

4th Round Affordable Housing Update



CMP Policy and Implementation Committee

February 28, 2025

Mount Laurel Doctrine

- Series of NJ Supreme Court cases regarding affordable housing (1975, 1983).
- Municipalities must provide a realistic opportunity for the construction of their fair share of the present and prospective regional need for housing affordable to low- and moderate-income households.

Fair Housing Act (1985)

- Responded to Mount Laurel cases
- Established process for municipalities to satisfy their affordable housing obligation outside of litigation
- Created Council on Affordable Housing (COAH) to:
 - Estimate affordable housing needs statewide
 - Establish methods for municipalities to determine their obligation as well as adjustments
 - Administer substantive certification process

Fair Housing Act (1985)

- Municipalities could voluntarily apply for **substantive certification** from COAH that their housing plan creates realistic opportunity for obligation to be met
- Substantive certification protects municipality from **exclusionary zoning litigation** (aka, builder's remedy litigation or Mt. Laurel lawsuit)

Mount Laurel IV (2015)

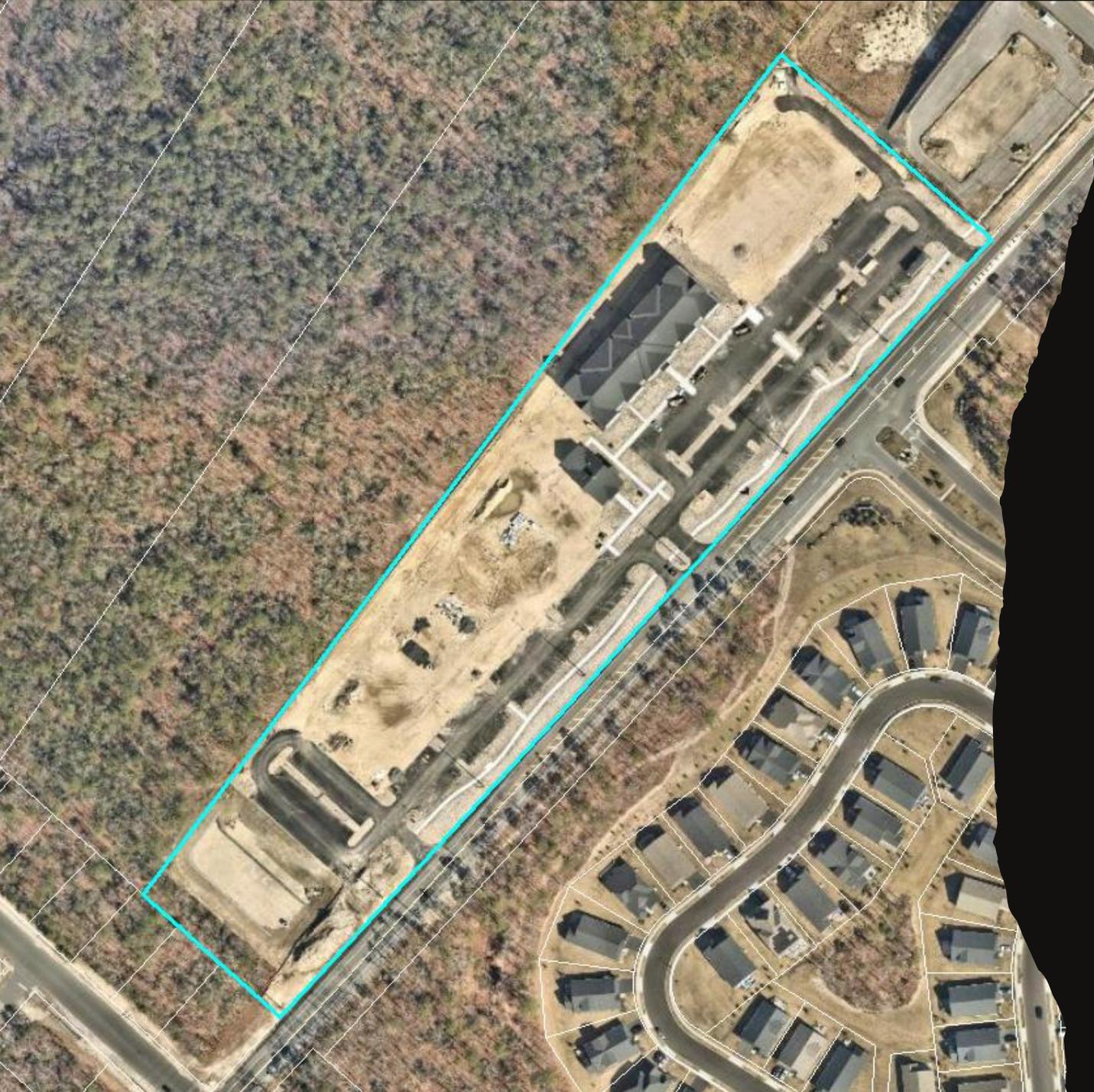
- Between 2004-2014, COAH failed to adopt constitutionally compliant 3rd round rules
- In 2015, NJ Supreme Court required courts to take on responsibilities of COAH
- Obligations for the period 1999-2025 were determined on a case-by-case basis
- Court-approved settlement agreements between the municipality, FSHC, and other interested parties was the typical outcome

Response to Mount Laurel IV

- Limited municipalities were eligible to enter court process
 - 31/53 Pinelands municipalities were eligible
- Municipalities that entered the process were required to update municipal Housing Elements and Fair Share Plans.
- Mechanisms to meet obligation often required ordinances
 - Zoning changes/Inclusionary zoning
 - Density bonuses/Mandatory affordable set-asides
 - Developer fees/Affordable housing trust funds
 - Controls on affordability

Commission Review

- The Commission reviewed master plans and ordinances to ensure conformance with the CMP.
- The Commission worked with municipalities on creative approaches to meeting CMP objectives and affordable housing obligations (e.g., redevelopment plans, exemptions from PDC requirements for affordable units...).
- Subsequent development applications submitted for affordable/inclusionary housing projects. Some projects completed, others in process.



Barnegat Township (RGA)

Lighthouse at Barnegat

- **Inclusionary Condos**
 - 118 Market-Rate Units
 - 30 Affordable Units
- **PDCs required for 25% of the market-rate units**
 - 30 PDC rights redeemed



Galloway Township (PV)

Heritage Village

- 100% affordable age-restricted apartments
 - 100 affordable units



Medford Township (RGA)

Medford Walk

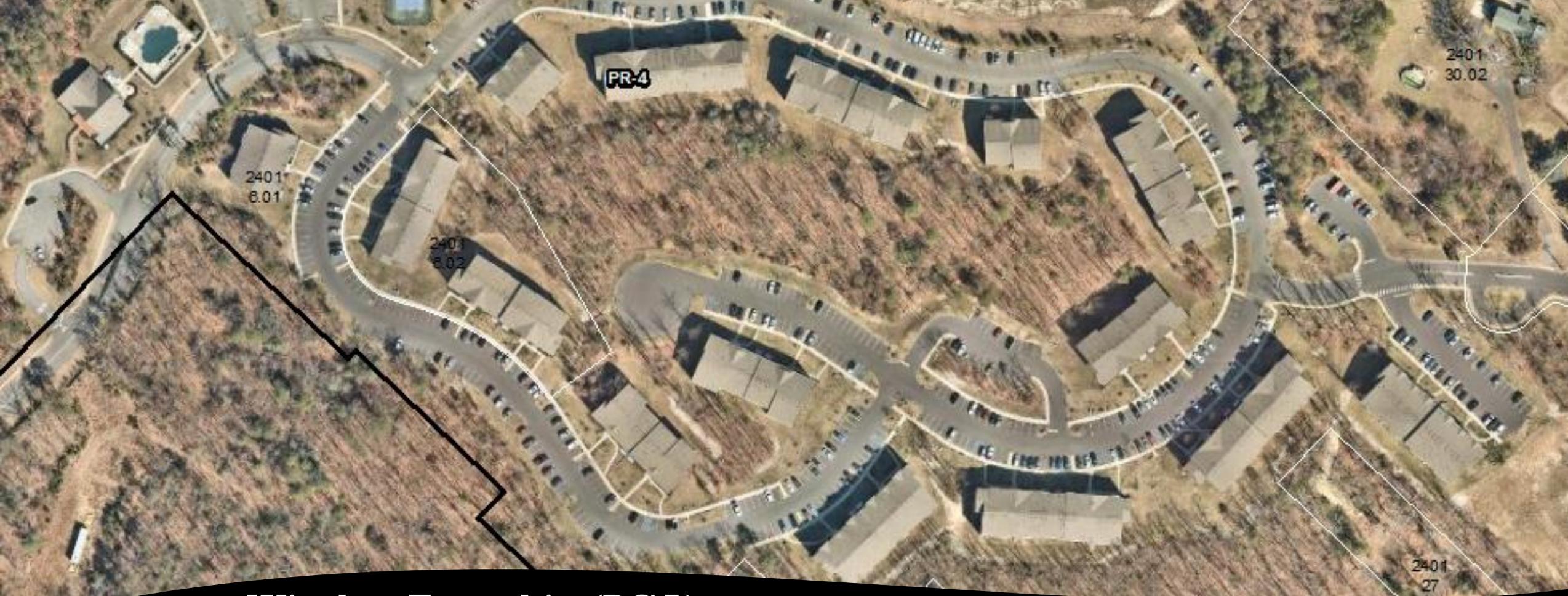
- **Inclusionary Townhouse Development**
 - 25 market rate townhouses
 - 5 affordable townhouses
- **PDCs required for 25% of the market-rate units**
 - 7 PDC rights redeemed



Stafford Township (RGA)

Stafford Park Apartments

- 100% affordable apartments
 - 112 units
- Part of larger Stafford Business Park development containing 656 market-rate units
- PDCs required for 30% of market rate units
 - 170 rights redeemed



Winslow Township (RGA)

- **Taylor Woods**
 - **Inclusionary Townhouse Development**
 - 312 units
 - 19 units made affordable
- **48 PDC rights redeemed**

Fair Housing Act Amendments

- Adopted March 20, 2024
- Applies to 4th round (starting July 1, 2025) and future 10-yr rounds
- While court-driven approach led to an increased production of affordable housing, amendments sought to put forth clearer standards and a less costly process
 - Eliminated COAH
 - Many changes to methodologies, requirements and process
 - Established Affordable Housing Dispute Resolution Program

4th Round Process Highlights

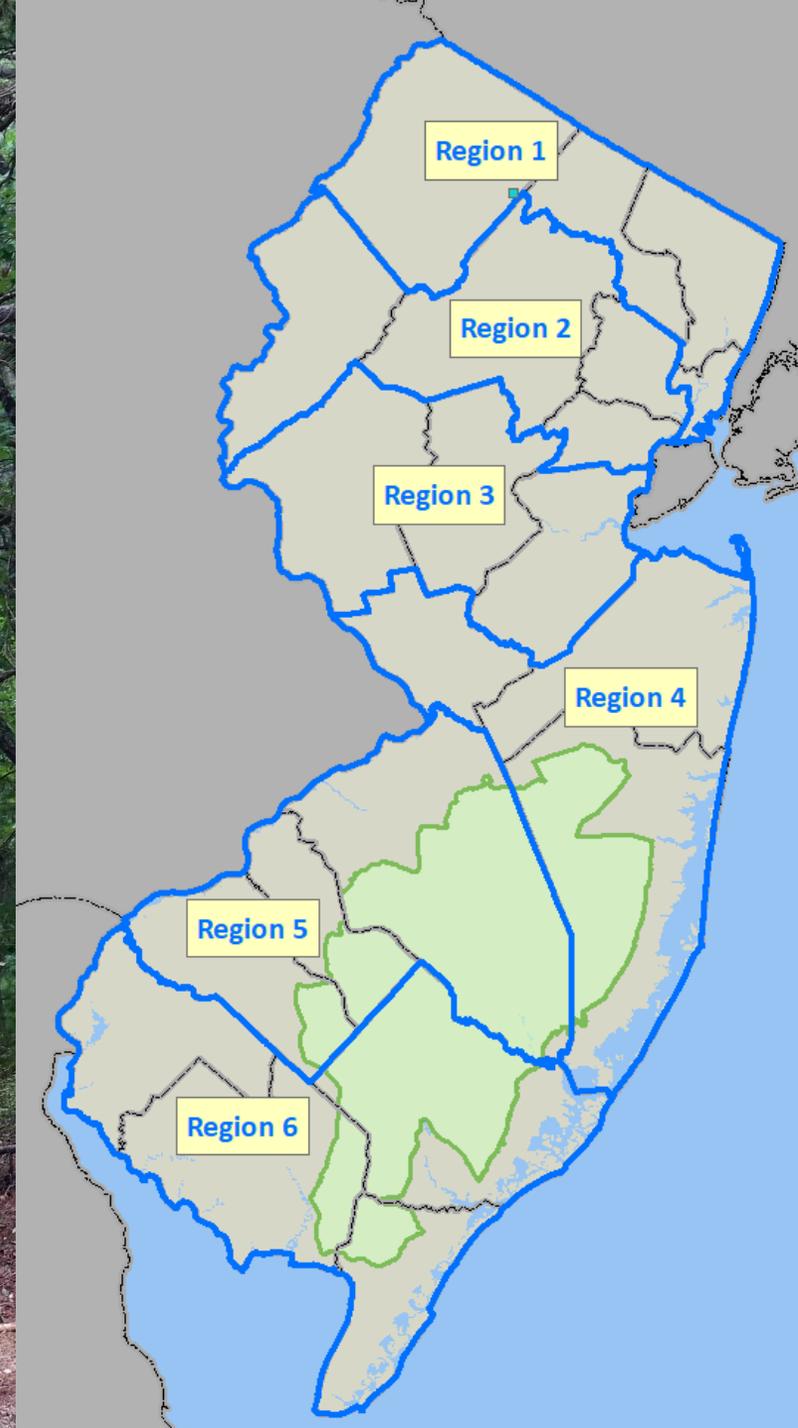
- October 20, 2024: DCA publishes **non-binding** calculations of regional need and municipal present and prospective need for affordable housing based on methodologies in the amended Fair Housing Act.
- January 31, 2025: Deadline for municipalities to adopt a **binding** resolution identifying their present and prospective need based on methodologies in amended Fair Housing Act.

Housing Regions

Region	DCA Calculated Regional Prospective Need
1	27,743
2	20,506
3	11,604
4	13,822
5	9,134
6	1,889
Total	84,698

(2020 Households – 2010 Households)

2.5



Municipal Prospective Need

Regional
Prospective Need



Allocation methodology:
Average of 3 factors

Income Capacity
Factor

Land Capacity
Factor

Equalized
Nonresidential
Valuation Factor



Municipal
Prospective Need

Land Capacity Factor

Estimate of the municipality's share of the developable land within the housing region

- Developable Acreage based on LU/LC Data, MOD-IV Data
- Weights applied based on planning area/management area

Planning Area Weights

Planning Area	Weight
Planning Area 1 (Metropolitan)	1
Planning Area 2 (Suburban)	1
Planning Area 3 (Fringe)	0.5
Planning Area 4 (Rural)	0
Planning Area 5 (Environmentally Sensitive)	0
Centers in Planning Areas 1 and 2	1
Centers in Planning Areas 3, 4, and 5	0.5
Pinelands Regional Growth Area	0.5
Pinelands Town	0.5
All other Pinelands	0
Meadowlands	1
Meadowlands Center	1
Highlands Preservation Area	0
Highlands Planning Area Existing Community Zone	1
Highlands Designated Center in a Highlands-conforming municipality	1
Highlands Planning Area, State-designated sewer service area, Highlands municipality that is not a Highlands-conforming municipality as determined by the Highlands Water Protection and Planning Council	1
All other Highlands Planning Areas	0

Land Capacity Factor

- DCA Results in Pinelands
 - 15 municipalities = 0
 - 22 municipalities <1%
 - 10 municipalities 1% and 5%
 - 6 municipalities >5%
 - Egg Harbor Township
 - Winslow Township
 - Franklin Township
 - Monroe Township
 - Jackson Township
 - Manchester Township

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Municipal Prospective Need

Regional
Prospective Need



Allocation methodology:
Average of 3 factors

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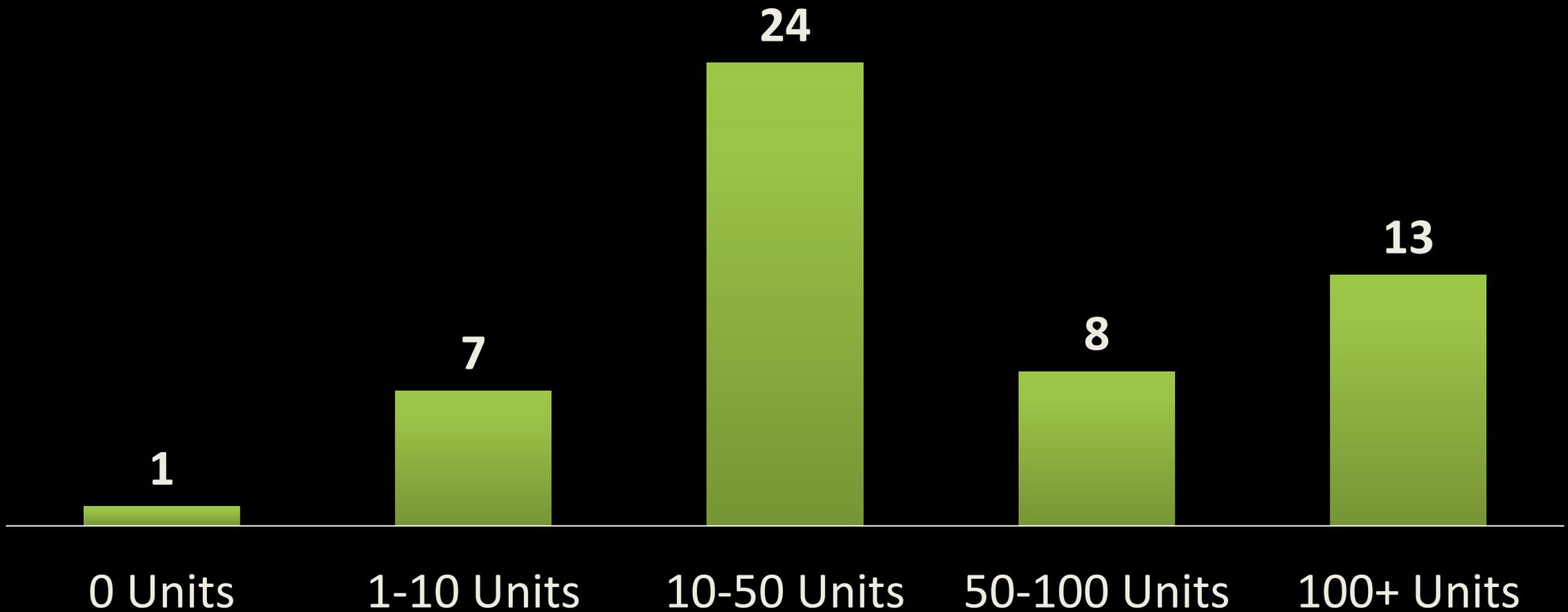
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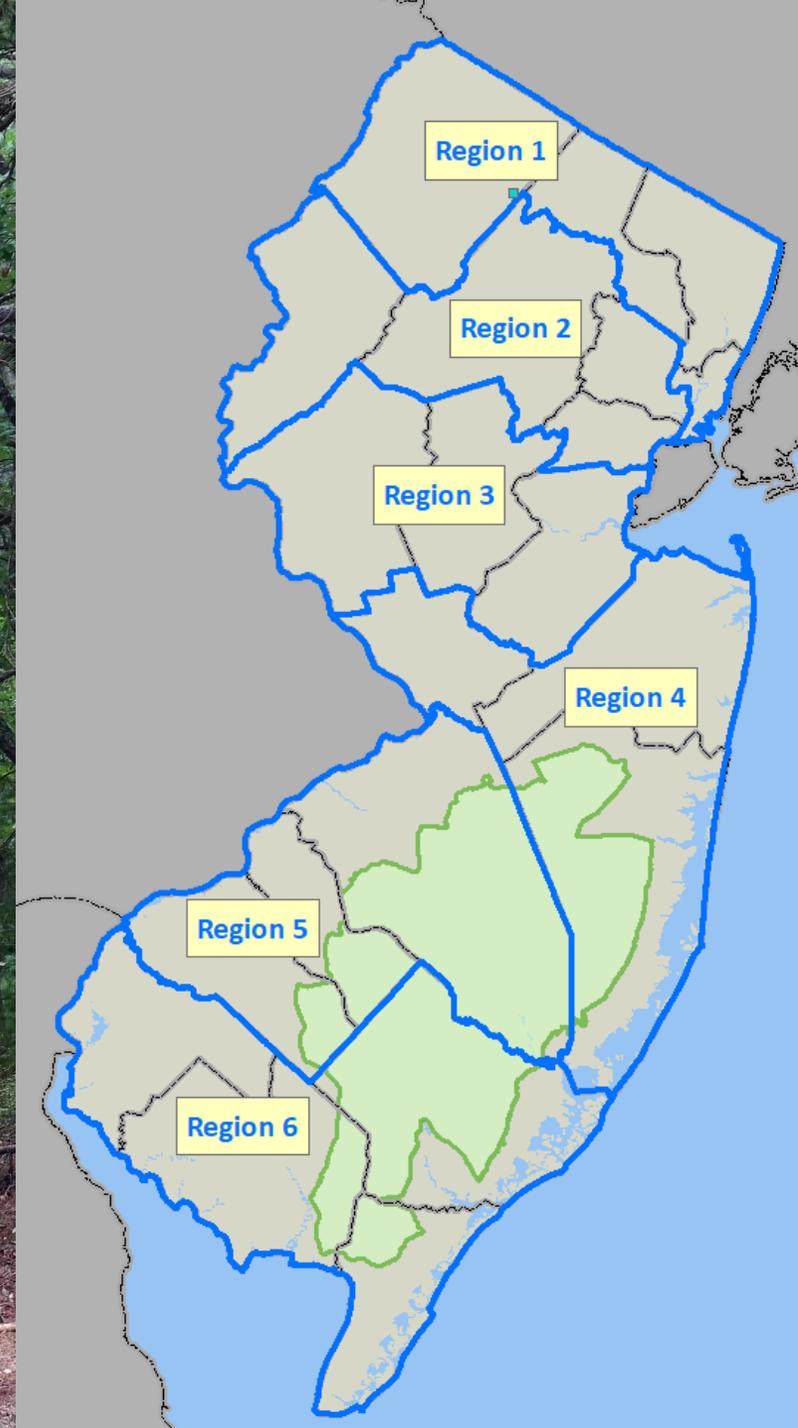
Municipal
Prospective Need

DCA Calculated Prospective Need Municipal Distribution



Housing Regions

Region	Regional Prospective Need	Pinelands Municipalities	
		Total Prospective Need	% Regional Share
1	27,743	-	-
2	20,506	-	-
3	11,604	-	-
4	13,822	3,110	22.5%
5	9,134	1,873	20.5%
6	1,889	554	29.3%
Total	84,698	5,537	6.5%



Municipality	4 th Round Prospective Need (2025-2035)		3 rd Round Prospective Need (1999-2025)	RGA
	DCA Calculation	Municipal Determination		
Jackson Twp	954	954	1,250	Yes
Manchester Twp	412	412	340	Yes
Monroe Twp	303	303	400	Yes
Winslow Twp	292	292	700	Yes
Franklin Twp	253	215	527	No
Evesham Twp	220	220	680	Yes
Berkeley Twp	209	209	0	Yes
Stafford Twp	208	66	792	Yes
Little Egg Harbor Twp	184	142	634	PNR
Lacey Twp	172	172	581	PNR
Medford Twp	171	171	483	Yes
Egg Harbor Township	148	130	1,000	Yes

Municipal Adjustments

- Vacant Land Adjustment (based on COAH rules)
 - Inadequate developable land
 - Excludes
 - environmentally sensitive lands
 - lands that can't accommodate 5+ units
- Durational Adjustment (based on COAH rules)
 - Inadequate public sewer and/or water

4th Round Process Highlights

- **February 28, 2025:** Deadline to challenge municipal resolutions establishing present and prospective need
- **March 31, 2025:** Deadline for AHDRP to issue final decision on challenges
- **June 30, 2025:** Deadline for municipalities to adopt binding resolution on Housing Element and Fair Share Plan
- **August 31, 2025:** Deadline to challenge municipal Housing Elements and Fair Share Plans
- **March 15, 2026:** Deadline to adopt implementing ordinances

Year Ahead

- Expect many adopted master plans and ordinances to be submitted to the Commission between June 2025 and March 2026
- Anticipate extensive engagement with municipalities that have large obligations with Regional Growth Areas, Pinelands Towns, and Pinelands Villages



Questions

