

BOROUGH OF CALIFON

Hunterdon County, New Jersey

HIGHLANDS MODULE 3 - PART I DOCUMENT FOR SUBMISSION TO THE NEW JERSEY HIGHLANDS COUNCIL FOR BASIC PLAN CONFORMANCE December 8, 2009

Submitted for Review to the
Califon Planning Board/Zoning Board of Adjustment
and Califon Borough Council

November 11, 2009

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CALIFON BOROUGH'S FAIR SHARE OBLIGATION

Components of the Third Round Obligation

COAH's determination of the municipal Third Round fair share obligation is comprised of three components: the prior round obligation, the rehabilitation obligation and the third round "growth share" obligation. For the Borough of Califon, the COAH numbers are as follows:

Table I
Third Round Total Affordable
Housing Obligation

Prior Round Obligation	21
Rehabilitation Obligation	3
Third Round Obligation	7
Total	31

COAH's determination of the presumptive Third Round obligation is based on its consultants' projections of household and employment growth by municipality through the year 2018. The 7 unit Third Round obligation for the Borough is based upon a projected employment growth of 40 jobs and a projected household growth of 24 dwelling units, all between January 1, 2004 and December 31, 2018. COAH then divides the projected household growth by 5 and the projected employment growth by 16 and adds the two results together to determine the Third Round fair share obligation.

Determination of Applicable Obligation

Municipalities that are located in the Highlands Area and that are either required to conform to the Highlands Regional Master Plan or elect to do so are subject to limitations on the amount of development that will be permitted due to the amount and capacity of vacant developable land in both wastewater and septic system service areas, utility capacity and resource based capacity (Net Water Availability).

As demonstrated in the Table below (developed from Table 4 of the Municipal Build-Out Analysis prepared by the Highlands Council for Califon), the Highlands Council has determined that Califon has a maximum future build-out of no new dwelling units and no new employment opportunities based on septic density limitations. Therefore, the Borough has no projected “growth share” obligation. This maximum build-out number does not take into account development that is exempted from the Highlands Act. Exempted development (generally isolated single-family dwellings) could increase the actual build out of the Borough and thereby create a “growth share” obligation.

Municipal Build-Out Results with Resource and Utility Constraints

	Preservation Area	Planning Area	Totals
Residential units – Sewered	0	N/A	0
Septic System Yield	0	N/A	0
Total Residential Units	0	N/A	0
Non-Residential Jobs – Sewered	0	N/A	0

Source: Table 4, Municipal Build-Out Report for Califon Borough, prepared by New Jersey Highlands Council, 2009.

Municipalities conforming in the Highlands Area may elect to use either the Highlands full build-out number or the COAH projection through 2018. If a Highlands municipality elects to use the Highlands build-out number, it is also obligated to address the fair share obligation associated with any growth that has occurred in the municipality since January 1, 2004.

According to *The New Jersey Construction Reporter*, a total of four (4) residential Certificates of Occupancy were issued in the Borough from January 1, 2004, through July 31, 2009. Additionally, a Certificate of Occupancy was issued for a total of 14,129 square feet of mercantile space, according to the same source. The mercantile space was a pharmacy that obtained site plan approval just before the effective date of the NJDEP Highlands Preservation Area regulations.

Based on COAH's "growth share" requirements, the four (4) residential units constructed since January 1, 2004, have generated an obligation for 0.8 affordable housing units, and the non-residential space constructed since January 1, 2004, has generated an obligation for another 1.5 affordable housing units, per Appendix D of COAH's Substantive Rules. Califon thus has incurred a total growth share obligation from January 1, 2004, through July 31, 2009, of 2.3 or three (3) affordable housing units despite the zero future build-out potential within the Borough.

Rounding the 2.3 number up to three (3) units, as COAH requires, will help to cover unanticipated growth due to isolated single-family residential development that is exempted from the Highlands regulations. **Califon's Third Round Housing Element and Fair Share Plan will, therefore, address a Third Round obligation of three (3) units, rather than COAH's projected Third Round obligation of seven (7) units.**

Table 2
Third Round Adjusted Affordable
Housing Obligation

Prior Round Obligation	21
Rehabilitation Obligation	3
Third Round Obligation	3
Total	27

SUMMARY OF PRIOR ROUND COMPLIANCE

Calfion's prior round affordable housing obligation is 21 units.

The Borough's Second Round Housing Element and Fair Share Plan received substantive certification from COAH on June 5, 2002. That plan had proposed to address the Borough's 21 unit new construction obligation with three separate programs: 1) a five-bedroom alternative living facility to be constructed and operated by NORWESCAP on the site of the former "Basket Factory" (a 0.6 acre portion of Lots 20, 21 and 22 in Block 6) on Center Street; 2) a 6-bedroom ARC group home to be constructed on a lot created from a portion of the Staiano property (Lot 25, Block 18), pending approval of a subdivision of the entire property into several lots; and a five (5) unit accessory apartment program.

The Borough had been hard-pressed to come up with a plan to provide 21 new affordable housing units in the first place due to the absence of sewers within the Borough and the presence of steep slopes and flood plains on most of its undeveloped lots. The Legislature's adoption of the Highlands Act in 2004 and the resulting inclusion of all of Calfon Borough within the Highlands Preservation Area has completely

thwarted the Borough's ability to implement its Second Round Housing Element and Fair Share Plan.

The Borough made every effort to implement its certified plan, even conveying the deed restricted "Basket Factory" property to NORWESCAP for a dollar. To date, however, NORWESCAP has not proceeded with the development of this property due to a combination of its reconsideration of the originally proposed housing format, its lack of capital funding and, perhaps, trepidation in the face of the NJDEP regulatory restrictions for the Highlands Preservation Area. The NJDEP regulations permit waivers to be granted for 100% affordable housing developments, but Califon's experience to date has been that this is not an automatic process and it is certainly not the same thing as an exemption. Nevertheless, NORWESCAP has declined to convey the "Basket Factory" site back to the Borough, so perhaps there is some hope that this site will eventually produce affordable housing.

The Staiano subdivision, when it was finally presented to the Planning Board, was found not to be approvable due to the inability to comply with the NJDEP Stormwater Management regulations as well as other NJDEP regulations resulting from the Highlands Act. Consequently, the objective of acquiring a lot from that developer for an ARC group home had to be abandoned.

Lastly, while there was some early interest in the accessory apartments program, none of the prospective applicants proceeded through the approval process. The Borough has put the required accessory apartment funding into escrow, however, and that money remains available to qualified applicants.

As a result of these circumstances, the Borough now has no alternative but to seek an adjustment of its prior round obligation due to insufficient vacant developable land.

In 2008, in anticipation of the Borough's submission of a Third Round Housing Element and Fair Share Plan to COAH in December of that year, an analysis was undertaken of

the capacity of the Borough's remaining vacant developable land to accommodate inclusionary development, using the Highlands septic density limits for the Preservation Area. Based on that analysis, the Borough will be seeking an adjustment of its prior round obligation to zero. A copy of the analysis is included in the Appendix to this report.

Of course, should NORWESCAP find that the development of the "Basket Factory" site with a single-family dwelling offering supportive shared living opportunities to low and/or moderate income persons, whether elderly or not, is feasible and fundable, then any credits for such development would be applied to the "unmet need" created by the vacant land adjustment. Additionally, should there be renewed interest from Borough property owners in the accessory apartment program, any units created under that program could also help to offset the "unmet need".

In 2005, representatives of the Borough met with representatives of both COAH and the Highlands Council to discuss the implementation problems the Borough was facing. Following that meeting, the Borough applied for and received a Highlands Grant to study alternative wastewater treatment facilities that might enable existing sites to be redeveloped or adaptively reused for affordable housing. The result was a comprehensive analysis of the available alternatives for small scale wastewater treatment facilities. The study culminated in a report, entitled Evaluation of Innovative/Alternative Wastewater Treatment Technologies, prepared by Keller and Kirkpatrick and dated March 24, 2006, that provides a compendium of available wastewater treatment alternatives for smaller projects. It is not clear whether any of these wastewater treatment alternatives would be acceptable to the NJDEP in the Highlands Preservation Area, however, as Califon has experienced resistance to their use even for 100% affordable housing developments.

In approximately 2006, Habitat for Humanity approached the Borough of Califon about the potential to use the Tiger property (Lot 13, Block 8) for a 100% affordable housing development. At that time, it was understood that a Municipal Land Acquisition Fund

was going to be made available to assist municipalities in acquiring land for municipally sponsored affordable housing developments. Clearly, there is no such fund. Moreover, in preliminary discussions with NJDEP staff, it became evident that there would be resistance to anything other than a conventional septic system serving one (or perhaps two) dwelling units on the Tiger property. Habitat has walked away from the property for the time being, although communication between Borough and Habitat representatives remains open.

IDENTIFICATION OF POTENTIAL THIRD ROUND COMPLIANCE MECHANISMS

The Borough acknowledges that it has an obligation to establish a housing rehabilitation program targeted at the rehabilitation to a standard condition of three (3) existing housing units in the Borough that are currently occupied by qualified low and moderate income households. The terms of the rehabilitation program will be covered in the final adopted Housing Element and Fair Share Plan. The Borough will seek credit for any qualified housing rehabilitation projects completed since April 1, 2000.

Califon still needs to address its three (3) unit growth share obligation for the Third Round. The growth share obligation must be satisfied even though the Borough is entitled to a vacant land adjustment for the prior round obligation.

The Borough continues to look at two potential sites on which the three (3) unit growth share obligation might be able to be addressed. One is the Tiger property (Block 8, Lot 13), mentioned above, and the other is the still undeveloped portion of the Wade property (Block 2, Lot 3.1) behind the new pharmacy. Each of these sites could be eligible for the development of one single-family home offering supportive shared living for persons with special needs under a Highlands exemption, assuming a provider with sufficient funding could be found. The Borough does not have the funds to offer its own support for such a project, nor is it required to do so, pursuant to the Fair Housing Act.

The above-described special needs supportive shared living housing would satisfy the growth share obligation number, but waivers from certain of COAH's requirements would have to be sought (for example, the 50% family housing requirement and the 50% very low income family housing requirement would not be met). Alternatively, if Habitat for Humanity were able to construct a single-family home under an exemption on an existing vacant lot, the extent of the waivers required could be lessened or even obviated.

PRIOR ROUND SITES

The Appendix to this report presents maps and documentation concerning the Staiano and "Basket Factory" sites described in the Summary of Prior Round Compliance section of this report.

THIRD ROUND SITES

The Appendix to this report presents maps and documentation concerning the Tiger property and the Wade tract, both of which have been identified herein as potential sites for exempt developments of individual single-family dwellings that could accommodate special needs supportive shared living housing, if funding for such uses could be found.

If Highlands redevelopment opportunities arise, it may be possible to obtain an affordable housing unit or two in that context, as well. The constraint to successful Highlands redevelopment is, of course, the lack of sewerage in the Borough. Should a developer ever be successful in obtaining approval for a Major Highlands Development anywhere in Calfon, pursuant to a waiver or otherwise, such approval should include the provision of affordable housing.

HOUSING TRANSFERS

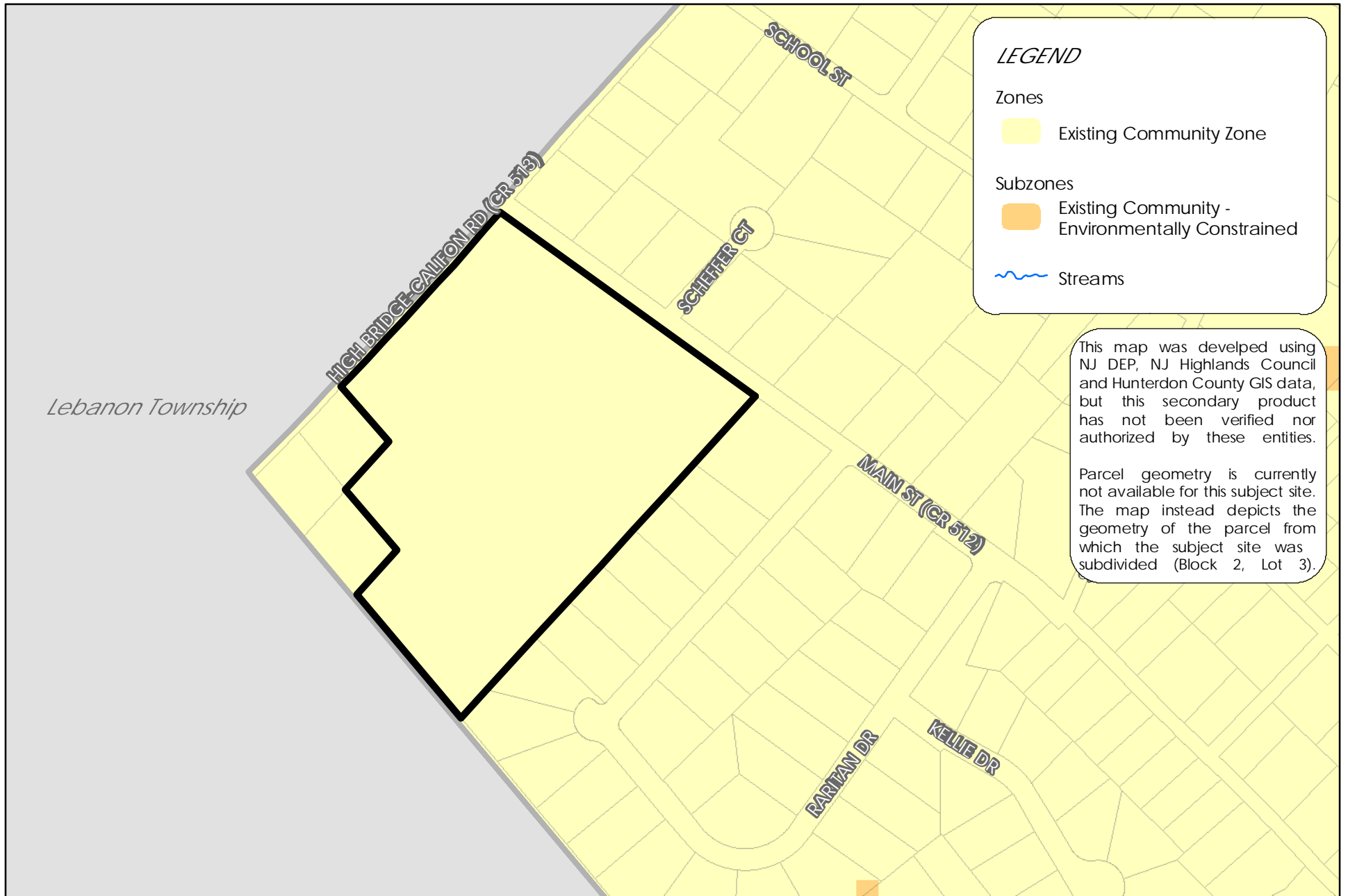
The Borough of Califon would be interested in participating in an affordable housing transfer program, but does not have the ability to fund such a program on its own. The Fair Housing Act is quite specific that municipalities are not required to expend municipal funds to create affordable housing.

APPENDIX

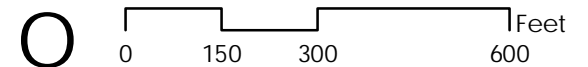


Calfon Borough
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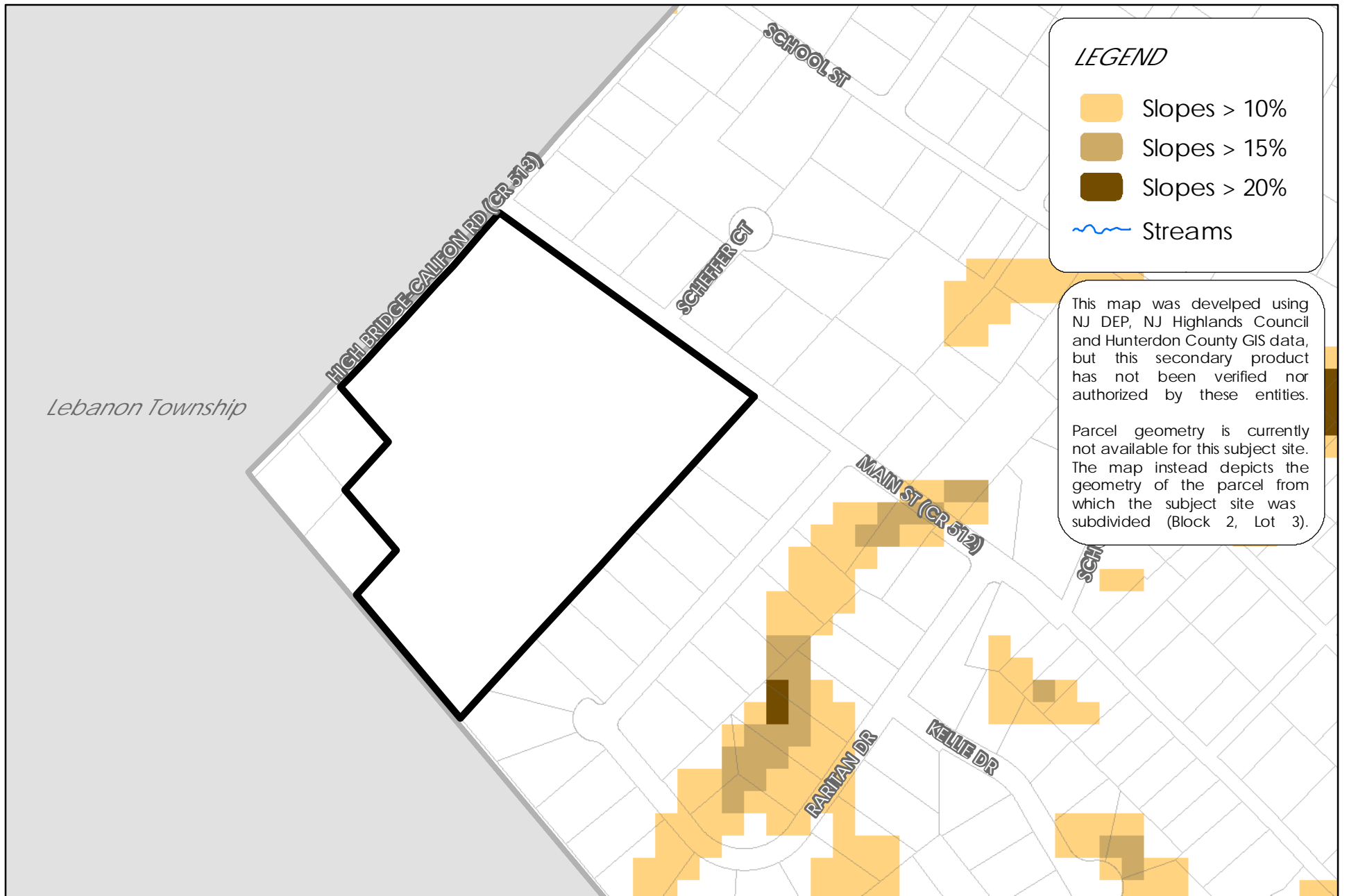
BLOCK 2, LOT 3.01 - SITE MAP



Calfon Borough
Hunterdon County, New Jersey

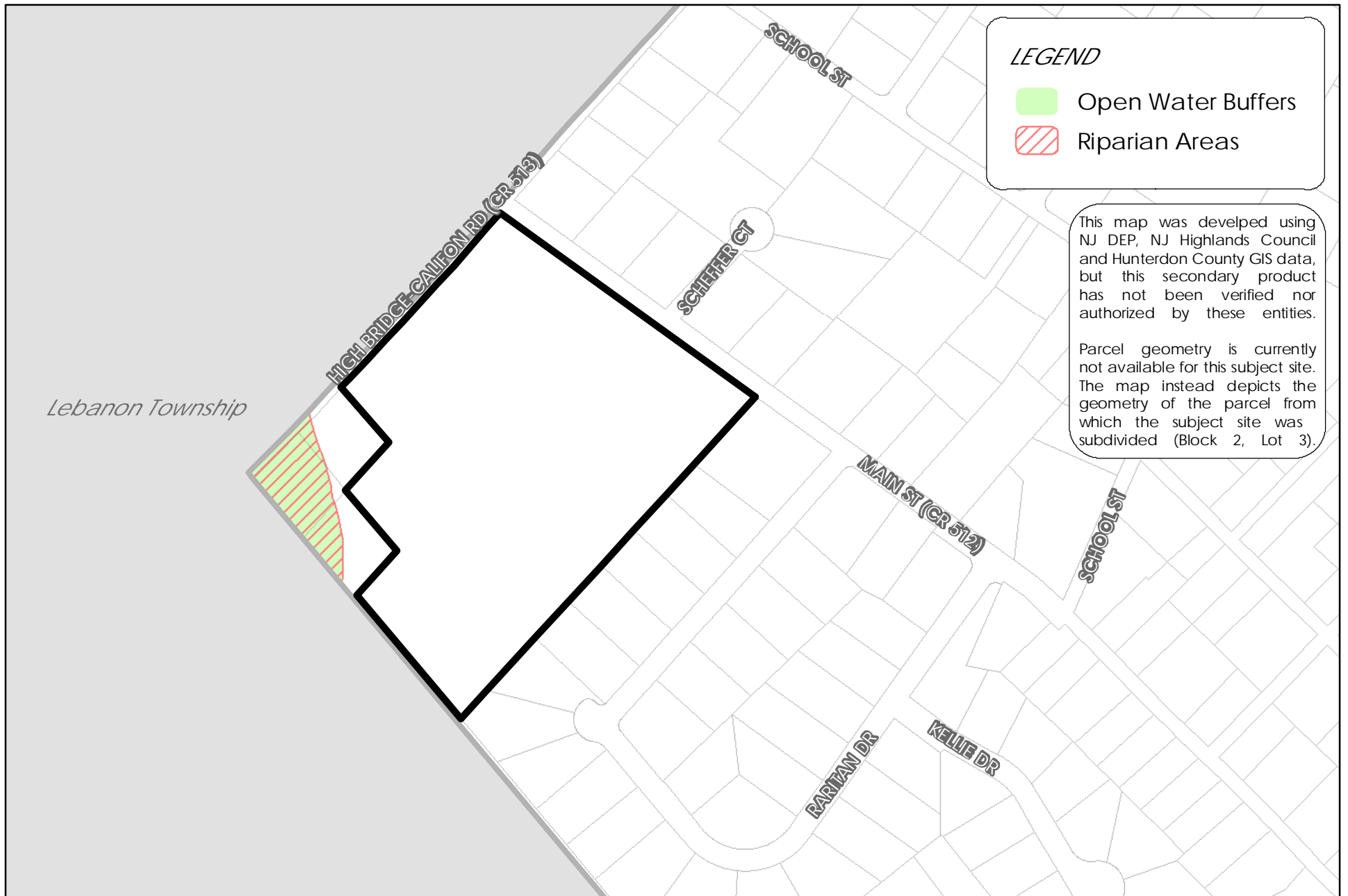


BLOCK 2, LOT 3.01 - LAND USE CAPABILITY ZONES



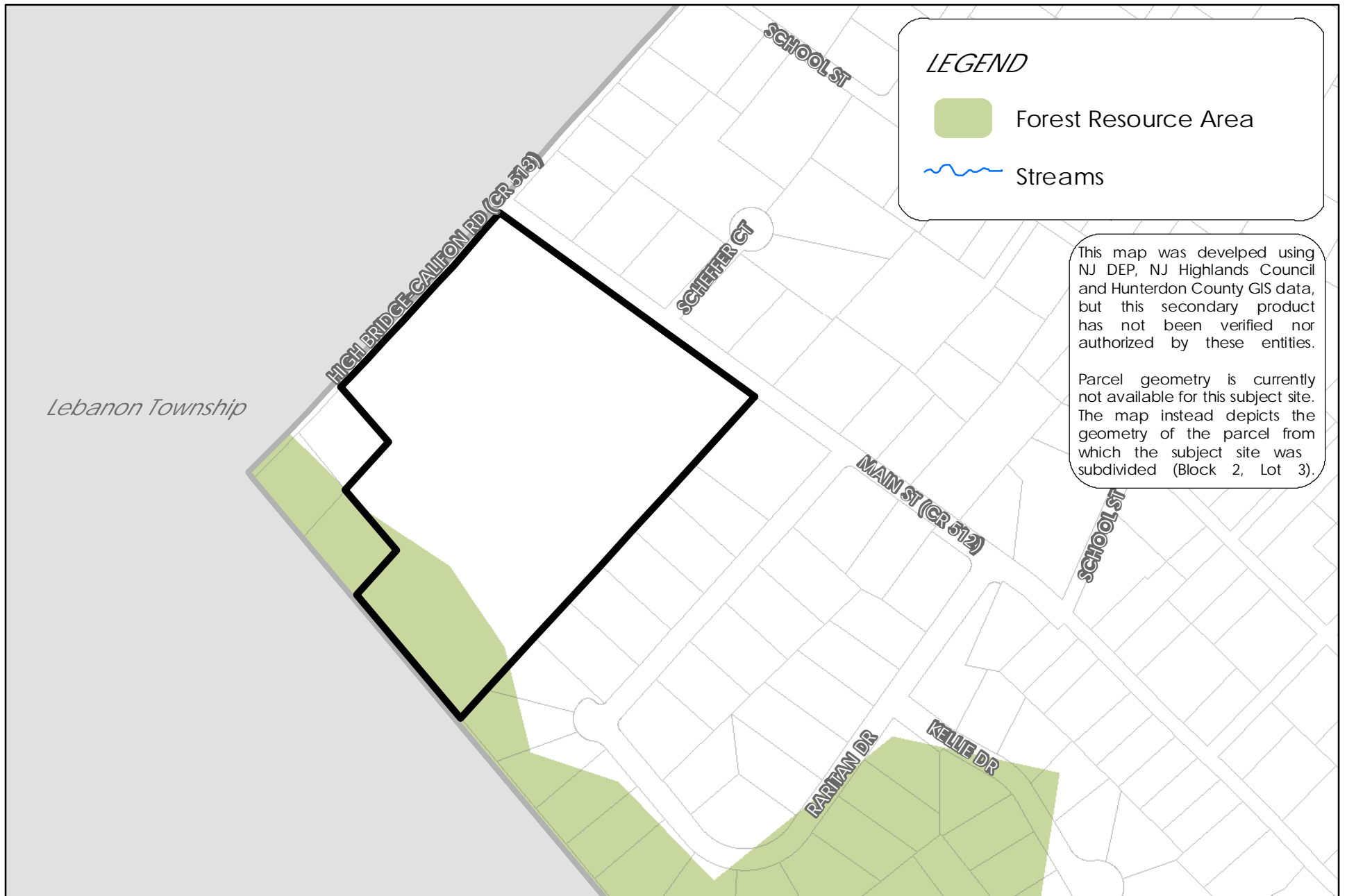
Califon Borough
Hunterdon County, New Jersey

BLOCK 2, LOT 3.01 - STEEP SLOPES

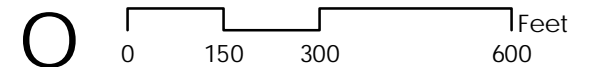


Califon Borough
Hunterdon County, New Jersey

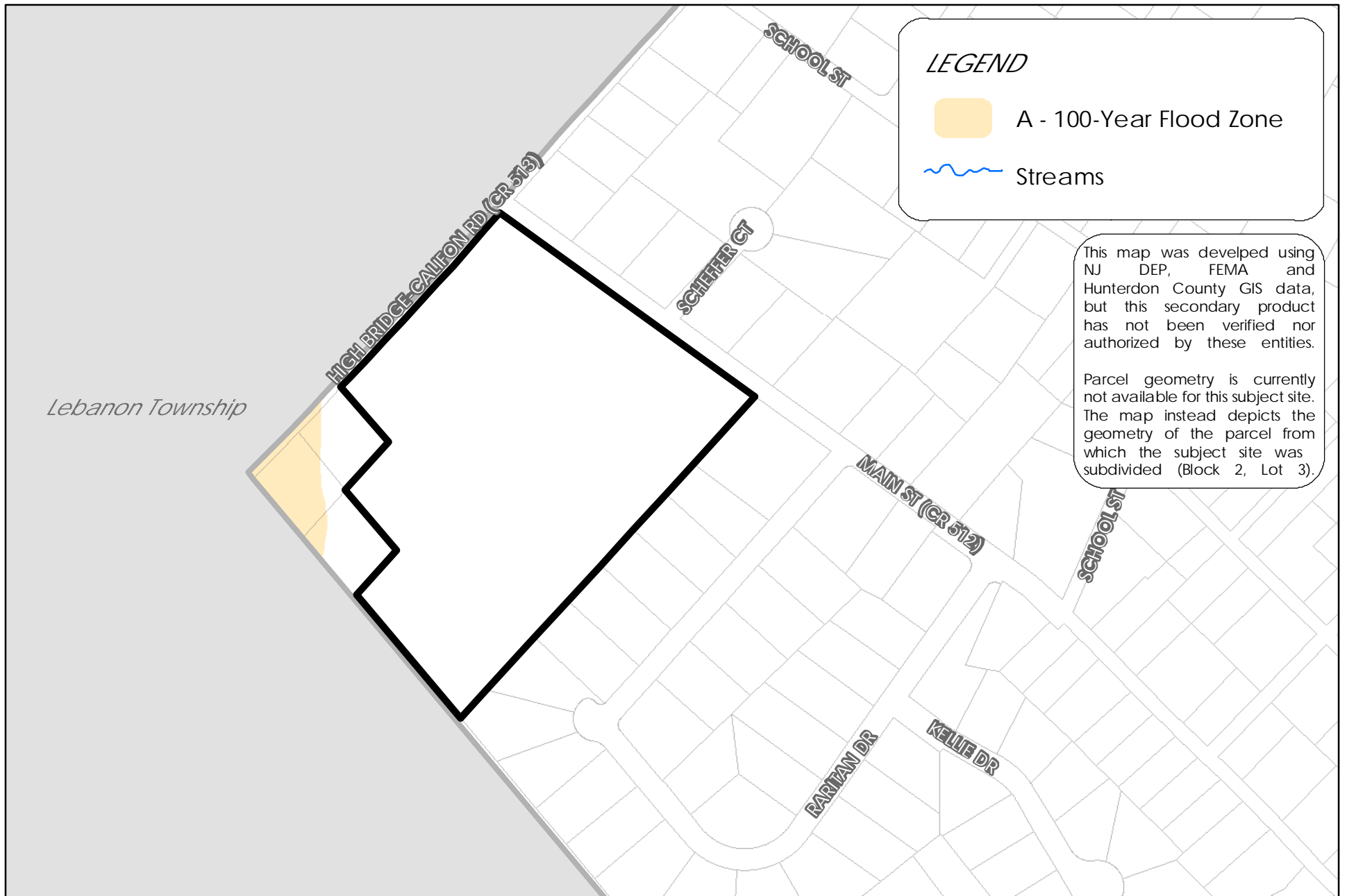
BLOCK 2, LOT 3.01 - OPEN WATERS



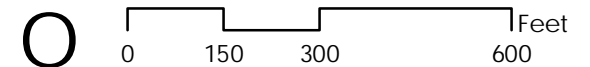
Califon Borough
Hunterdon County, New Jersey



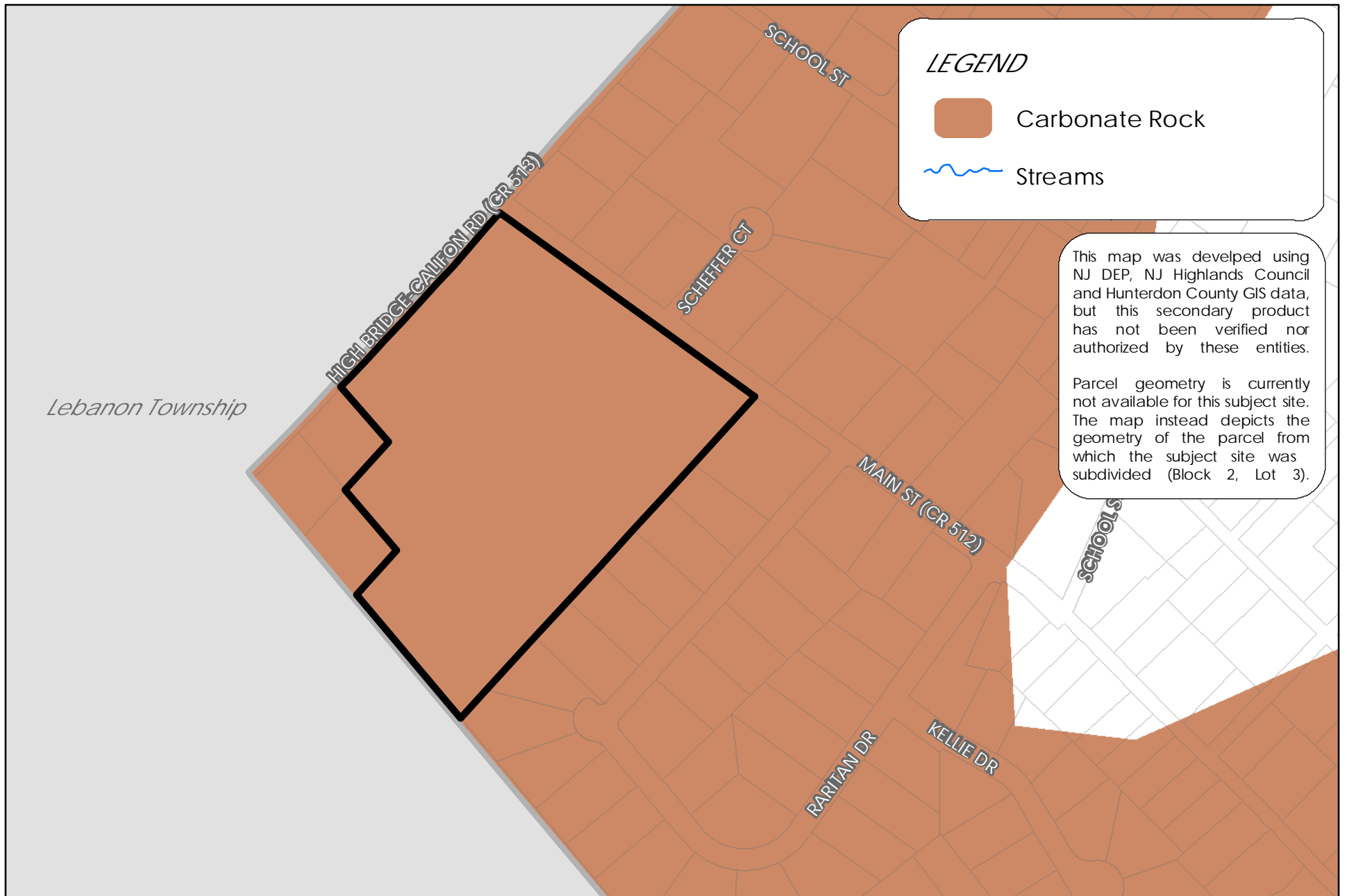
BLOCK 2, LOT 3.01 - FOREST RESOURCE AREAS



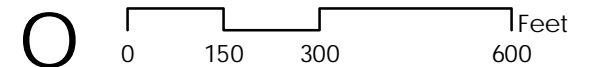
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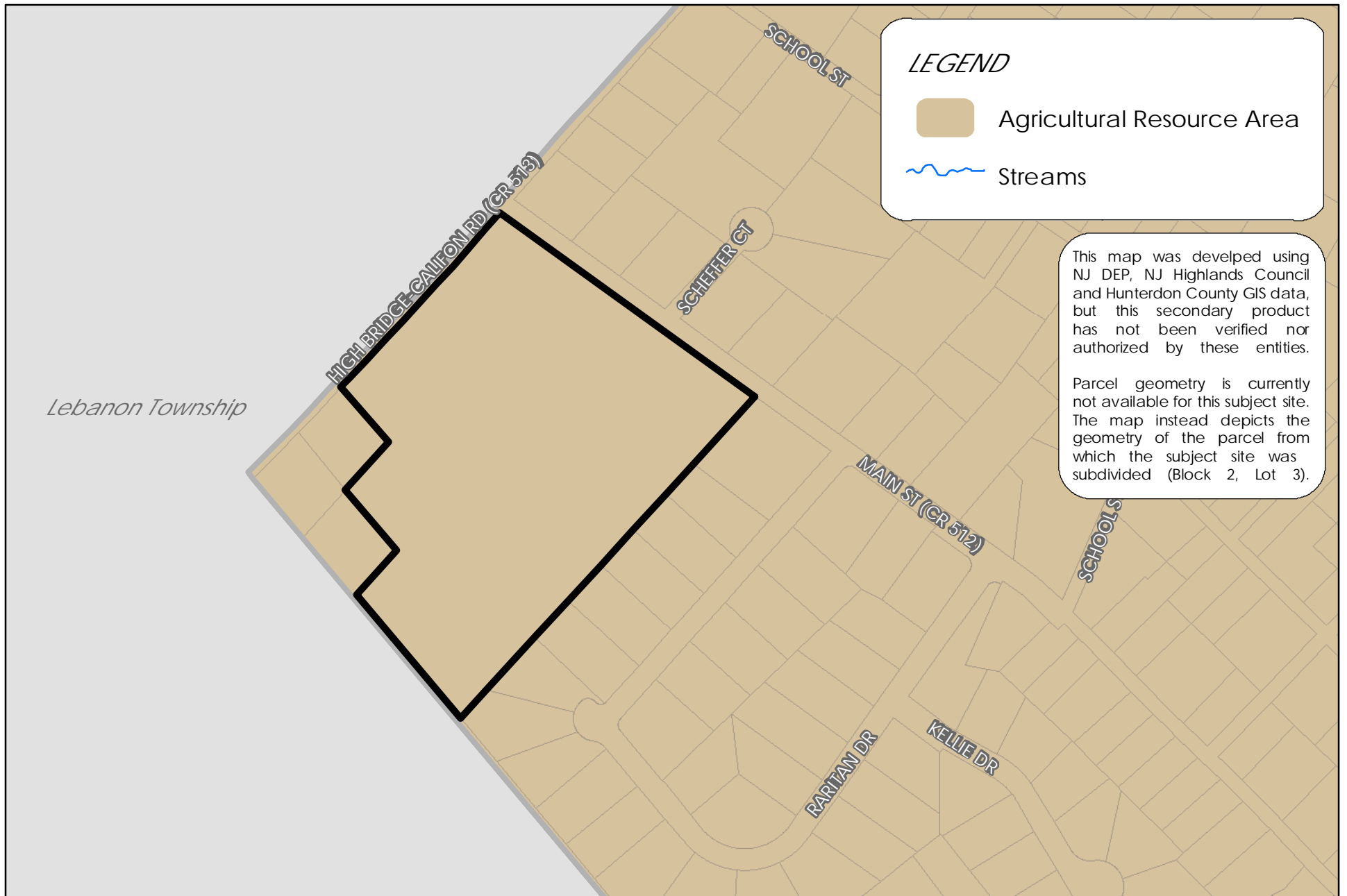
BLOCK 2, LOT 3.01 - FEMA FLOOD ZONES



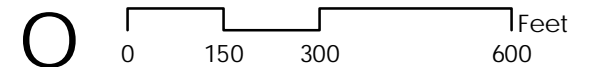
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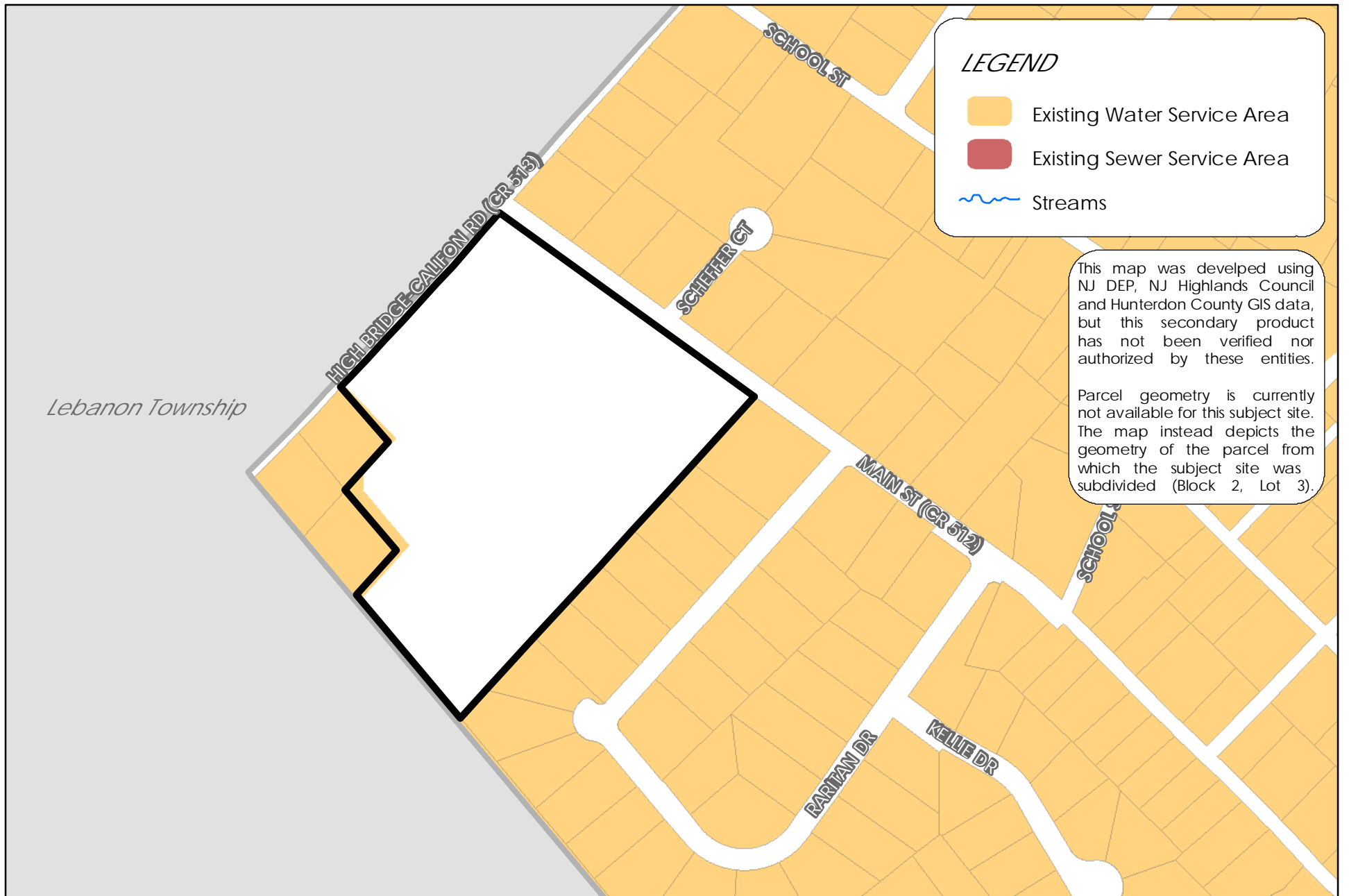
BLOCK 2, LOT 3.01 - CARBONATE ROCK AREAS



Califon Borough
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BLOCK 2, LOT 3.01 - AGRICULTURAL RESOURCE AREAS

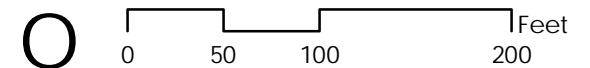


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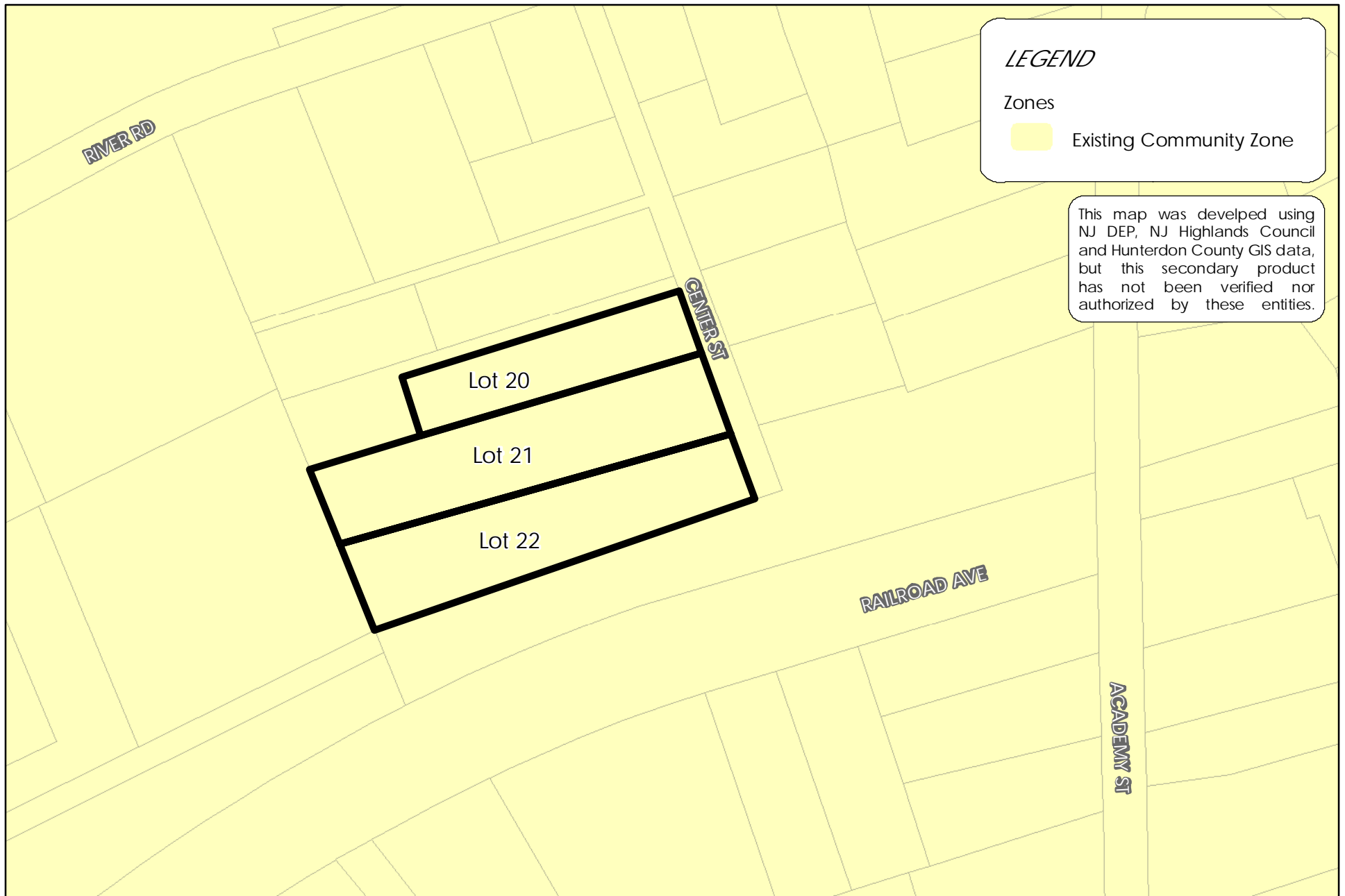
BLOCK 2, LOT 3.01 - WATER & SEWER UTILITY SERVICES



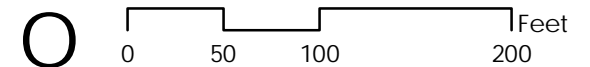
Califon Borough
Hunterdon County, New Jersey



BLOCK 6, LOTS 20, 21 & 22 - SITE MAP

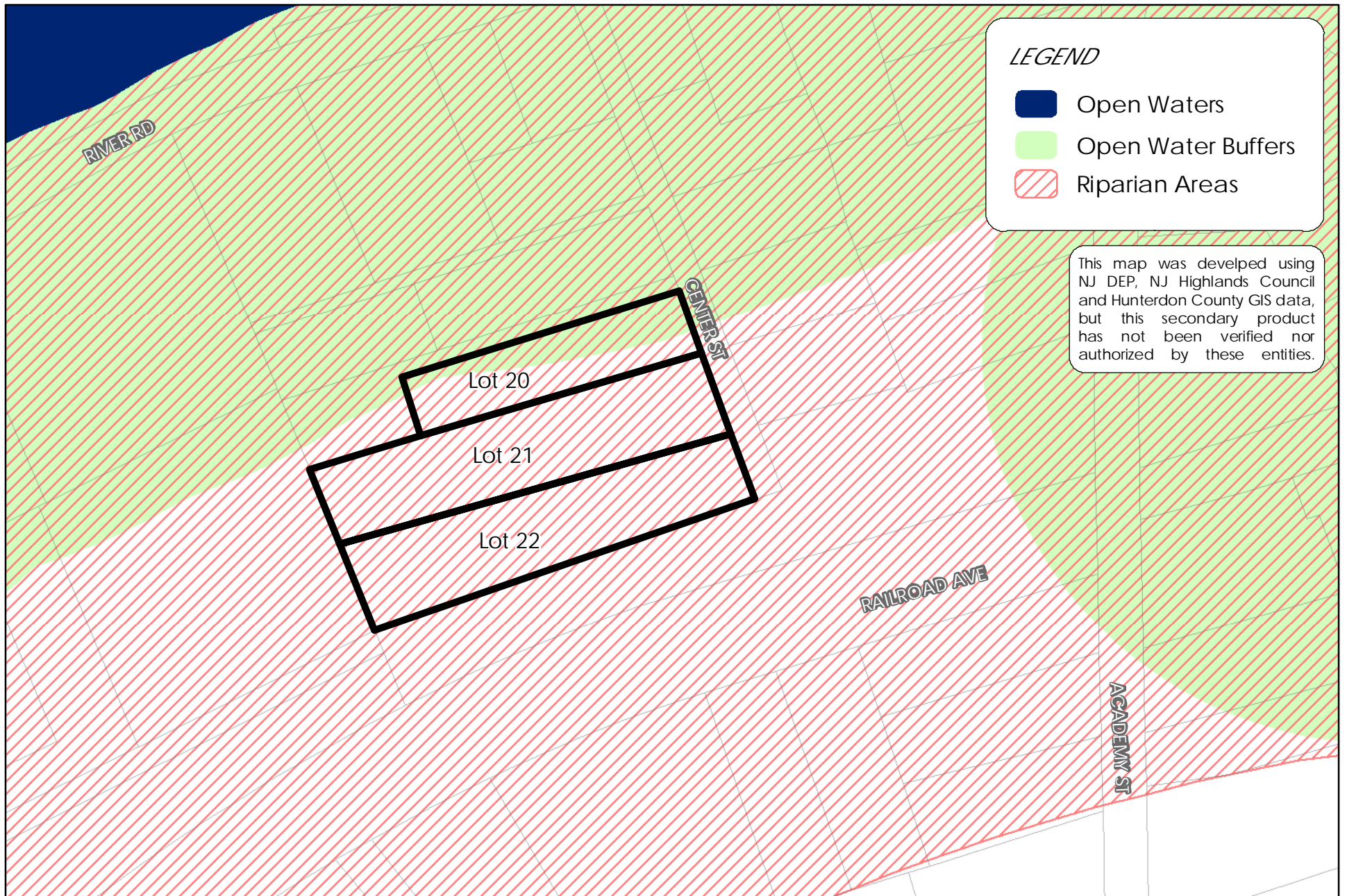


Califon Borough
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BLOCK 6, LOTS 20, 21 & 22 - LAND USE CAPABILITY ZONES

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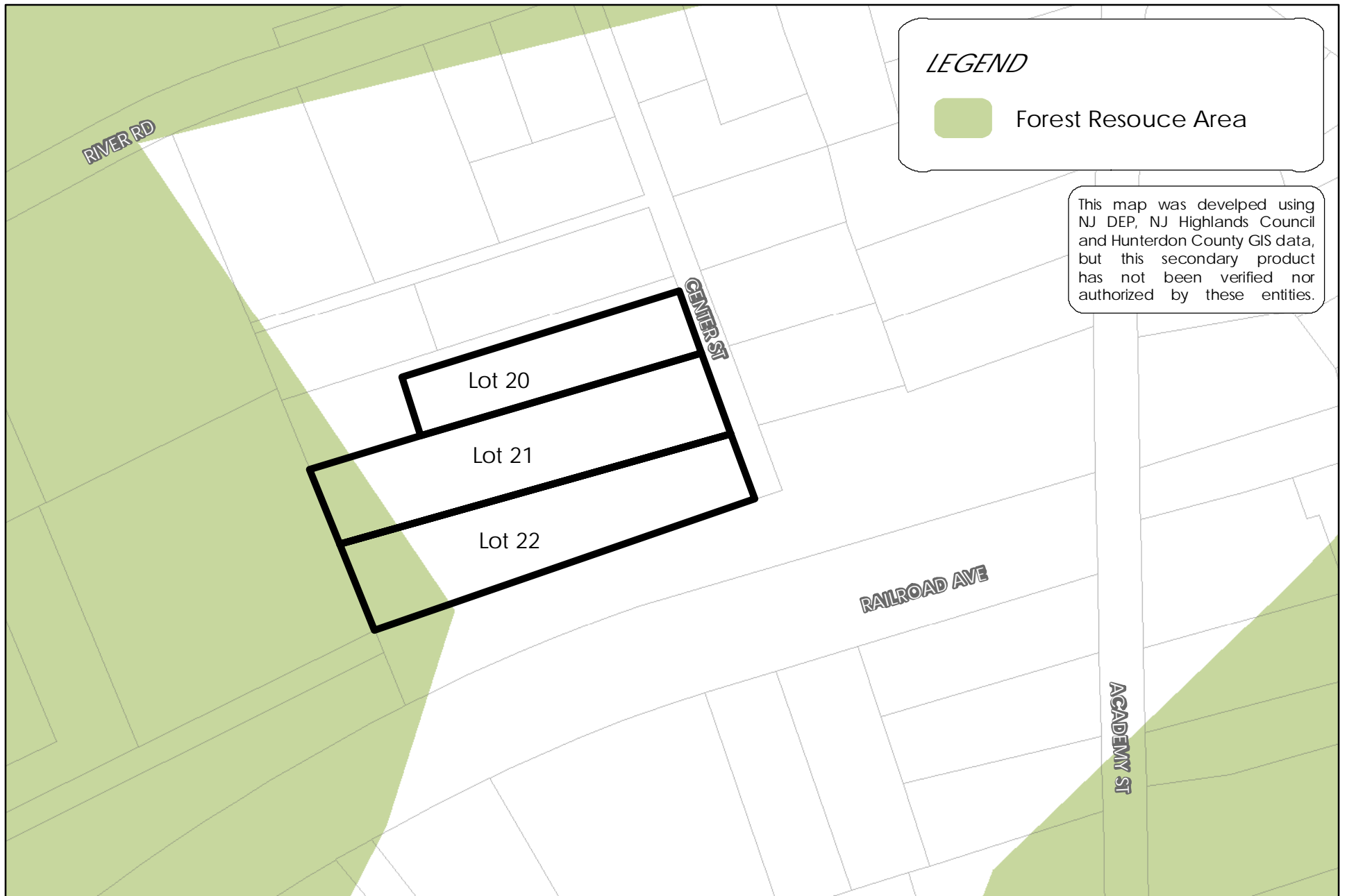


Califon Borough
Hunterdon County, New Jersey

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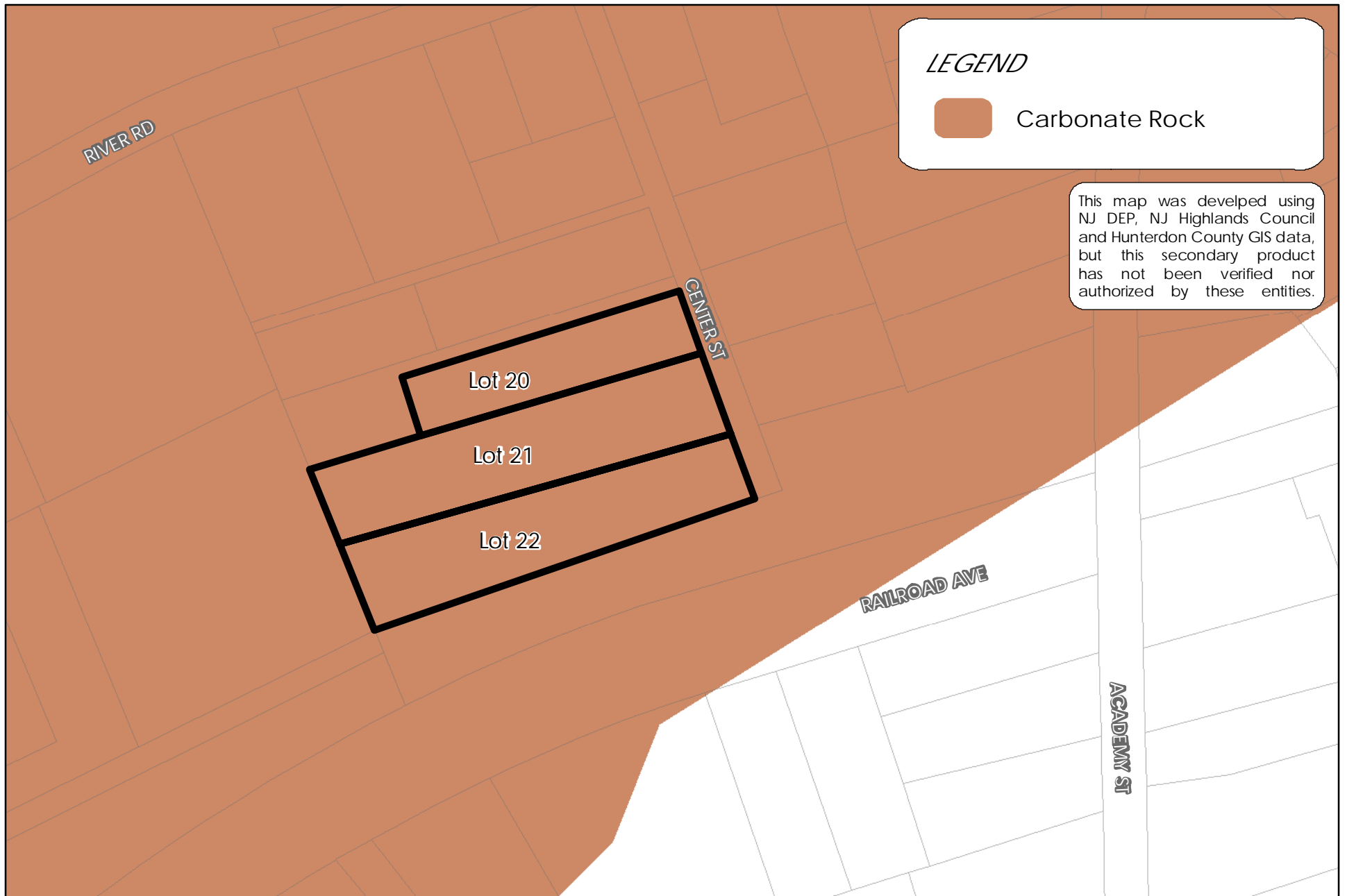
BLOCK 6, LOTS 20, 21 & 22 - OPEN WATERS

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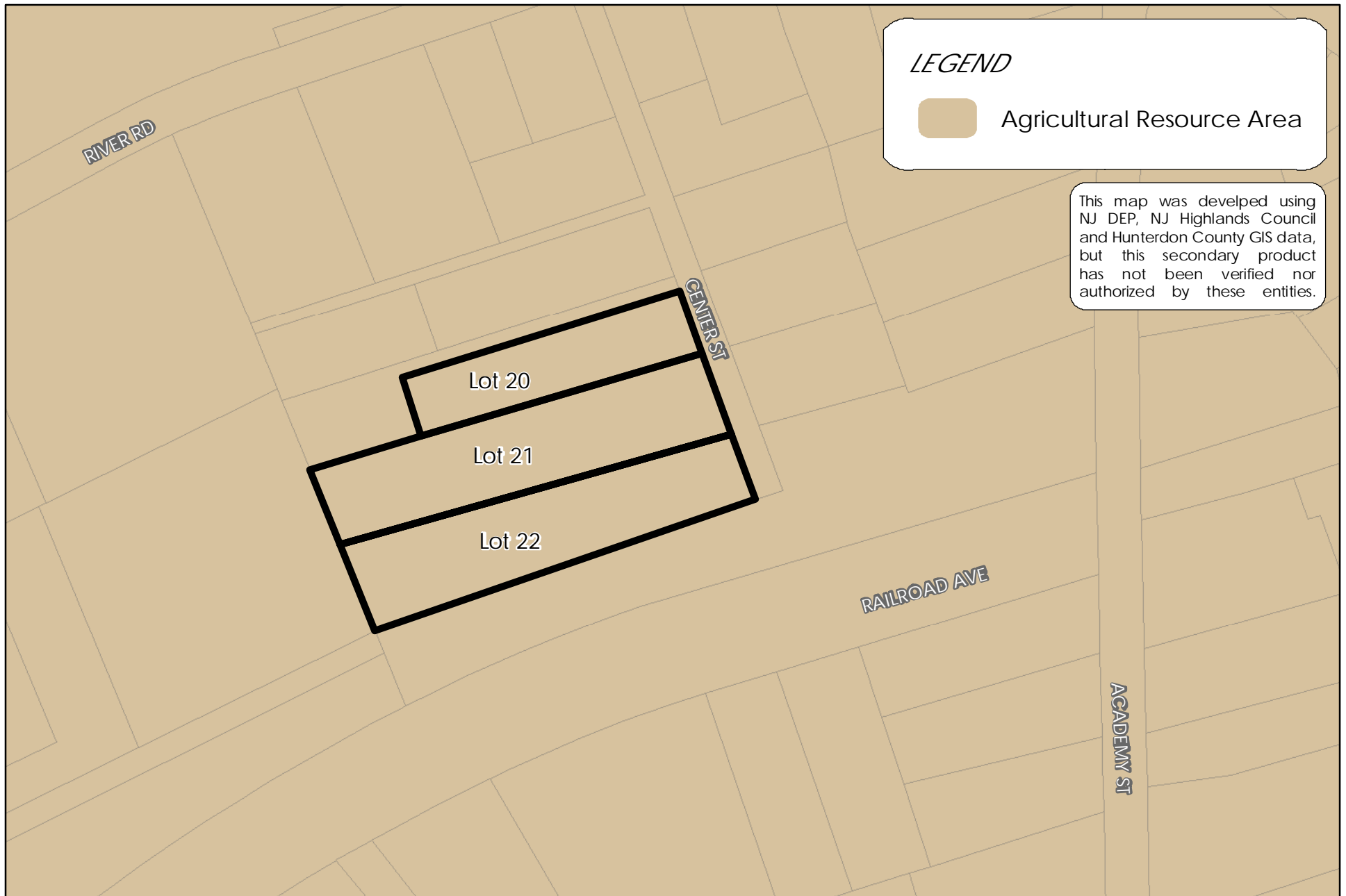
Calfon Borough
Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - FOREST RESOURCE AREAS

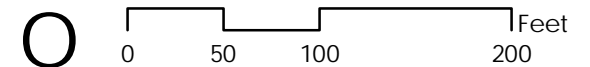


Califon Borough
Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - CARBONATE ROCK AREAS

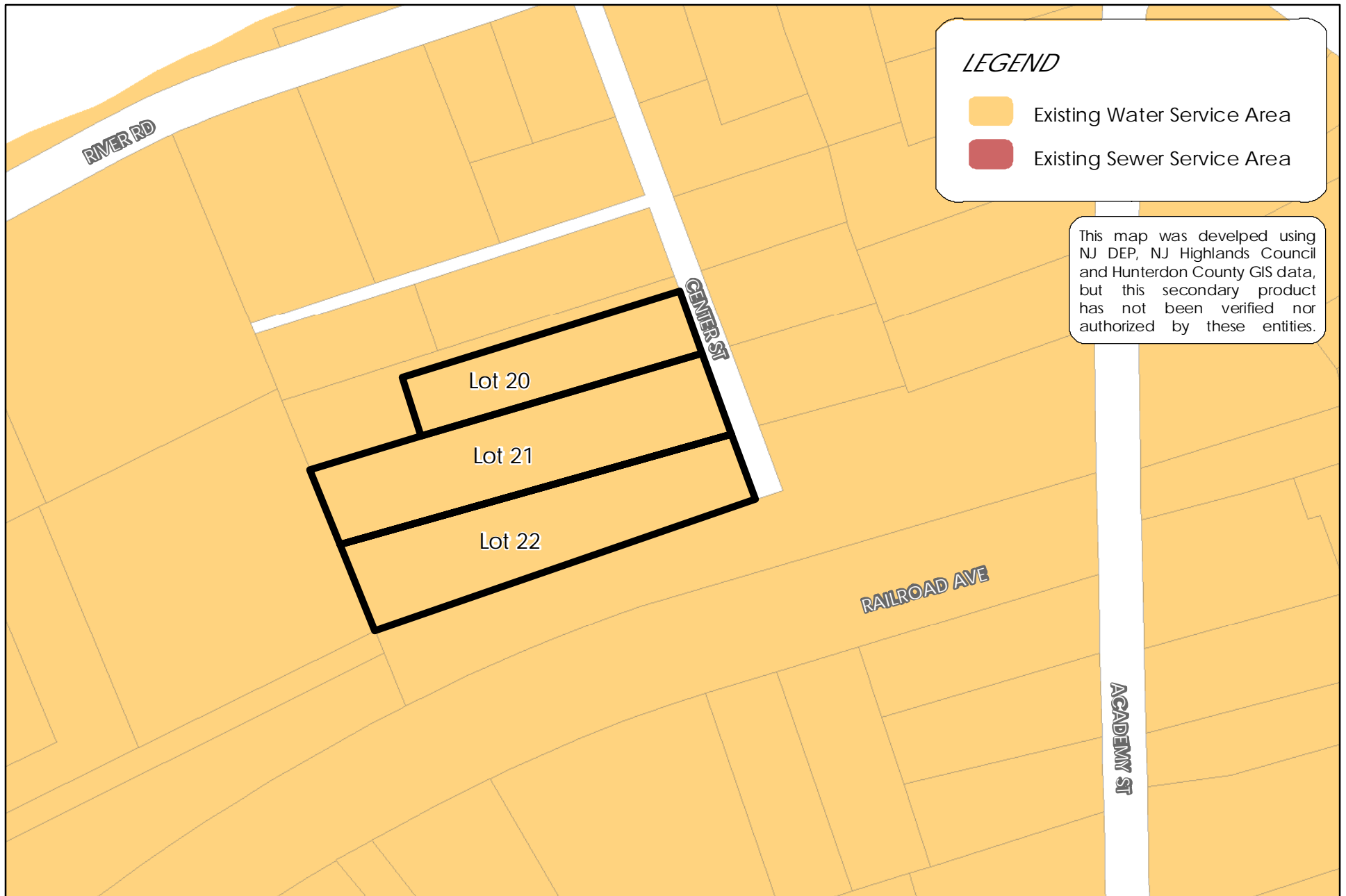


Calfon Borough
Hunterdon County, New Jersey

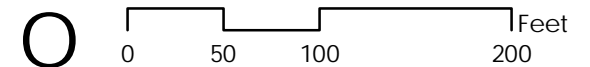


BLOCK 6, LOTS 20, 21 & 22 - AGRICULTURAL RESOURCE AREAS

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Califon Borough
Hunterdon County, New Jersey

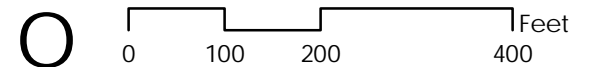


BLOCK 6, LOTS 20, 21 & 22 - WATER & SEWER UTILITY SERVICES

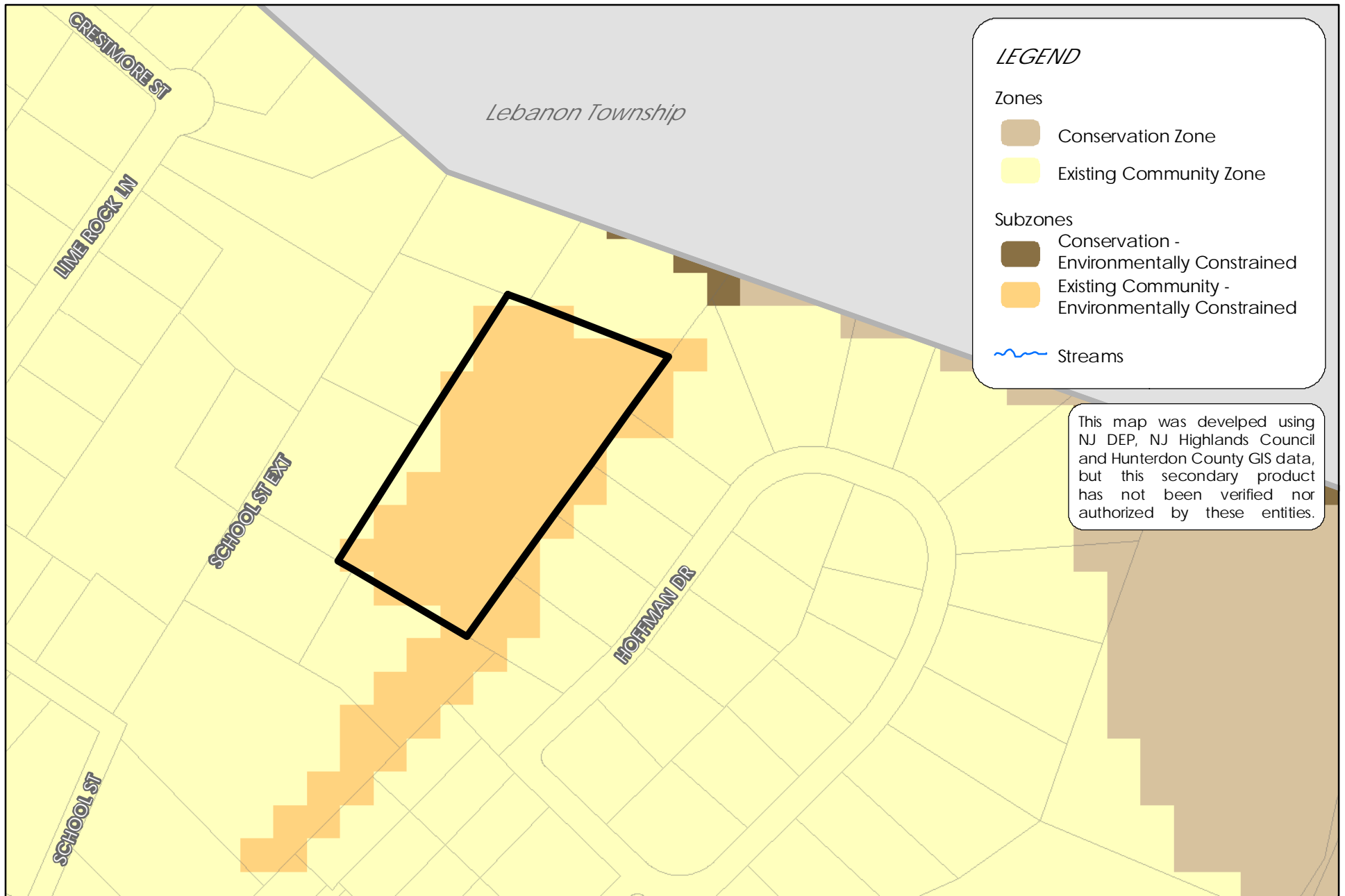
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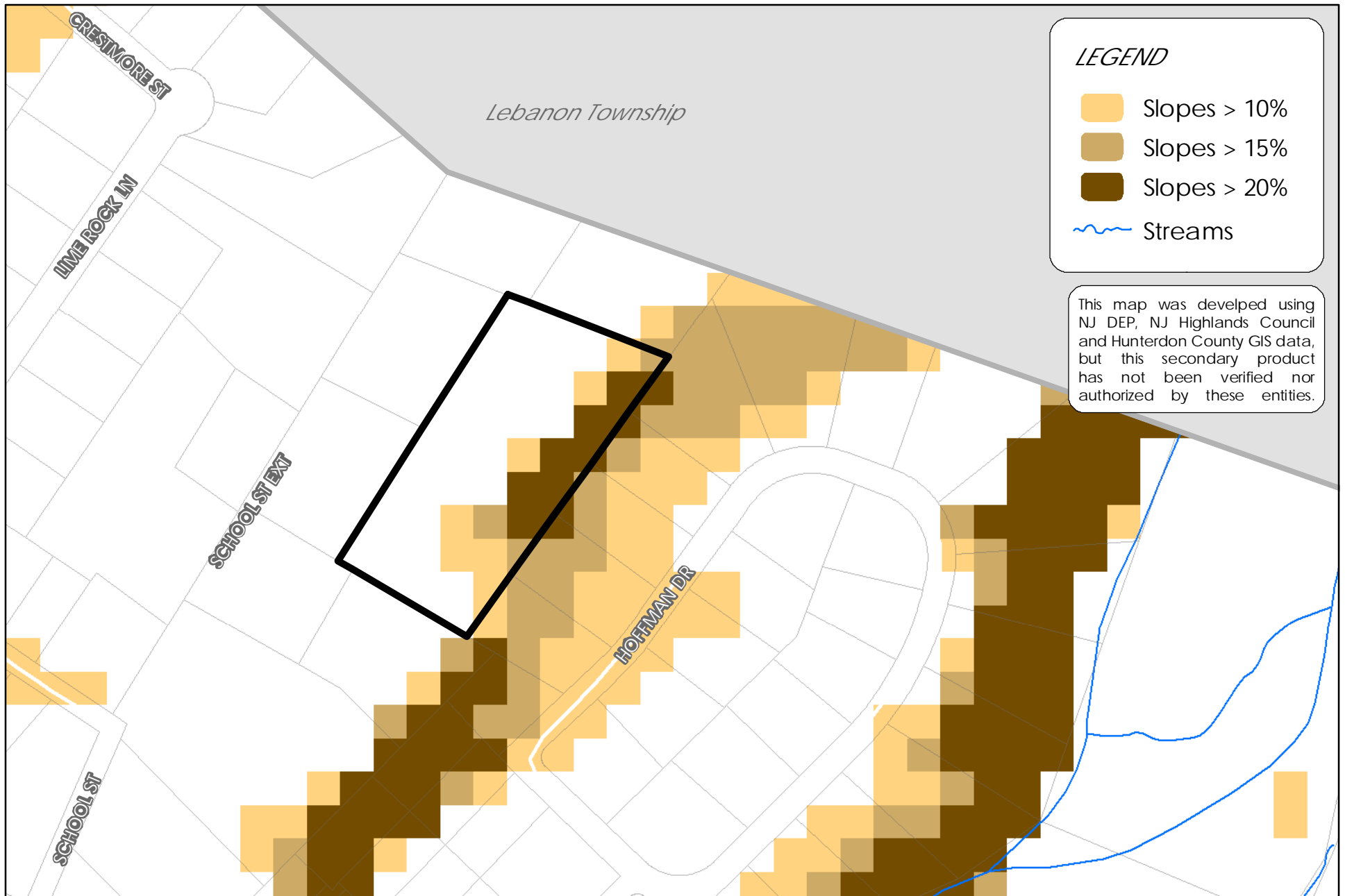


Califon Borough
Hunterdon County, New Jersey

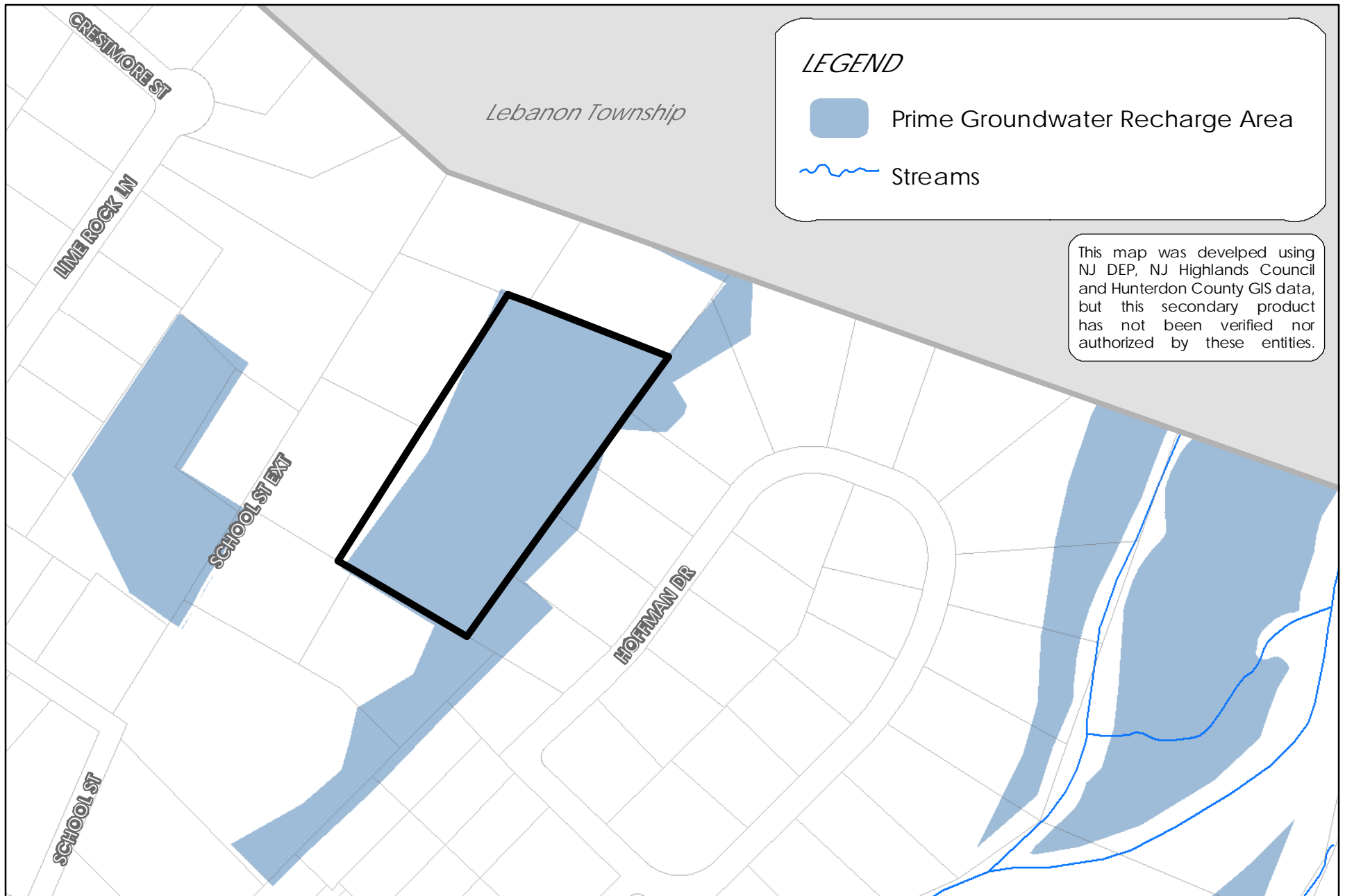


BLOCK 8, LOT 13 - SITE MAP

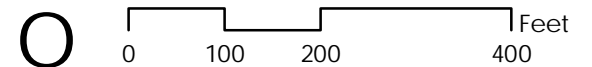




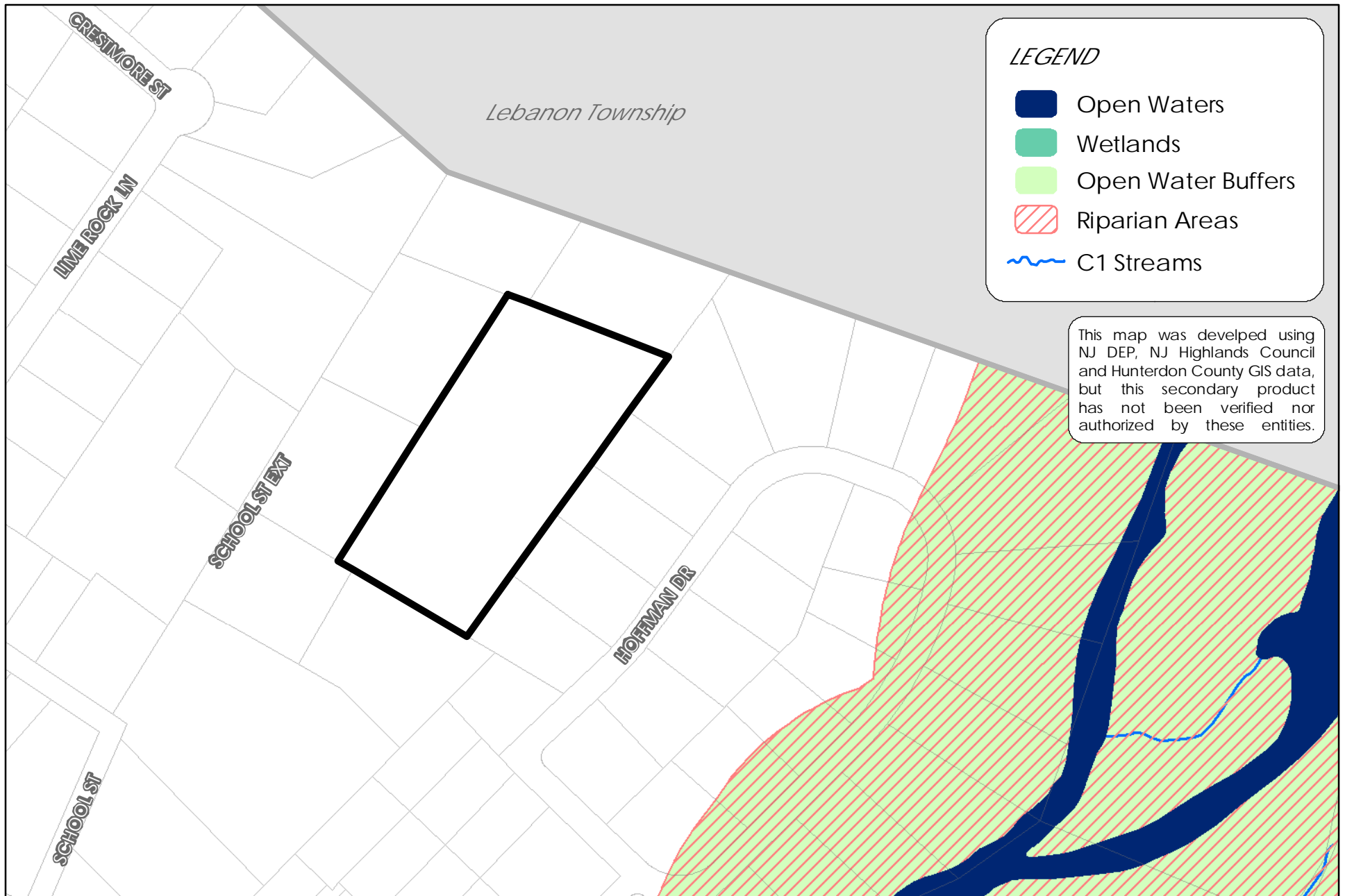
BLOCK 8, LOT 13 - STEEP SLOPES



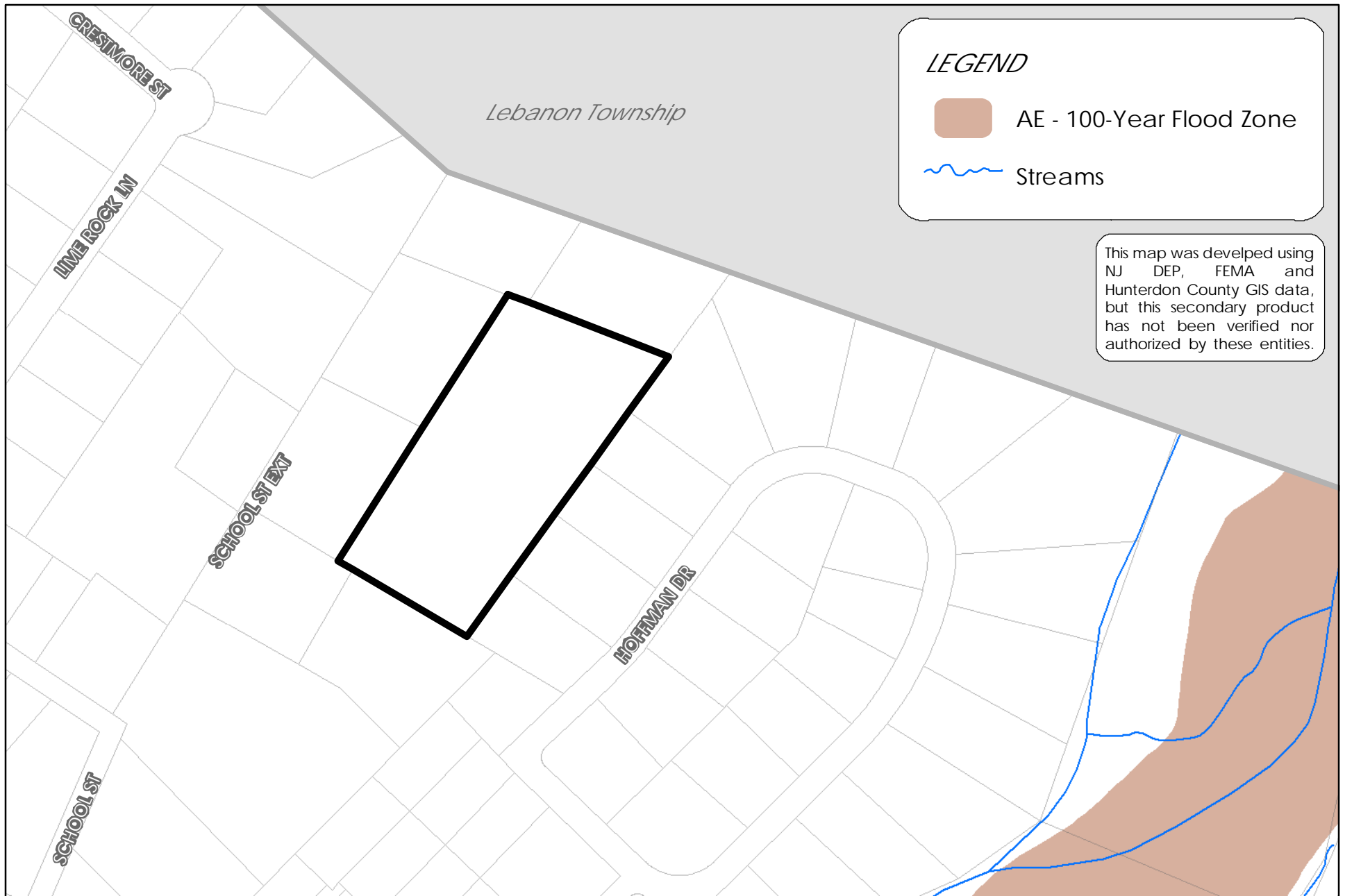
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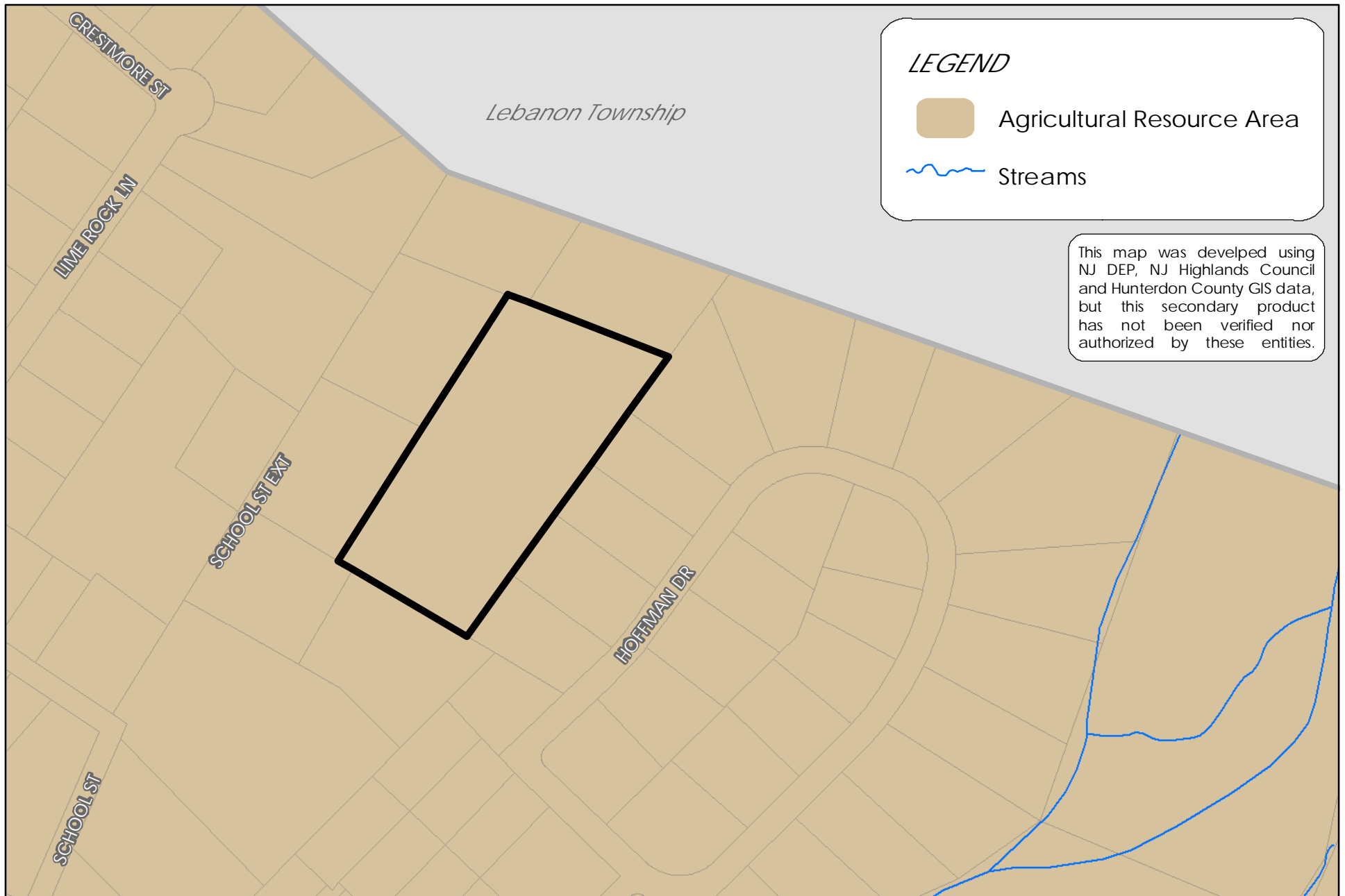
BLOCK 8, LOT 13 - PRIME GROUNDWATER RECHARGE AREAS GROUPmelvinDESIGN



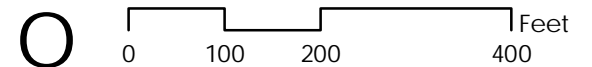
BLOCK 8, LOT 13 - OPEN WATERS



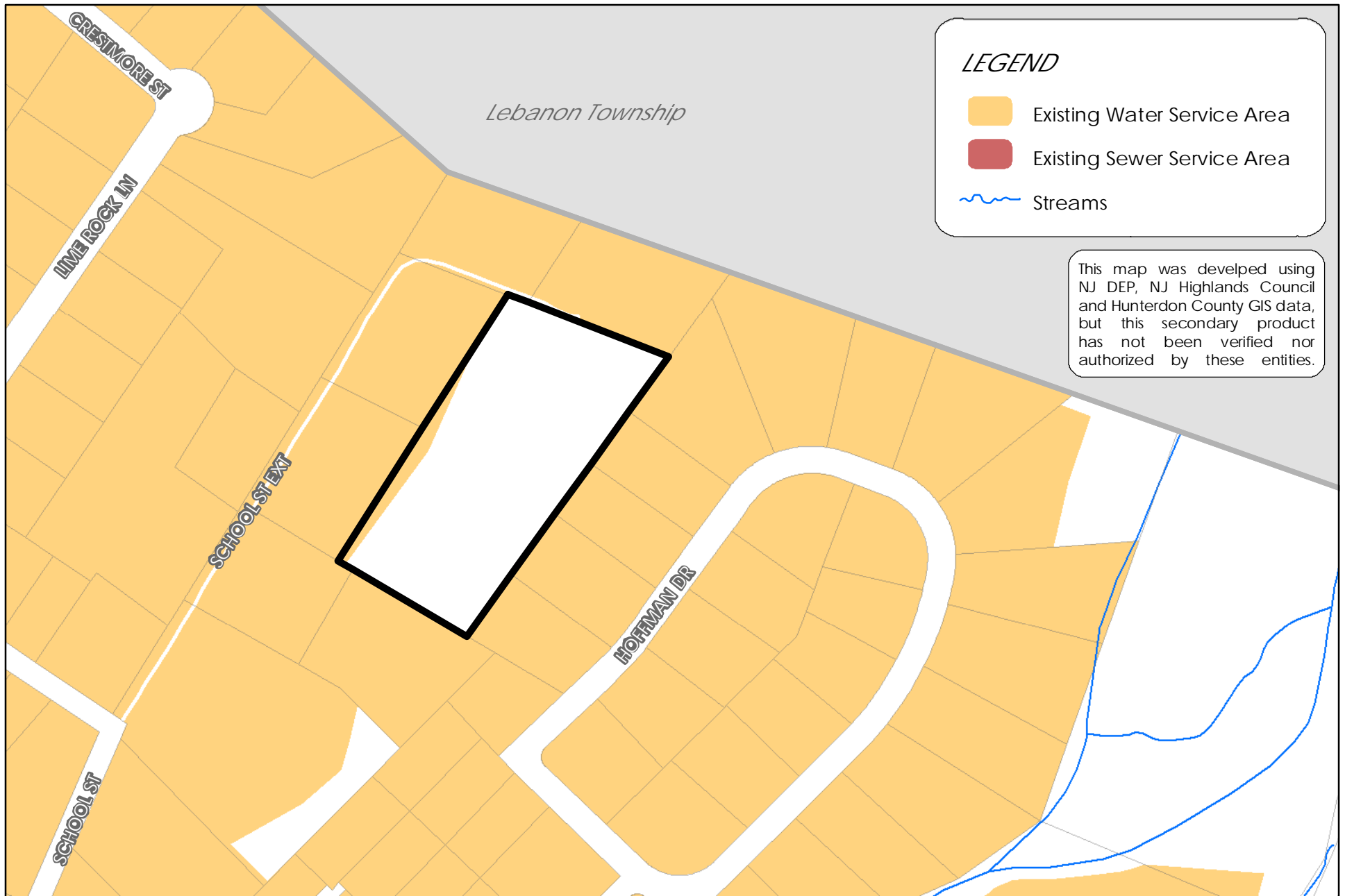
BLOCK 8, LOT 13 - FEMA FLOOD ZONES



Califon Borough
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BLOCK 8, LOT 13 - AGRICULTURAL RESOURCE AREAS

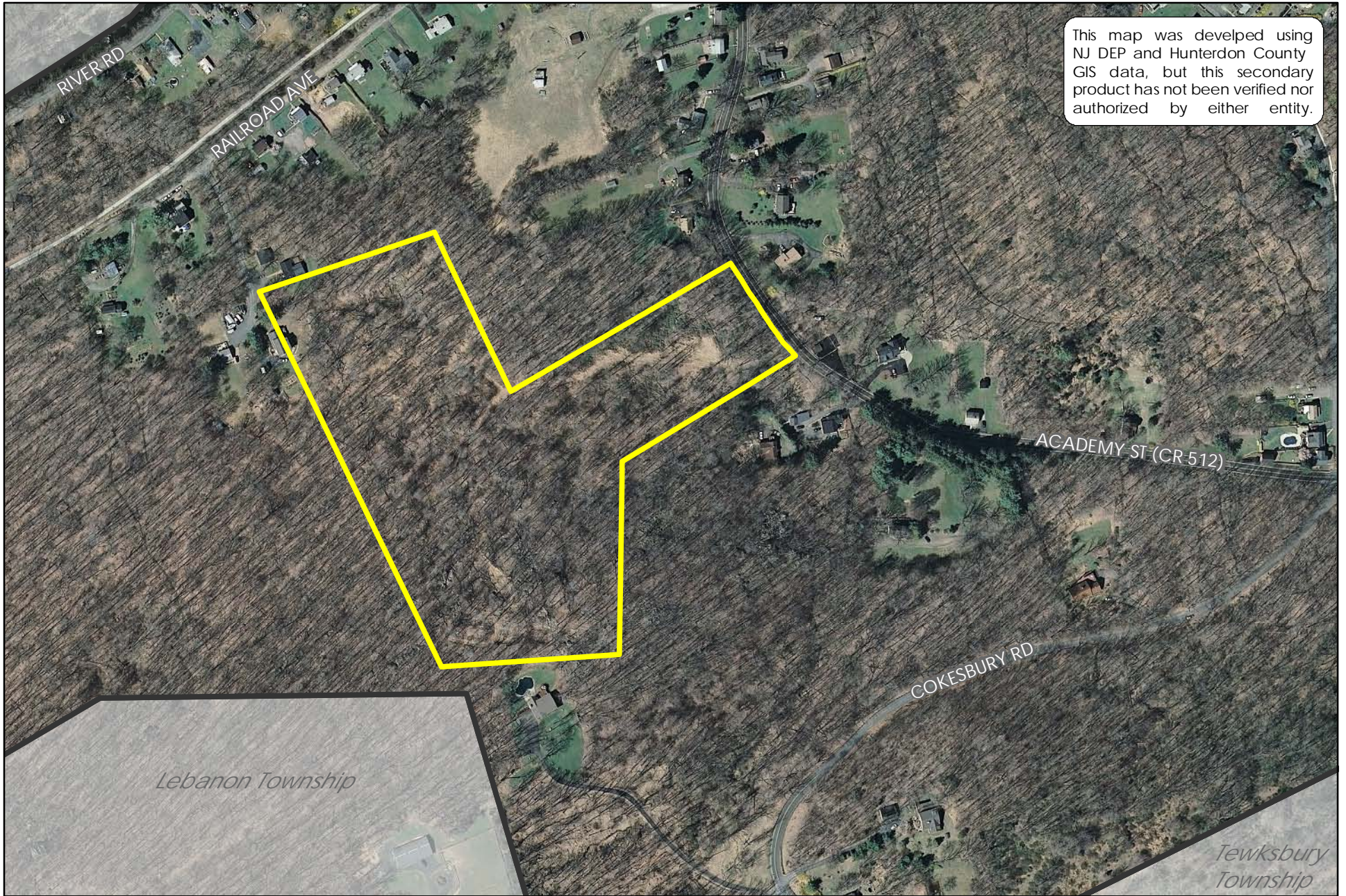


Califon Borough
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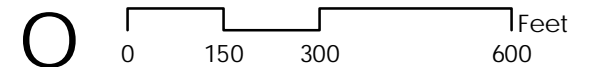
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BLOCK 8, LOT 13 - WATER & SEWER UTILITY SERVICES

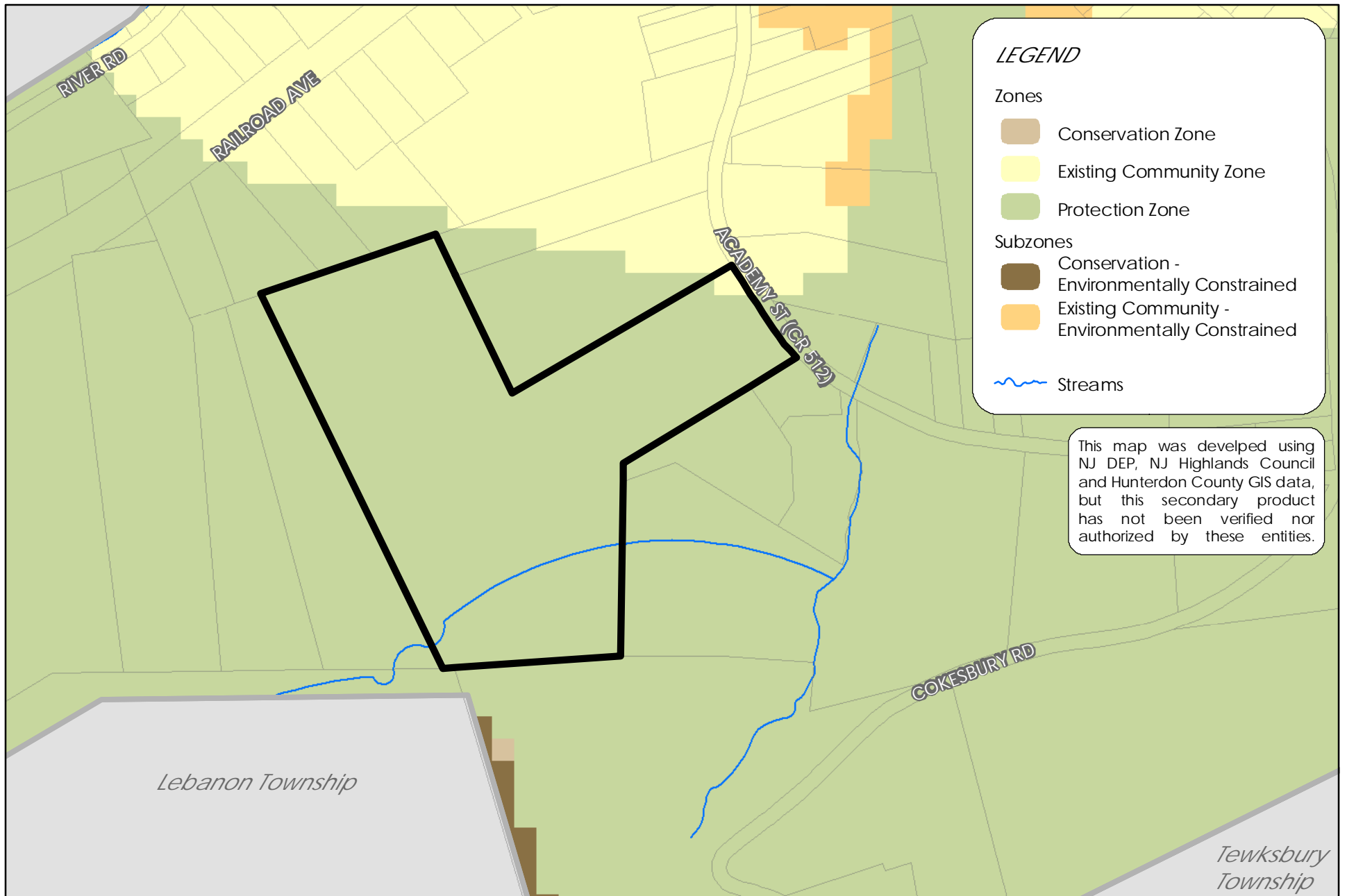
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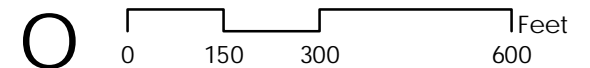
Calfon Borough
Hunterdon County, New Jersey



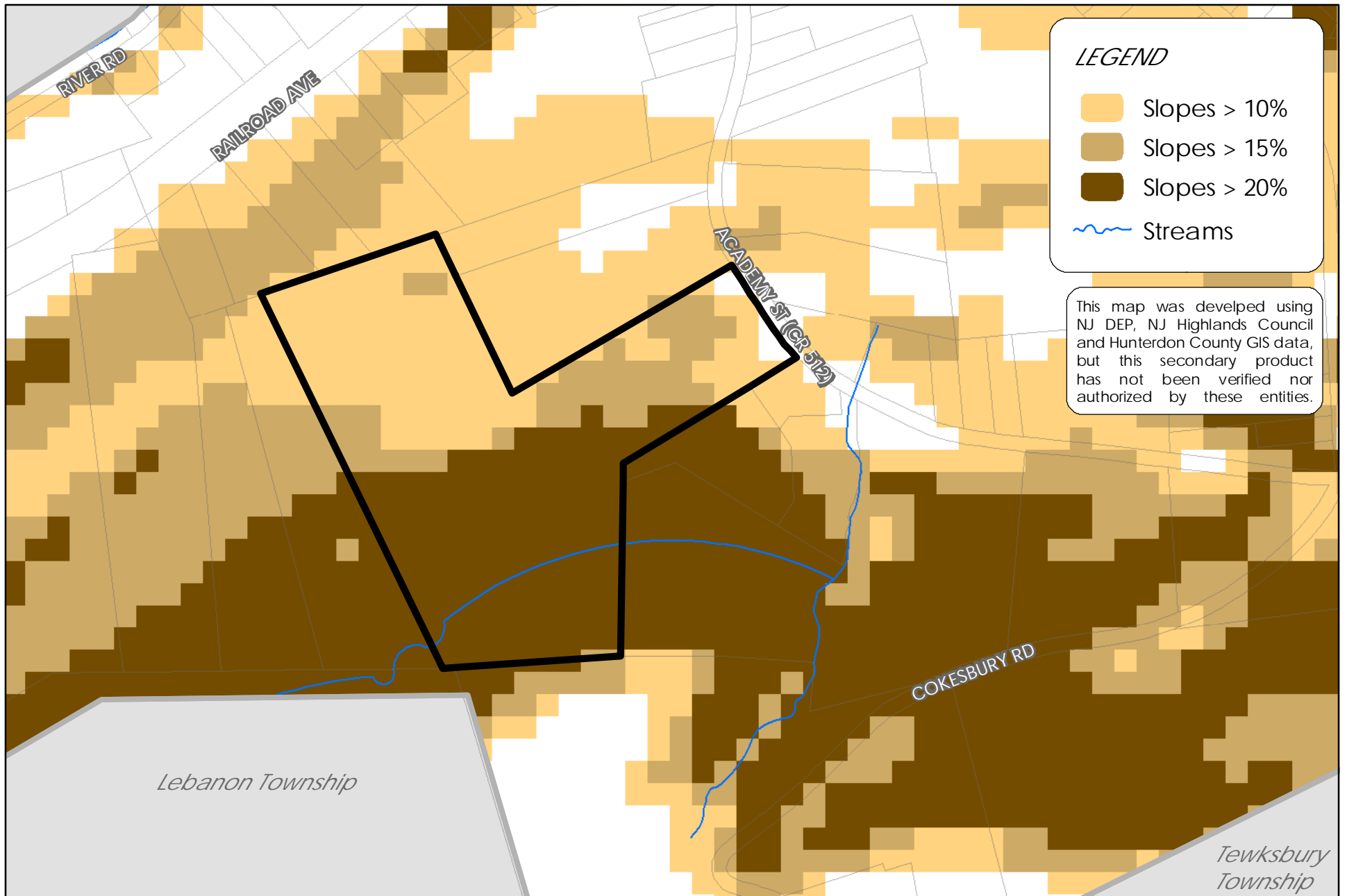
BLOCK 18, LOT 25 - SITE MAP



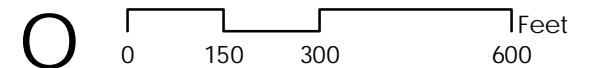
Califon Borough
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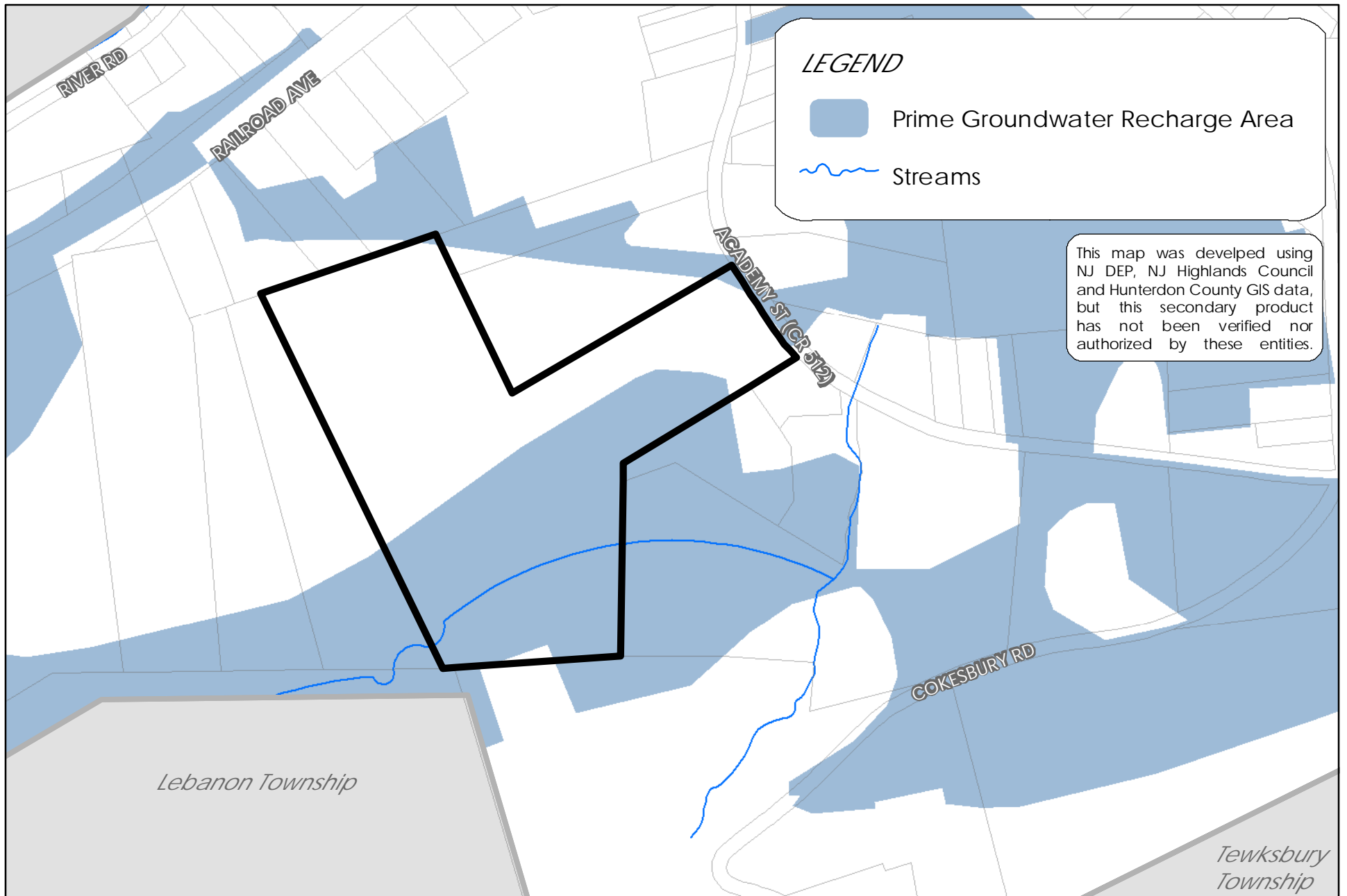
BLOCK 18, LOT 25 - LAND USE CAPABILITY ZONES



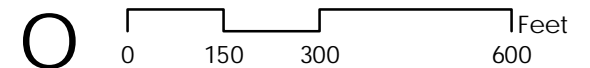
Califon Borough
Hunterdon County, New Jersey



BLOCK 18, LOT 25 - STEEP SLOPES

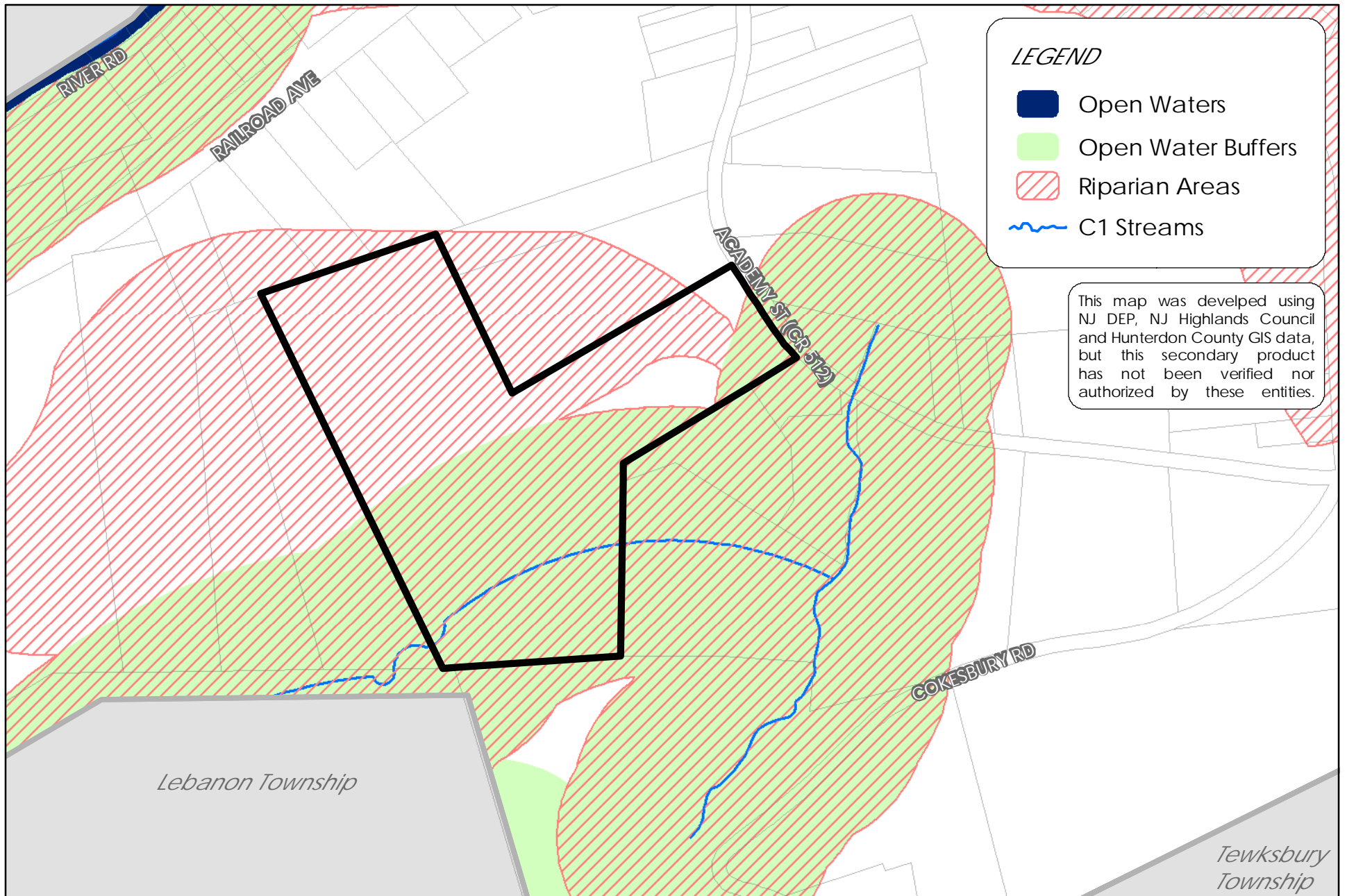


Califon Borough
Hunterdon County, New Jersey



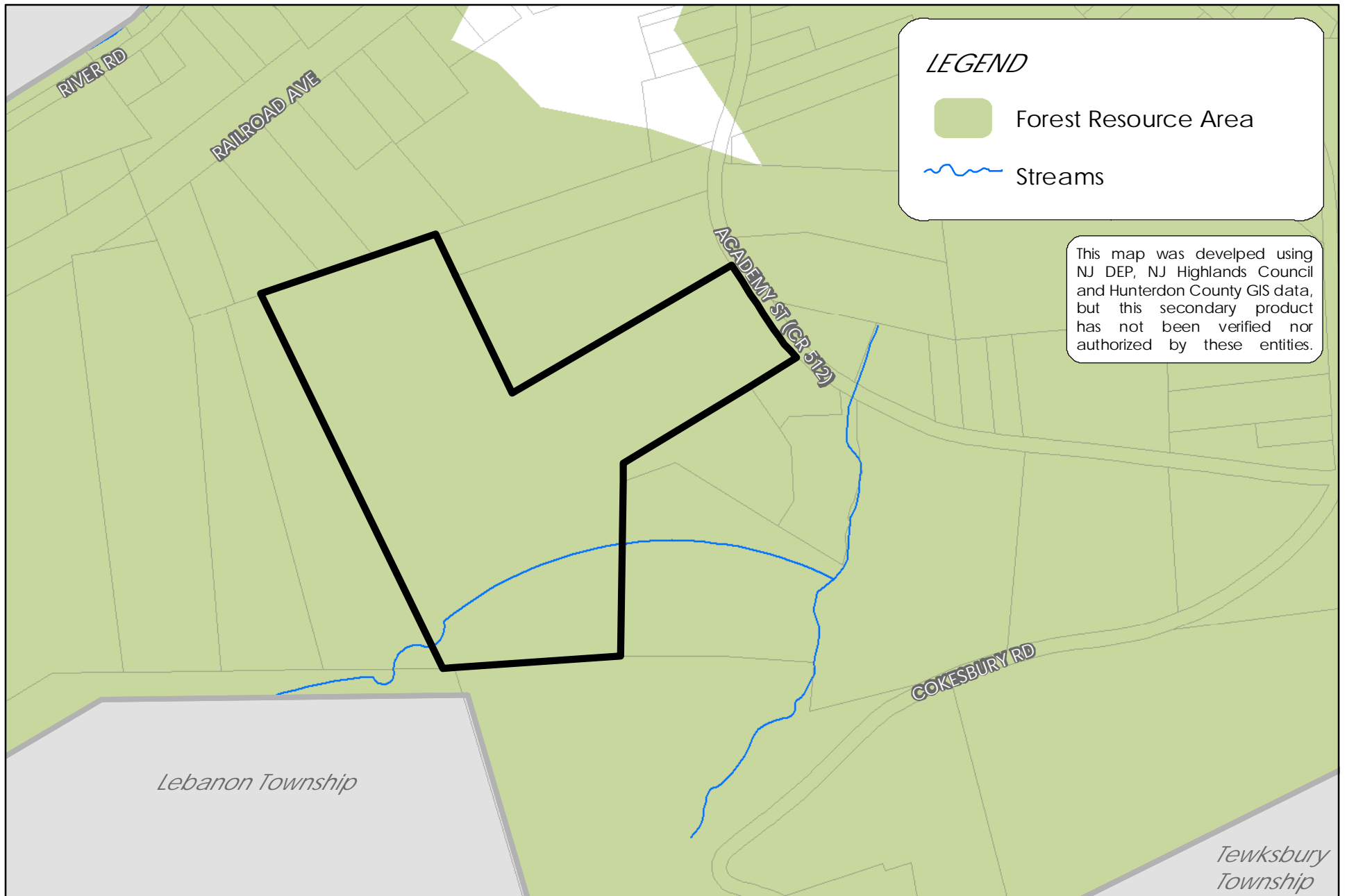
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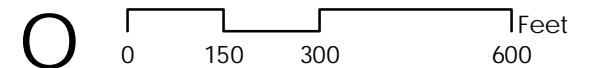


Califon Borough
Hunterdon County, New Jersey

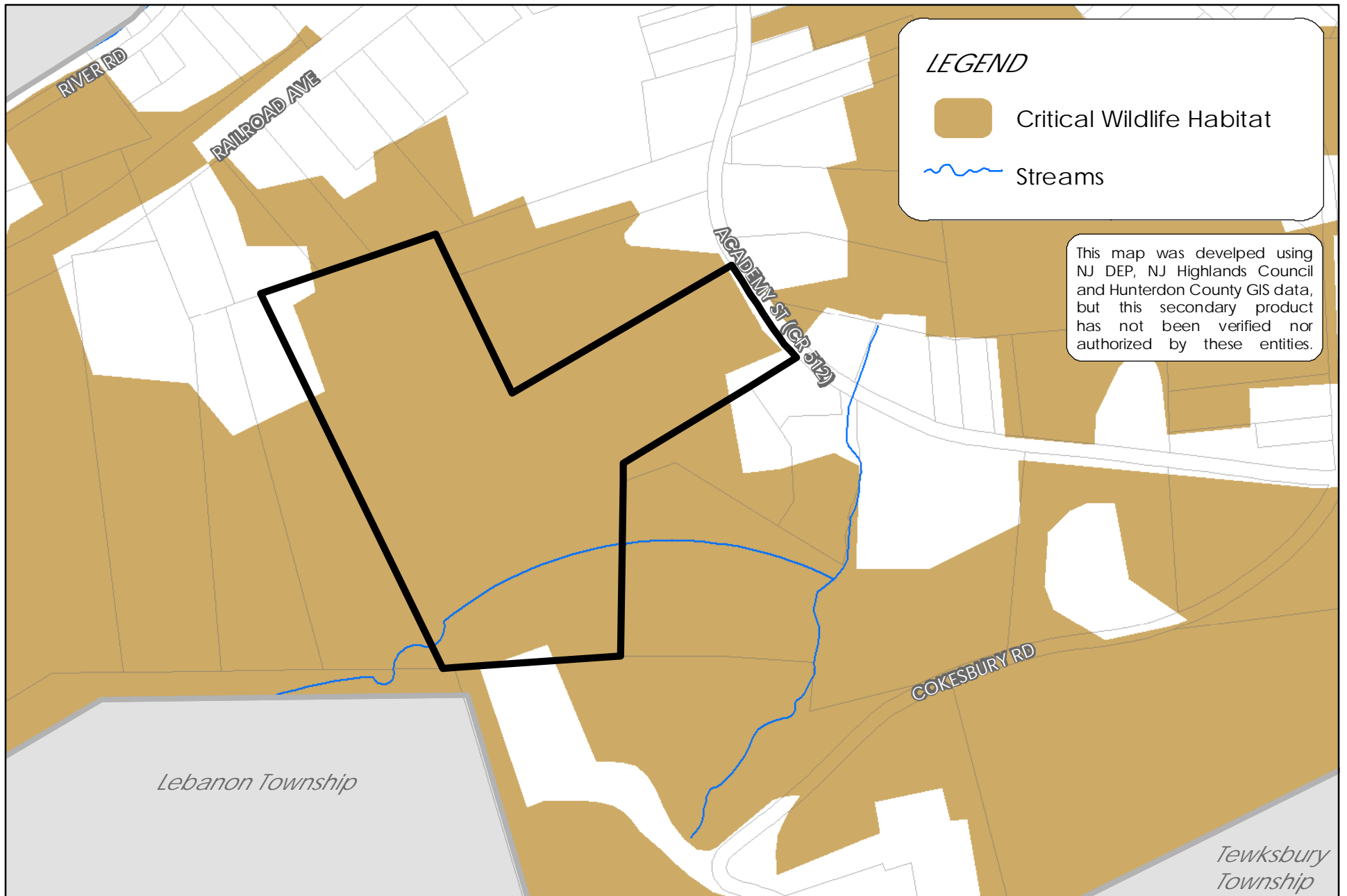
BLOCK 18, LOT 25 - OPEN WATERS



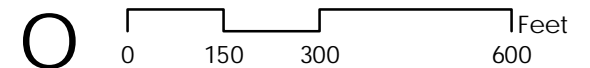
Califon Borough
Hunterdon County, New Jersey



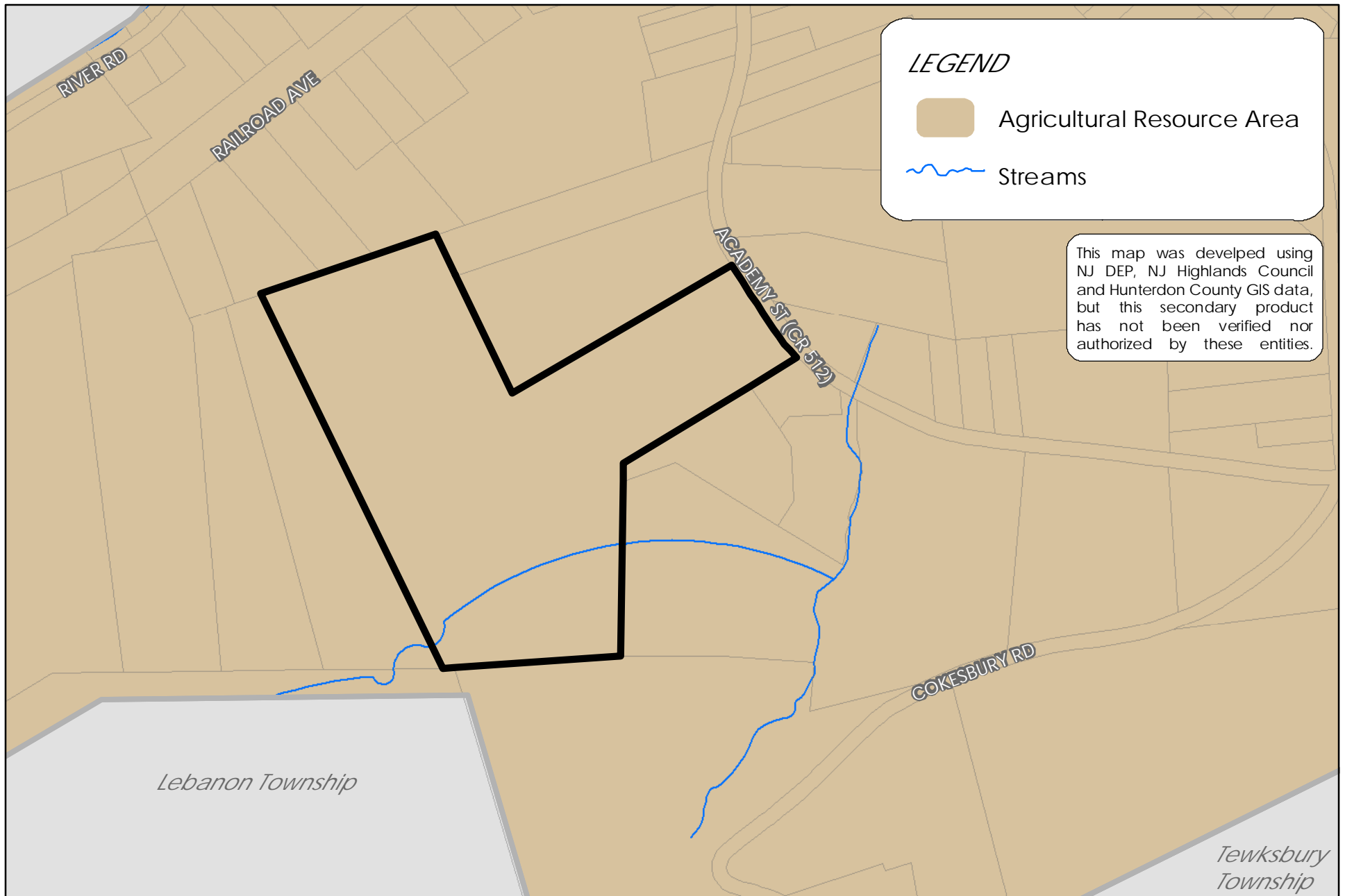
BLOCK 18, LOT 25 - FOREST RESOURCE AREAS



Califon Borough
Hunterdon County, New Jersey



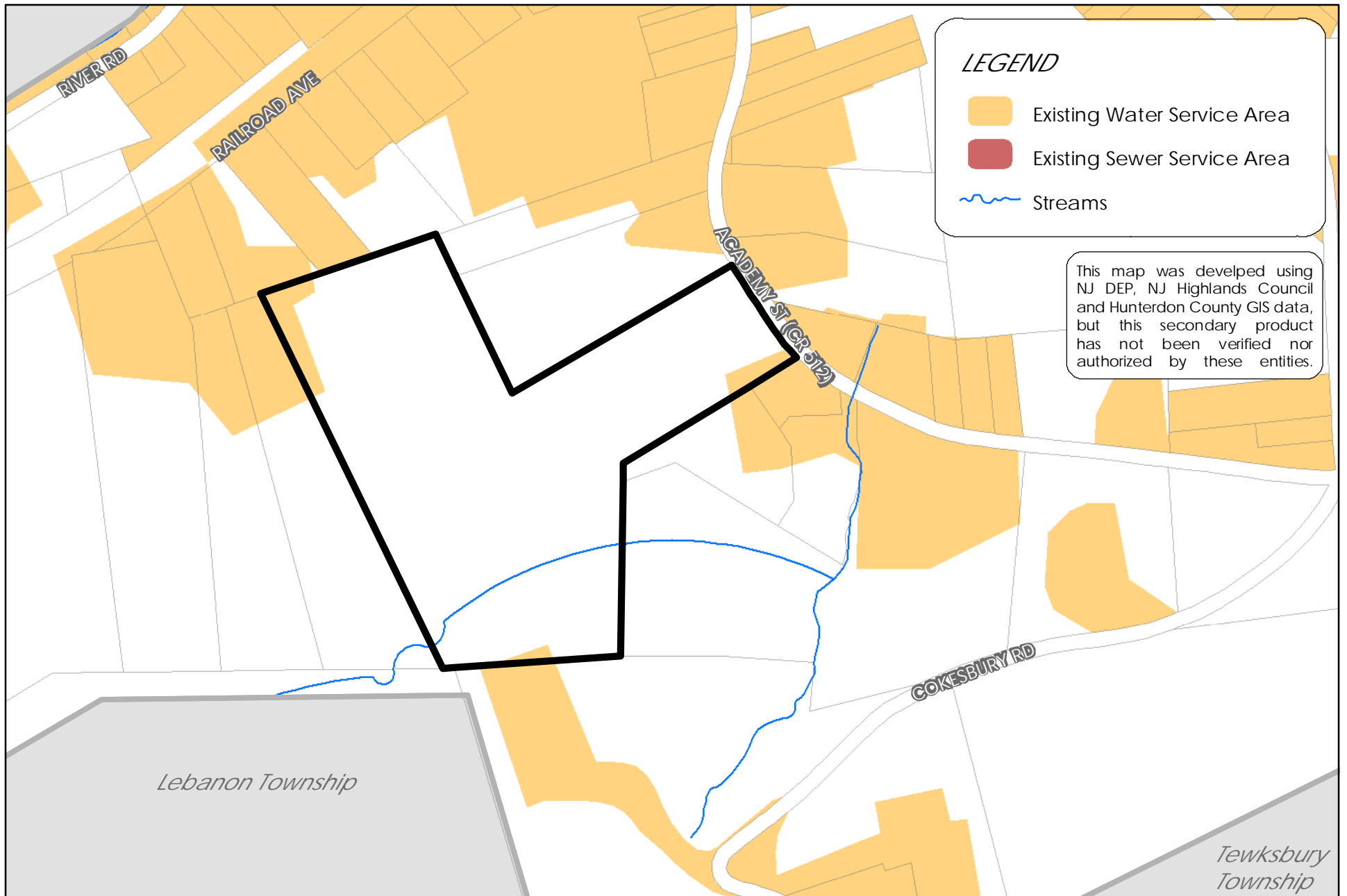
BLOCK 18, LOT 25 - CRITICAL WILDLIFE HABITAT



Califon Borough
Hunterdon County, New Jersey

0 150 300 600 Feet

BLOCK 18, LOT 25 - AGRICULTURAL RESOURCE AREAS



Califon Borough
Hunterdon County, New Jersey

0 150 300 600 Feet

BLOCK 18, LOT 25 - WATER & SEWER UTILITY SERVICES

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