

TOWNSHIP OF OXFORD  
WARREN COUNTY, NEW JERSEY

Module 3 – December 8, 2009 Submission  
to  
New Jersey Highlands Water Protection and  
Planning Council  
for  
Highlands Plan Conformance

December 2009

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## INTRODUCTION AND BACKGROUND

Pursuant to the Highlands Water Protection and Planning Act, municipalities intending to submit a petition for Plan Conformance with the Highlands Regional Master Plan (RMP) must prepare a Housing Element and Fair Share Plan to address the RMP requirements. This plan needs to be developed in compliance with the applicable RMP requirements which include the Land Use Capability Zone Map, water availability, wastewater utility capacity, water supply utility capacity and resource protection provisions of relevance. The Plan must also incorporate housing and growth employment projections that are based upon the guidance developed cooperatively by the Highlands Council and Council on Affordable Housing (COAH).

Due to the recent resolutions adopted by COAH for guidance to Highlands municipalities on August 12, 2009, the deadline for the majority of Module 3 has been extended until June 8, 2010. The first resolution granted an additional six-month extension to those municipalities that previously received an extension through December 8, 2009. The second resolution approved the granting of a waiver to provide for revised growth projections based on the constraints of the Regional Master Plan. As a result three submission dates with required information have been established for December 8, 2009, March 1, 2010 and June 8, 2010.

The following is an outline of the required December 8, 2009 submission requirements associated with Module 3:

- Summary of Housing Obligations
  - i. Prior Round Obligation
  - ii. Highlands RMP Adjusted Growth Projection calculated per Module 3 Instructions and utilizing Module 2 Build-Out results;
    - Selection of Highlands RMP Adjusted Growth Projection or COAH Projected Growth Share Obligation,
    - Completed Growth Share calculator with exclusions, if applicable,
    - Final Projected Growth Share Obligation;
- Summary and Consistency Review of proposed Prior Round Sites  
An analysis of the Township's prior round inclusionary zoning sites, including the status of development approvals, site suitability, and development potential.
- Housing Partnership Program:  
Narrative discussing any interest in the Housing Partnerships Program.

## SUMMARY OF HOUSING OBLIGATIONS

The municipal affordable housing obligation is the summation of three distinct components which include (1) the Rehabilitation Share, (2) the Prior Round Obligation (1987-1999) and (3) the Projected “Third Round” Growth Share (2004 –2018).

### Rehabilitation Share

The Rehabilitation Share Obligation is the number of deficient dwelling units occupied by low and moderate-income households within the municipality. This component is determined by and may be found in the Council On Affordable Housing (COAH) Substantive Rules, N.J.A.C. 5:97, Appendix B. For the Township, these COAH calculated numbers of affordable units for this component is as follows:

- **Rehabilitation Share: 6 units**

### Prior Round Obligation

The Prior Round Obligation is the cumulative affordable housing obligation from a period of 1987 through 1999, which corresponds to the first and second rounds of affordable housing. This component is determined by and may be found in the Council On Affordable Housing (COAH) Substantive Rules, N.J.A.C. 5:97, Appendix C. For the Township, these COAH calculated numbers of affordable units for this component is as follows:

- **1987-1999 Prior Round Obligation: 2 units**

### Projected “Third Round” Growth Share Obligation

The Township “Third Round” Growth Share Obligation is calculated by either using: (1) COAH’s Projected Growth Share Obligation (NJAC 5:97, Appendix F & Workbook A) or (2) the Highlands Regional Master Plan (RMP) Adjusted Growth Projection based Upon Land Capacity (Highlands Module 2 & Workbook D).

COAH Projections: COAH’s calculations on the Third Round Growth Share Obligation is based upon a “planning” allocation of growth to municipalities which includes both housing and employment projections of growth in municipalities through the year 2018. Adjustments may be necessary, as the municipality must provide affordable housing in proportion to its actual growth. A projected housing growth of 170 units and an employment growth of 127 jobs were assigned by COAH to the Township for the period between 2004 and 2018. COAH divides the housing growth by 5 (1 affordable unit for every 4 market rate unit) and the employment growth by 16 to arrive at the number of affordable housing units as follows:

$$\begin{aligned} \text{Residential Growth Share} &= 170 \text{ housing units} / 5 = 34 \text{ units} \\ \text{Non-Residential Growth Share} &= 127 \text{ jobs} / 16 = 7.9 \text{ units} \end{aligned}$$

- **COAH Projected Growth Share Obligation: 42 units (34+7.9)**

Highlands RMP Projection: Municipalities that are either required to conform to the Highlands Regional Plan or elect to do so are subject to limitations on the amount of development that will be permitted. This is based upon the land capacity available, which takes into account resource and utility constraints to permit an Adjusted Growth Rate. The Highlands RMP Adjusted Growth Projection is calculated from (1) the growth share obligation from the Highlands projections resulting from Module 2 of the Conformance Plan process and (2) the growth share obligation of actual growth from January 1, 2004 through December 31, 2008.

From the “Municipal Build Out Report for Oxford Township” prepared by the Highlands Council and based upon information obtained in Modules 1 and 2, there is a total residential component of 50 units and nonresidential component of 5 jobs which results at the number of affordable housing units as follows:

$$\begin{aligned} \text{Residential Growth Share} &= 50 \text{ housing units} / 5 &= & 10 \text{ units} \\ \text{Non-Residential Growth Share} &= 5 \text{ jobs} / 16 &= & 0.3 \text{ units} \end{aligned}$$

- Build Out Growth Obligation (2009 – 2018): 10.3 units

The build out does not take into account Highlands Act Exempted Development nor does it take into account property purchases for preservation or open space, which could respectively, increase or decrease the obligation.

As noted previously, municipalities that elect to utilize the Highlands build out calculations are also obligated to include the fair share obligation associated with growth that has occurred in the municipality from January 1, 2004 through December 31, 2008. This growth share is based upon actual residential and non-residential development.

For the residential growth share, “The New Jersey Construction Reporter” notes that Certificates of Occupancy were issued for 19 residential units with 1 demolition for a net increase of 18 residential units. It is important to note that the records of the Zoning Officer indicate that a total of 12 Certificates of Occupancy were issued for new residential units. This discrepancy will need to be reviewed in further detail, however the respective growth share calculation is as follows:

$$\begin{aligned} \text{Residential Growth Share} &= 18 \text{ housing units} / 5 &= & 3.6 \text{ units} \\ &(\text{The New Jersey Construction Reporter}) \end{aligned}$$

$$\begin{aligned} \text{Residential Growth Share} &= 12 \text{ housing units} / 5 &= & 2.4 \text{ units}^* \\ &(\text{Municipal Zoning Officer Records}) \end{aligned}$$

(\*) Note: While acknowledging the “The New Jersey Construction Reporter” data, the Township reserves its right to adjust these components if a further review of the official municipal zoning and building code records results in a lower obligation requirement.

For the non-residential growth share, “The New Jersey Construction Reporter” notes that Certificates of Occupancy were issued for 18,850 square feet of education use (Use

Group E), 1,184 square feet of storage use (Use Group S) and 6,593 square feet of signs, fences, utility & misc. (Use Group U). Both Use Group E & U are excluded from the calculations. Use Group S, the storage use requires an obligation of one (1) job per 1,000 square feet. The calculation of the non-residential obligation is based upon Appendix D COAH Substantive Rules. This portion of the obligation respective growth share calculation is as follows:

Non-Residential Growth Share =  $1,184 \text{ square feet} / 1,000 \text{ square feet} / 16 = 0.08 \text{ units}$

- Actual Growth Obligation (2004 – 2009): 3.7 units (\*3.6 + 0.08)

**Highlands Projected Growth Share Obligation: 14 units (10.3 + \*3.7)**

## COMPARISON SUMMARY

Utilizing the COAH calculated numbers results in a summary as follows:

- Rehabilitation Share: 6 units
  - 1987-1999 Prior Round Obligation: 2 units
  - COAH Projected Growth Share: 42 units
- Total Obligation (COAH): 50 units**

Utilizing the Highlands calculated numbers results in an obligation summary as follows:

- Rehabilitation Share: 6 units
  - 1987-1999 Prior Round Obligation: 2 units
  - Highlands Projected Growth Share: 14 units (\*13 units)
- Total Obligation (Highlands): 22 units (\*21 units)**

The Highlands Module 3 Instructions request the municipality to choose either the COAH Projected Growth Share or the Highlands RMP Adjusted Growth Projection. The use of the Highlands build out numbers results in a lower obligation by 28 units with the intent of minimal adjustment except that noted previously (i.e. does not take into account Highlands Act Exempted Development nor property purchases for preservation or open space, which could respectively, increase or decrease the obligation). The COAH analysis calculates the growth the Township may experience and is subject to adjustment to the actual growth that occurs in the Township which in all likelihood will result in less of an obligation.

Subject to the Township reserving its right during the continuation of the Plan Conformance process and the benefit analysis associated with the same, it would appear to be in Oxford Townships interest to select the lower Highlands obligation of 22 units for affordable housing to address its Third Round obligation. Should any significant development occur it is expected that the affordable housing obligation would be met by on-site inclusionary means.

As per COAH's Third Round rules the Township must also meet the following minimums and maximums when addressing this obligation:

- Age Restricted: A maximum of 25% of the obligation may be utilized with this use.
- Rental: A minimum of 25% of the obligation must be addressed with rental housing.
- Family: A minimum of 50% of the obligation must be family units.
- Rental and Age Restricted:
- Bonus Credits: A maximum of 25% of the obligation may be utilized with bonus credits.
- Family Rental: A maximum of 50% of the obligation may be used with this component.
- Very low income: A minimum number of units will be required to meet this threshold, however, two methods of calculation are permitted.

## **PRIOR ROUND COMPLIANCE AND CREDITS SUMMARY**

The Township entered the prior Third Round with credits carrying forward which may be summed up as follows:

- Oxford Heritage Manor: Consists of a 32 unit affordable housing project for seniors and the disabled (no age restriction). The facility is funded with HUD 202 financial backing and is located on Block 10, Lot 1 with a street address of 15 Pine Street. A credit of 32 units was determined.
- ARC Group Home: The Association for Retarded Citizens of Warren County operates a group home facility on Block 25, Lot 28 with a street address of 36 Bush Street. This residence was converted into a 5 bedroom group home and commenced operations under ARC in 2003. With 5 units and 2 rental bonus credits a total of 7 credits was determined.

A total of 39 credits exist between these two facilities. The prior round obligations required a nine (9) unit projected future growth and a two (2) unit per net residential development in 2004 & 2005. This resulted in a calculated surplus of 28 credits.

## **AFFORDABLE HOUSING PROGRAMS**

The Township continues to be a participant in Warren County's Housing Program which administers and provide funding to low and moderate income households for housing rehabilitation. The Township intends to continue to meet its rehabilitation obligation through its participation in the County's program.

The Township of Oxford would be interested in participating in transfers for the Regional Affordable Housing Development Planning Program.

## **DRAFT HOUSING ELEMENT AND FAIR SHARE PLAN**

It is anticipated that at the next deadline for submission of information (March 1, 2010) the Township of Oxford will be better informed in order to identify and select either the COAH Projected Growth or Highlands RMP Projected Growth share obligation.

Oxford Township intends to prepare and submit a draft Third Round Housing Element and Fair Share Plan to the Highlands Council, addressing the submission requirements for the March 1, 2010 deadline.