies generated will be used to subsidize a potential rehabilitation program, create a local affordability assistance program for rental units and other housing opportunities.

SUMMARY OF FAIR SHARE PLAN STRATEGIES

The prior round obligation will be satisfied with 62 credits from Heritage House. The third round will be met with 54 age-restricted credits, 5 credits from a group home facility, 21 credits from family for-sale units and 161 family rental credits and bonuses from three projects. This totals to 241 credits. In addition, 60 new construction credits from Jane Paftinos, LLC, Lion Gate and Bergen Tool Redevelopment have been allotted to the rehabilitation obligation. The following table breaks down the existing and proposed affordable units by type.



NEW CONSTRUCTION CREDITS ALLOCATED TO THE REHABILITATION PROGRAM				
Facility	Type	Credit	Bonus	Total
Jane Paftinos, LLC	Age-restricted Rental	21	-	21
Lion Gate	Family Rental	31	-	31
Bergen Tool Redevelopment	Family Rental	8	-	8
	TOTAL	60	0	60

PRIOR ROUND OBLIGATION				
Facility	Type	Credit	Bonus	Total
Heritage House	Prior Cycle	62	-	62
	TOTAL	62	0	62

THIRD ROUND OBLIGATION				
Facility	Type	Credit	Bonus	Total
Heritage House	Age-restricted Rental	19	-	19
Brook Hollow Estates	Family For-sale	21	-	21
Van Paftinos I	Age-restricted Rental	14	-	14
Center for Humanistic Change	Supportive/Special Needs	5	-	5
Van Paftinos II	Age-restricted Rental	21	-	21
B & W and Gordon MAB Hackettstown: Valentine Street	Family Rental	6	-	6
Van Paftinos III	Family Rental	80	53	133
Bergen Tool Redevelopment	Family Rental	15	7	22
	TOTAL	181	60	241



6. IMPLEMENTATION SCHEDULE

IMPLEMENTATION SCHEDULE										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Jane Paftinos, LLC										
Obtain permits										
Construction										
Occupancy										
Van Paftinos III										
Adopting zoning ordinance										
Obtain permits										
Construction										
Occupancy										
Lion Gate										
Obtain permits										
Construction										
Occupancy										
Bergen Tool Redevelopment										
Designate redevelopment										
Redevelopment plan adopted/adopt zoning										
Obtain permits										
Construction										
Occupancy										
Development Fees										
Town-Sponsored Rehabilitation Program										



7. SPENDING PLAN

Hackettstown will amend its Development Fee Ordinance to reflect the new legislation and continue to capture funds that will be used to support its affordable housing obligations. These funds will be used for the following purposes:

- Provide affordability assistance – minimum 30%
 - Closing cost down-payment assistance
 - Security deposit assistance
 - Low interest loans
 - Rental assistance
 - Homeowner association fee subsidy
 - Converting low-income units to very low-income units
- Administration – maximum 20%
- Assist 100% affordable developments

Based upon the projected development activity, Hackettstown expects to collect about \$820,601.78 during the remainder of the Third Round period, based on 2009 dollars and the following assumptions:

- Residential fees at 1.5% the equalized assessed value, assuming an average house value of \$286,088 from the Tax Assessor
- Non-residential fees at 2.5% the EAV, based on average square footage rates provided by the Tax Assessor, based on 2009 dollars

The following table shows the projected development fees and interest that the Town is anticipated to collect.

FUNDS ANTICIPATED BY YEAR											
Source of Funds	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
Projected/Approved Development	\$0	\$274,956	\$71,831	\$65,581	\$34,331	\$124,331	\$71,206	\$34,331	\$96,831	\$45,581	\$818,975.04
Payment in Lieu of Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Interest	\$398	\$412	\$108	\$98	\$51	\$186	\$107	\$51	\$145	\$68	\$1,626.74
TOTAL	\$398	\$275,368	\$71,938	\$65,679	\$34,382	\$124,517	\$71,312	\$34,382	\$96,976	\$45,649	\$820,601.78

The detailed Spending Plan is included in the Appendix.

APPENDIX

1. Workbook B
2. Spending Plan
3. Affordable Housing Ordinance
4. Development Fee Ordinance



Workbook B: Summary of Growth Share Determination Using Municipal Projections

Municipality Name: Town of Hackettstown

(Note: Municipalities seeking a lower growth projection based on the lack of available land may not use Workbook B. Rather, these municipalities must use Workbook C.)

[CLICK HERE to go to Workbook C](#)

This workbook contains two separate worksheets to be used for determining the projected Municipal Growth Share Obligation. Worksheet A must be completed by all municipalities. Worksheet A is the tool that allows the user to enter COAH-generated Growth Projections included in Appendix F(2) of the revised Third Round Rules to determine the Growth Share Obligation after applying exclusions permitted by N.J.A.C. 5:97-2.4. Municipalities that accept the COAH-generated Growth projections need only use Worksheet A.

[Click Here to complete Worksheet A](#)

Municipalities anticipating that growth through 2018 is likely to exceed the growth through 2018 that has been projected by COAH should complete Worksheet A and Worksheet B. Worksheet A establishes a projected Growth Share Obligation based on COAH-generated growth projections against which the municipally determined Growth Share Obligation will be compared. Municipal alternative growth projections that exceed COAH projections would be used if the municipality anticipates growth higher than what COAH has projected and seeks to plan accordingly.

[Click Here to complete Worksheet B](#)

Summary Of Worksheet Comparison

COAH Projected Growth Share	COAH Projected Growth Share (From Worksheet A)	Municipally Projected Growth Share (From Worksheet B)
Residential Growth	80	854
Residential Exclusions	0	0
Net Residential Growth	80	854
Residential Growth Share	16.00	170.80
Non-Residential Growth	1,850	1,113
Non-Residential Exclusions	0	0
Net Non- Residential Growth	1,850	1,113
Non-Residential Growth Share	115.63	69.58
Total Growth Share	132	240

The Municipal growth share projection exceeds the COAH projection. Please file Workbook B and use a Residential Growth share of 170.8 units plus a Non-residential growth share of 69.58 units for a total growth share obligation of 240 affordable units.

Worksheet B

Growth Share Determination Using Municipal Projections

Municipality Name: Town of Hackettstown

Actual Growth 01/01/04 to Present

Residential COs Issued	145	
Qualified Residential Demolitions		

[Get Certification Form](#)

Note: To **qualify** as an offsetting residential demolition, the unit must be the primary residence of the household for which the demolition permit has been issued, it had to be occupied by that owner for at least one year prior to the issuance of the demolition permit demolition, it has to continue to be occupied by that household after the re-build and there can be no change in use associated with the property. (See [N.J.A.C. 5:97-2.5\(a\)1.v.](#)) A Certification Form must be completed and submitted for each qualifying demolition

Non-residential CO's by Use Group	Square Feet Added (COs Issued)	Square Feet Lost Demolition Permits Issued)	Jobs/1,000 SF	Total Jobs
B	56,092	0	2.8	157.06
M	158,358	187,485	1.7	-49.52
F	181,636	0	1.2	217.96
S	69,212	0	1.0	69.21
H	0	0	1.6	0.00
A1	0	0	1.6	0.00
A2	11,649	2,600	3.2	28.96
A3	7,489	15,500	1.6	-12.82
A4	0	0	3.4	0.00
A5	0	0	2.6	0.00
E	0	0	0.0	0.00
I	0	0	2.6	0.00
R1	42,967	0	1.7	73.04
Total	527,403	205,585		483.90

Projected Growth through 12/31/18 not included in actual above

Pending Residential Approvals	159
Known Residential Development Applications	514
Additional Projected Residential Growth through 2018	36

Pending, Known and Anticipated Non-Residential Growth by Use Group	Square Feet Projected to be built	Square Feet Projected to be Demolished	Jobs/1,000 SF	Total Jobs
B	53,250	5,000	2.8	135.10
M	167,000	109,000	1.7	98.60
F	0	0	1.2	0.00
S	0	0	1.0	0.00
H	0	0	1.6	0.00
A1	55,094	0	1.6	88.15
A2	15,000	4,500	3.2	33.60
A3	0	0	1.6	0.00
E	0	0	0.0	0.00

I		40,000	0	2.6	104.00
R1		100,000	0	1.7	170.00
Total		430,344	118,500		629

	Residential	Non-Residential
Total Municipal Projections From Above	854	1,113
Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from Worksheet A		
COs for prior round affordable units built or projected to be built post 1/1/04		
Inclusionary Development	0	
Alternative Living Arrangements	0	
Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0	
Non-Residential Exclusions Pursuant to 5:97-2.4(b)		
Affordable units	0	
Associated Jobs		0
Net Growth Projection	854	1,113
Projected Growth Share Divide Residential Growth by 5 and Jobs by 16	170.80 Affordable Units	69.58 Affordable Units
Total Projected Growth Share Obligation		240.38 Affordable Units

[Click Here to return to Workbook B Summary sheet](#)

Worksheet A: Growth Share Determination Using Published Data

(From Appendix F(2), *Allocating Growth To Municipalities*)

COAH Growth Projections Must be used in all submissions

Municipality Name:

Town of Hackettstown

Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. on Line 1 of this worksheet. Use the Tab at the bottom of this page or the links within the page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated based on COAH's growth projections.

	Residential	Non-Residential
<p>1 Enter Growth Projections From Appendix F(2)*</p>	<div style="border: 1px solid gray; background-color: #e0ffff; padding: 5px; display: inline-block;">80</div>	<div style="border: 1px solid gray; background-color: #e0ffff; padding: 5px; display: inline-block;">1,850</div>
<p>2 Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from "Exclusions" tab</p> <p>COs for prior round affordable units built or projected to be built post 1/1/04</p> <ul style="list-style-type: none"> Inclusionary Development Supportive/Special Needs Accessory Apartments Municipally Sponsored or 100% Affordable Assisted Living Other <p>Market Units in Prior Round Inclusionary development built post 1/1/04</p> <p>Subtract the following Non-Residential Exclusions Pursuant to 5:97-2.4(b)</p> <ul style="list-style-type: none"> Affordable units Associated Jobs 	<p style="color: blue; text-decoration: underline;">Click Here to enter Prior Round Exclusions</p>	<div style="background-color: #cccccc; width: 100%; height: 100%;"></div>
<p>3 Net Growth Projection</p>	80	1,850
<p>4 Projected Growth Share (Conversion to Affordable Units Divide HH by 5 and Jobs by 16)</p>	<p>16.00 Affordable Units</p>	<p>115.63 Affordable Units</p>
<p>5 Total Projected Growth Share Obligation</p>		<p>132 Affordable Units</p>

[Click Here to return to Workbook B Summary](#)

* Use Appendix F(2), Figure A.1, Housing Units by Municipality for Residential growth and Appendix F(2), Figure A.2, Employment by Municipality for Non-residential growth.

Affordable and Market-Rate Units Excluded from Growth

Municipality Name: Town of Hackettstown

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

Development Type	Number of COs Issued and/or Projected
Supportive/Special Needs Housing	<input type="text"/>
Accessory Apartments	<input type="text"/>
Municipally Sponsored and 100% Affordable	<input type="text"/>
Assisted Living	<input type="text"/>
Other	<input type="text"/>
Total	0

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

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

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

Development Name	Rental? Y/N	Total Units	Market Units	Affordable Units	Market Units Excluded
		0			0
		0			0
		0			0
		0			0
		0			0
Total		0	0	0	0

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

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

[When finished, click here to return to Worksheet A](#)

Council on Affordable Housing

Sample Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Town of Hackettstown has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH on *[insert date of approval]* and adopted by the municipality on *[insert date of adoption]*. The ordinance establishes the Town of Hackettstown's affordable housing trust fund for which this spending plan is prepared.

As of December 31, 2008, the Town of Hackettstown has collected \$275,308.13, expended \$6,542.50, resulting in a balance of \$268,765.63. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Skylands Community Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

The Town of Hackettstown first petitioned COAH for substantive certification on August 28, 1999 and received prior approval to maintain an affordable housing trust fund on *[date COAH first approved a development fee ordinance]*. As of December 31, 2004, the prior round balance remaining in the affordable housing trust fund was \$0. From January 1, 2005 through December 31, 2008, the Town of Hackettstown collected an additional \$275,308.13 in development fees, payments in lieu of construction, other funds, and/or interest. From January 1, 2005 through December 31, 2008, the Town of Hackettstown expended funds on the affordable housing activities detailed in section 4 of this spending plan.

1. REVENUES FOR CERTIFICATION PERIOD

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

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows:

- Hunter’s Brook - \$275,000 (already paid)

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units. No funds are anticipated.

(d) Projected interest:

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

FUNDS ANTICIPATED BY YEAR											
Source of Funds	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
Projected/Approved Development	\$0	\$274,956	\$71,831	\$65,581	\$34,331	\$124,331	\$71,206	\$34,331	\$96,831	\$45,581	\$818,975.04
Payment in Lieu of Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Interest	\$398	\$412	\$108	\$98	\$51	\$186	\$107	\$51	\$145	\$68	\$1,626.74
TOTAL	\$398	\$275,368	\$71,938	\$65,679	\$34,382	\$124,517	\$71,312	\$34,382	\$96,976	\$45,649	\$820,601.78

The Town of Hackettstown projects a total of \$820,602 in revenue to be collected between January 1, 2009 and December 31, 2018. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Town of Hackettstown's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The Administration forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution. The release of the funds requires the adoption of the governing body resolution in accordance with the COAH-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

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

The Town of Hackettstown will dedicate \$325,000 to rehabilitation or new construction/conversion programs (see detailed descriptions in Fair Share Plan) as follows:

Rehabilitation program: \$275,000

New construction/conversion project(s): \$50,000

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

Projected minimum affordability assistance requirement:

Actual development fees through 12/31/2008		\$275,000.13
Actual interest earned through 12/31/2008	+	\$308.00
Development fees projected 2009-2018	+	\$818,975.04
Interest projected 2009-2018	+	\$1,626.74
Less housing activity expenditures through 6/2/2008	-	\$6,542.50
Total	=	\$1,089,367.41
30 percent requirement	x 0.30 =	\$326,810.22
Less Affordability assistance expenditures through 12/31/2008	-	\$0.00
PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2009 through 12/31/2018	=	\$326,810.22
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2009 through 12/31/2018	÷ 3 =	\$108,936.74

The Town of Hackettstown will dedicate \$326,810.22 from the affordable housing trust fund to render units more affordable, including \$108,936.74 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

- Closing cost down-payment assistance
- Security deposit assistance
- Low interest loans
- Rental assistance
- Homeowner association fee subsidy
- Converting low-income units to very low-income units

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

The Town of Hackettstown projects that \$217,873 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Consulting fees and planning and legal fees for administration and implementation of the Town of Hackettstown's affordable housing program(s).
- Salaries and benefits for municipal employees for administration and implementation of the housing plan and program(s).

4. EXPENDITURE SCHEDULE

The Town of Hackettstown intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

Program	Number of Units Projected	Funds Expended	Projected Expenditure Schedule 2009 -2018										
			2005- 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rehabilitation	11	\$0	\$0	\$0	\$0	\$75,000	\$75,000	\$50,000	\$50,000	\$25,000	\$0	\$0	\$275,000
Group Home	4	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Affordability Assistance		\$0	\$0	\$0	\$40,000	\$42,000	\$42,000	\$42,000	\$40,810	\$40,000	\$40,000	\$40,000	\$326,810
Administration		\$6,543	\$5,410	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$22,500	\$22,420	\$217,873
Total		\$6,543	\$5,410	\$23,000	\$113,000	\$140,000	\$140,000	\$115,000	\$113,810	\$88,000	\$62,500	\$62,420	\$869,683

5. EXCESS OR SHORTFALL OF FUNDS

Currently, the Spending Plan has an excess of \$219,684.41. Therefore, the Town of Hackettstown has **not** adopted a resolution agreeing to fund any shortfall of funds. The municipality will dedicate any excess funds toward rehabilitation and other programs to be determined in the future.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with Town of Hackettstown's Affordable Housing Ordinance, Section [redacted] in accordance with N.J.A.C. 5:97-8.5.

SUMMARY

The Town of Hackettstown intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated [insert date].

The Town of Hackettstown has a balance of \$268,765.63 as of December 31, 2008 and anticipates an additional \$820,601.78 in revenues before the expiration of substantive certification for a total of \$1,089,367.41. The municipality will dedicate \$275,000 towards rehabilitation, \$50,000 towards a potential group home, \$326,810 to render units more affordable, and \$217,873 to administrative costs. Currently, the Spending Plan has an excess of

\$219,684.41. The municipality will dedicate any excess funds toward rehabilitation and other programs to be determined in the future.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2008		\$268,765.63
Projected REVENUE 2009-2018		
Development fees	+	\$818,975.04
Payments in lieu of construction	+	\$0.00
Other funds	+	\$0.00
Interest	+	\$1,626.74
TOTAL REVENUE	=	\$1,089,367.41
EXPENDITURES		
Funds used for Rehabilitation	-	\$275,000.00
Group Home	-	\$50,000.00
Affordability Assistance	-	\$326,810.00
Administration	-	\$217,873.00
TOTAL PROJECTED EXPENDITURES	=	\$869,683.00
REMAINING BALANCE	=	\$219,684.41

DRAFT AFFORDABLE HOUSING ORDINANCE

AN ORDINANCE OF THE TOWN OF HACKETTSTOWN TO ADDRESS THE REQUIREMENTS OF THE COUNCIL ON AFFORDABLE HOUSING (COAH) REGARDING COMPLIANCE WITH THE MUNICIPALITY'S PRIOR ROUND AND THIRD ROUND AFFORDABLE HOUSING OBLIGATIONS

Section 1. Affordable Housing Obligation

- (a) This Ordinance is intended to assure that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.
- (b) The Town of Hackettstown Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan has been endorsed by the governing body. The Fair Share Plan describes the ways the Town of Hackettstown shall address its fair share for low- and moderate-income housing as determined by the Council on Affordable Housing (COAH) and documented in the Housing Element.
- (c) This Ordinance implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:97, as may be amended and supplemented.
- (d) The Town of Hackettstown shall file monitoring reports with COAH in accordance with N.J.A.C. 5:96, tracking the status of the implementation of the Housing Element and Fair Share Plan. Any plan evaluation report of the Housing Element and Fair Share Plan and monitoring prepared by COAH in accordance with N.J.A.C. 5:96 shall be available to the public at the Town of Hackettstown Municipal Building, Municipal Clerk's Office, 215 Stiger Street, Hackettstown, New Jersey, or from COAH at 101 South Broad Street, Trenton, New Jersey and on COAH's website, www.nj.gov/dca/affiliates/coah.

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

"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, or by the construction of a new accessory structure on the same site.

"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.

“Administrative agent” means the entity responsible for the administration of affordable units in accordance with this ordinance, N.J.A.C. 5:96, N.J.A.C. 5:97 and N.J.A.C. 5:80-26.1 et seq.

“Affirmative marketing” means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

“Affordability average” means the average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households.

“Affordable” means, a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:97-9; in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development all or a portion of which consists of restricted units.

“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.

“Affordable housing program(s)” means any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality’s fair share obligation.

“Affordable unit” means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:97-4, and/or funded through an affordable housing trust fund.

“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 unit” means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are 62 years or older; or 2) at least 80 percent of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“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 and that offers units containing, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.).

“DCA” means the State of 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.

“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.

“Inclusionary development” means a 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.

“Low-income household” means a household with a total gross annual household income equal to 50 percent or less of the median household income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Major system” means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

“Market-rate units” means housing not restricted to low- and moderate-income households that may sell or rent at any price.

“Median income” means the median income by household size for the applicable county, as adopted annually by COAH.

“Moderate-income household” means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“Non-exempt sale” means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor’s deed to a class A beneficiary and the transfer of ownership by court order.

“Random selection process” means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one

applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

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

“Rehabilitation” means the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHORP or MONI.

“UHAC” means the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.

“Very low-income household” means a household with a total gross annual household income equal to 30 percent or less of the median household income.

“Very low-income unit” means a restricted unit that is affordable to a very low-income household.

“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.

Section 3. Affordable Housing Programs

The Town of Hackettstown has determined that it will use the following mechanisms to satisfy its affordable housing obligations:

- (a) A Rehabilitation program.
 1. Town of Hackettstown’s rehabilitation program shall be designed to renovate deficient housing units occupied by low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.
 2. The Town of Hackettstown will create a municipal-sponsored program to provide loans/grants for repairs to qualified households. The Town has set aside \$275,000 for the rehabilitation of eleven homes. A lien will be placed on the home until it is sold.
2. Both owner occupied and renter occupied units shall be eligible for rehabilitation funds.

3. All rehabilitated units shall remain affordable to low- and moderate-income households for a period of 10 years (the control period). For owner occupied units the control period will be enforced with a lien and for renter occupied units the control period will be enforced with a deed restriction.
4. The Town of Hackettstown shall dedicate a minimum of \$10,000 for each unit to be rehabilitated through this program, reflecting the minimum hard cost of rehabilitation for each unit.
6. The Town of Hackettstown shall designate, subject to the approval of COAH, one or more Administrative Agents to administer the rehabilitation program in accordance with N.J.A.C. 5:96 and N.J.A.C. 5:97. The Administrative Agent(s) shall provide a rehabilitation manual for the owner occupancy rehabilitation program and a rehabilitation manual for the rental occupancy rehabilitation program to be adopted by resolution of the governing body and subject to approval of COAH. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
7. Units in a rehabilitation program shall be exempt from N.J.A.C. 5:97-9 and Uniform Housing Affordability Controls (UHAC), but shall be administered in accordance with the following:
 - i. 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 rent and affirmatively marketed pursuant to N.J.A.C. 5:97-9 and UHAC.
 - ii. If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to N.J.A.C. 5:97-9 and UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.
 - iv. Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:97-9 and UHAC, except that households in owner occupied units shall be exempt from the regional asset limit.

Section 4. Inclusionary Zoning

- (a) **Presumptive densities and set-asides.** To ensure the efficient use of land through compact forms of development and to create realistic opportunities for the construction of affordable housing, inclusionary zoning permits minimum presumptive densities and presumptive maximum affordable housing set-asides as follows:
 2. Rental Developments
 - i. Inclusionary zoning permits a presumptive minimum density of 12 units per acre and a presumptive maximum affordable housing set-aside of 20 percent of the total number of units in the development and the zoning provides for at

least 10 percent of the affordable units to be affordable to households earning 30 percent or less of the area median income for the COAH region.

The zoning of the HC Zone District zone provides for mixed multi-family commercial development as a conditional use with a 17% percent set-aside for restricted units and a density of 12 units per acre.

3. Where an executed development agreement exists for affordable housing on a specific site or sites, list the sites below and identify the density and set-aside for each.
 - Jane Paftinos, LLC with a density of 16.4 units per acre and a set-aside of 20%
4. Additional incentives to subsidize the creation of affordable housing available to very-low income households may be included in the zoning section of this ordinance or specified in a developer's or redeveloper's agreement.
 - Affordability assistance including low-interest loans, rental assistance, etc.

(b) **Phasing.** In inclusionary developments the following schedule shall be followed:

Maximum Percentage of Market-Rate Units Completed	Minimum Percentage of Low- and Moderate-Income Units Completed
25	0
25+1	10
50	50
75	75
90	100

- (c) **Design.** In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.
- (d) **Payments-in-lieu and off-site construction.** The standards for the collection of Payments-in-Lieu of constructing affordable units or standards for constructing affordable units off-site, shall be in accordance with N.J.A.C. 5:97-6.4.
- (e) **Utilities.** Affordable units shall utilize the same type of heating source as market units within the affordable development.

Section 5. New Construction

The following general guidelines apply to all newly constructed developments that contain low- and moderate-income housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.

- (a) Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:

1. The fair share obligation shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit.
2. In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.
3. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
 - i. The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;
 - ii. At least 30 percent of all low- and moderate-income units shall be two bedroom units;
 - iii. At least 20 percent of all low- and moderate-income units shall be three bedroom units; and
 - iv. The remaining units may be allocated among two and three bedroom units at the discretion of the developer.
4. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

(b) Accessibility Requirements:

1. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.
2. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit 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 interior accessible route of travel on the first floor;
 - iv. An interior accessible route of travel shall not be required between stories within an individual unit;
 - v. 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
 - vi. 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 and N.J.A.C. 5:97-3.14, or evidence that the Town of Hackettstown has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:

- A. Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
- B. To this end, the builder of restricted units shall deposit funds within the Town of Hackettstown's affordable housing trust fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.
- C. The funds deposited under paragraph B. above shall be used by the Town of Hackettstown for the sole 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.
- D. The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of the Town of Hackettstown.
- E. Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, and that the cost estimate of such conversion is reasonable, payment shall be made to the Town of Hackettstown's affordable housing trust fund in care of the Municipal Treasurer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.
- F. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is site impracticable to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

(c) Maximum Rents and Sales Prices

- 1. In establishing rents and sales prices of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC and in COAH, utilizing the regional income limits established by COAH.
- 2. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income.
- 3. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units.
 - i. At least 10 percent of all low- and moderate-income rental units shall be affordable to households earning no more than 30 percent of median income.

4. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.
5. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be used:
 - i. A studio shall be affordable to a one-person household;
 - ii. A one-bedroom unit shall be affordable to a one and one-half person household;
 - iii. A two-bedroom unit shall be affordable to a three-person household;
 - iv. A three-bedroom unit shall be affordable to a four and one-half person household; and
 - v. A four-bedroom unit shall be affordable to a six-person household.
6. In determining the initial rents for compliance with the affordability average requirements for restricted units in assisted living facilities, the following standards shall be used:
 - i. A studio shall be affordable to a one-person household;
 - ii. A one-bedroom unit shall be affordable to a one and one-half person household; and
 - iii. A two-bedroom unit shall be affordable to a two-person household or to two one-person households.
7. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
8. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
9. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each

housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

10. The 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 housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.
11. **Utilities.** Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

Section 6. Affirmative Marketing Requirements

- (a) The Town of Hackettstown shall adopt by resolution an Affirmative Marketing Plan, subject to approval of COAH, compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.
- (b) The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region 2 and covers the period of deed restriction.
- (c) The affirmative marketing plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 2 comprised of Essex, Morris, Union and Warren County.
- (d) The Administrative Agent designated by the Town of Hackettstown shall assure the affirmative marketing of all affordable units consistent with the Affirmative Marketing Plan for the municipality.
- (e) In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- (f) The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
- (g) The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by the Town of Hackettstown.

Section 7. Occupancy Standards

- (a) In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - 1. Provide an occupant for each bedroom;
 - 2. Provide children of different sex with separate bedrooms; and
 - 3. Prevent more than two persons from occupying a single bedroom.
- (b) Additional provisions related to occupancy standards (if any) shall be provided in the municipal Operating Manual.

Section 8. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

- (a) Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance until the Town of Hackettstown elects to release the unit from such requirements however, and prior to such an election, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.
- (b) The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
- (c) Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the administrative agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value.
- (d) At the time of the first sale of the unit, the purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the requirements of this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
- (e) The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
- (f) A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 9. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

- (a) The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
- (b) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
- (c) The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.
- (d) The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

Section 10. Buyer Income Eligibility

- (a) Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.
- (b) The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's certified monthly income.

Section 11. Limitations on indebtedness secured by ownership unit; subordination

- (a) Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.
- (b) With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of that unit, as such price is determined by the administrative agent in accordance with N.J.A.C.5:80-26.6(b).

Section 12. Control Periods for Restricted Rental Units

- (a) Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance until the Town of Hackettstown elects to release the unit from such requirements pursuant to action taken in compliance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, and prior to such an election, a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.
- (b) Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Warren. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
- (c) A restricted rental unit shall remain subject to the affordability controls of this Ordinance, despite the occurrence of any of the following events:
 - 1. Sublease or assignment of the lease of the unit;
 - 2. Sale or other voluntary transfer of the ownership of the unit; or
 - 3. The entry and enforcement of any judgment of foreclosure.

Section 13. Price Restrictions for Rental Units; Leases

- (a) A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.
- (b) No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
- (c) Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

Section 14. Tenant Income Eligibility

- (a) Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
 - 1. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of median income.
 - 2. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.

3. Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of median income.
- (b) The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
1. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 2. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 3. The household is currently in substandard or overcrowded living conditions;
 4. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 5. The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- (c) The applicant shall file documentation sufficient to establish the existence of the circumstances in (b)1 through 5 above with the Administrative Agent, who shall counsel the household on budgeting.

Section 15. Administration

- (a) The position of Municipal Housing Liaison (MHL) for the Town of Hackettstown is established by this ordinance. The Town Council shall make the actual appointment of the MHL by means of a resolution.
1. The MHL must be either a full-time or part-time employee of the Town of Hackettstown.
 2. The person appointed as the MHL must be reported to COAH for approval.
 3. The MHL must meet all COAH requirements for qualifications, including initial and periodic training.
 4. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Town of Hackettstown, including the following responsibilities which may not be contracted out to the Administrative Agent:

- i. Serving as the municipality's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
 - ii. The implementation of the Affirmative Marketing Plan and affordability controls.
 - iii. When applicable, supervising any contracting Administrative Agent.
 - iv. Monitoring the status of all restricted units in the Town of Hackettstown's Fair Share Plan;
 - v. Compiling, verifying and submitting annual reports as required by COAH;
 - vi. Coordinating meetings with affordable housing providers and Administrative Agents, as applicable; and
 - vii. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.
- (b) The Town of Hackettstown shall designate by resolution of the Town Council, subject to the approval of COAH, one or more Administrative Agents to administer newly constructed affordable units in accordance with N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC.
- (c) An Operating Manual shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of COAH. The Operating Manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
- (d) The Administrative Agent shall perform the duties and responsibilities of an administrative agent as are set forth in UHAC and which are described in full detail in the Operating Manual, including those set forth in N.J.A.C. 5:80-26.14, 16 and 18 thereof, which includes:
1. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH;
 2. Affirmative Marketing;
 2. Household Certification;
 3. Affordability Controls;
 4. Records retention;
 5. Resale and re-rental;
 6. Processing requests from unit owners; and
 7. Enforcement, though the ultimate responsibility for retaining controls on the units rests with the municipality.
 8. The Administrative Agent shall have authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

Section 16. Enforcement of Affordable Housing Regulations

- (a) Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
- (b) After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
1. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is found by the court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the court:
 - i. A fine of not more than \$100 or imprisonment for a period not to exceed 90 days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
 - ii. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Town of Hackettstown Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.
 2. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- and moderate-income unit.
- (c) Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.

- (d) The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.
- (e) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
- (f) If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.
- (g) Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
- (h) The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.

Section 17. Appeals

Appeals from all decisions of an Administrative Agent designated pursuant to this Ordinance shall be filed in writing with the Executive Director of COAH.

REPEALER

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

EFFECTIVE DATE

This ordinance shall take effect upon passage and publication as provided by law.

Draft Development Fee Ordinance

1. Purpose

- a) In Holmdel Builder's Association V. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing's (COAH's) adoption of rules.
- b) Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.
- c) This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.

2. Basic requirements

- a) This ordinance shall not be effective until approved by COAH pursuant to *N.J.A.C. 5:96-5.1*.
- b) Town of Hackettstown shall not spend development fees until COAH has approved a plan for spending such fees in conformance with *N.J.A.C. 5:97-8.10* and *N.J.A.C. 5:96-5.3*.

3. Definitions

- a) The following terms, as used in this ordinance, shall have the following meanings:
 - i. "**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.

- ii. “**COAH**” or the “**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 consideration in the State.
- iii. “**Development fee**” means money paid by a developer for the improvement of property as permitted in *N.J.A.C. 5:97-8.3*.
- iv. “**Developer**” means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
- v. “**Equalized assessed value**” means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L.1973, c.123 (C.54:1-35a through C.54:1-35c).
- vi. “**Green building strategies**” means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

4. **Residential Development fees**

a) Imposed fees

- i. Within all the Town’s zoning district(s), residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one and a half percent percent of the equalized assessed value for residential development provided no increased density is permitted.
- ii. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a “d” variance) has been permitted, developers may be required to pay a development fee of six percent percent of the equalized assessed value for each additional unit that may be 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 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.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one and a half percent of the

equalized assessed value on the first two units; and the specified higher percentage up to six percent of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

- b) Eligible exactions, ineligible exactions and exemptions for residential development
 - i. Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the municipality, and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
 - ii. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
 - iii. Owner-occupied residential structures demolished and replaced as a result of a fire, flood, or natural disaster shall be exempt from paying a development fee.
 - iv. The 1.5 percent fee shall not apply to an increase in equalized assessed value resulting from the installation or construction of accessory structures.

5. Non-residential Development fees

- a) Imposed fees
 - i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - ii. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.

- iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
- b) Eligible exactions, ineligible exactions and exemptions for non-residential development
- i. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and a half (2.5) percent development fee, unless otherwise exempted below.
 - ii. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
 - iii. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form N-RDF “State of New Jersey Non-Residential Development Certification/Exemption” Form. Any exemption claimed by a developer shall be substantiated by that developer.
 - iv. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
 - v. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Town of Hackettstown as a lien against the real property of the owner.

6. Collection procedures

- a) Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.

- b) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF “State of New Jersey Non-Residential Development Certification/Exemption” to be completed as per the instructions provided. The developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- c) The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- d) Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- e) The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- f) Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g) Should the Town of Hackettstown fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
- h) Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.
- i) Appeal of development fees
 - 1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by the Town of Hackettstown. Appeals from a

determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

- 2) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by the Town of Hackettstown. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

7. Affordable Housing trust fund

- a) There is hereby created a separate, interest-bearing housing trust fund to be maintained by the chief financial officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- b) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 1. payments in lieu of on-site construction of affordable units;
 2. developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
 3. rental income from municipally operated units;
 4. repayments from affordable housing program loans;
 5. recapture funds;
 6. proceeds from the sale of affordable units; and
 7. any other funds collected in connection with Town of Hackettstown's affordable housing program.
- c) Within seven days from the opening of the trust fund account, Town of Hackettstown shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, the bank, and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).
- d) All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH.

8 Use of funds

- a) The expenditure of all funds shall conform to a spending plan approved by COAH. Funds deposited in the housing trust fund may be used for any activity approved by COAH to address the Town of Hackettstown's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.
- b) Funds shall not be expended to reimburse Town of Hackettstown for past housing activities.
- c) At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
 - ii. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income.
 - iii. 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) Town of Hackettstown may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- e) No more than 20 percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

9. Monitoring

- a) Town of Hackettstown shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Town of Hackettstown's housing program, as well as to the expenditure of revenues and implementation of the plan certified by COAH. All monitoring reports shall be completed on forms designed by COAH.

10. Ongoing collection of fees

- a) The ability for Town of Hackettstown to impose, collect and expend development fees shall expire with its substantive certification unless Town of Hackettstown has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned for substantive certification, and has received COAH's approval of its development fee ordinance. If Town of Hackettstown fails to renew its ability to impose and collect development fees prior to the expiration of substantive certification, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). Town of Hackettstown shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall Town of Hackettstown retroactively impose a development fee on such a development. Town of Hackettstown shall not expend

development fees after the expiration of its substantive certification or judgment of compliance.

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