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## Amended Third Round Housing Element & Fair Share Plan

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Adopted by the Planning Board May 4, 2010

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# Town of Clinton, Hunterdon County, New Jersey Adopted by the Planning Board May 4, 2010

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May 2010

#### **Clarke Caton Hintz**

#### **EXECUTIVE SUMMARY**

This amended third round housing element and fair share plan has been prepared for the Town of Clinton, Hunterdon County in accordance with the 2008 revised rules of the New Jersey Council on Affordable Housing ("COAH") at N.J.A.C. 5:96 et seq. and N.J.A.C. 5:97 et seq. In addition, as the Town of Clinton is under the jurisdiction of the New Jersey Highlands Water Protection and Planning Council ("Highlands Council"), the Town's affordable housing plan components were reviewed for consistency with the Highlands Regional Master Plan ("Highlands RMP"). This amended third round housing element and fair share plan was also guided by COAH's August 12, 2009 Guidance for Municipalities that Conform to the Highlands Regional Master Plan as well as the August 2009 Highlands Council "Module 3: Housing Element and Fair Share Plan Instructions – Highlands Mod 3".

This plan is an amendment to the previous third round housing element and fair share plan adopted by the Planning Board and endorsed by the Town Council in June 2006 and subsequently submitted as a third round petition to COAH. This Plan will serve as the foundation for the Town's re-petition to COAH for substantive certification by June 8, 2010. The Plan will also be submitted to the Highlands Council by June 8, 2010.

There are three components to a municipality's affordable housing obligation: the rehabilitation share, the prior round obligation and the third round obligation. The Town's total affordable housing obligation can be summarized as the following:

Rehabilitation Obligation: o unitsPrior Round Obligation: 51 units

Third Round Obligation: 34 units (Highlands RMP)

The Town will satisfy the prior round obligation with units from Alton Place, an inclusionary development, two group homes and an accessory apartment program. The third round obligation will be satisfied with remaining units from Alton Place, units in Twin Ponds, an inclusionary development and an accessory apartment program.

#### AFFORDABLE HOUSING IN NEW JERSEY

#### INTRODUCTION TO COAH

In its landmark 1975 decision referred to now as "Mount Laurel I", the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing.<sup>1</sup> In its 1983 "Mount Laurel II" decision, the Supreme Court extended the obligation to all municipalities, designated the State Development Guide Plan or any successor State Plan as a critical touchstone to guide the implementation of this obligation and created an incentive for private developers to enforce the "Mount Laurel doctrine" by suing municipalities which are not in compliance.<sup>2</sup>

In 1985, the Fair Housing Act ("FHA") (*N.J.S.A.* 52:27D-310) was adopted as the legislative response to the *Mt. Laurel* court decisions. The FHA created the Council on Affordable Housing as the administrative alternative to the Courts. COAH is responsible for establishing housing regions, estimating low and moderate income housing needs, setting criteria and guidelines for municipalities to determine and address their fair share numbers, and reviewing and approving housing elements and fair share plans.

Municipalities have the option of filing their adopted and endorsed housing elements and fair share plans with COAH and petitioning for COAH's approval, known as "substantive certification". Municipalities that opt to participate in the COAH certification process are granted a measure of legal protection against exclusionary zoning litigation. By petitioning, COAH allows a municipality to maximize control of its planning and zoning options in addressing its affordable housing obligation. Similarly, under the FHA, a municipality can apply to the Superior Court for a Final Judgment of Compliance and Repose, which is the judicial equivalent of COAH's grant of substantive certification.

Under the Municipal Land Use Law ("MLUL"), a municipal Planning Board must adopt the housing element as part of the Master Plan. COAH's process also requires the governing body to endorse the housing element by resolution. In addition, the governing body's resolution requests that COAH review the housing element and fair share plan along with supporting documents for substantive certification action. Once the municipality's housing element and fair share plan have been granted substantive

<sup>&</sup>lt;sup>1</sup> Southern Burlington NAACP v. Township of Mt. Laurel, 67 NJ 151 (1975)

<sup>&</sup>lt;sup>2</sup> Southern Burlington NAACP v. Township of Mt. Laurel, 92 NJ 158 (1983)

certification by COAH, the municipality's zoning ordinance enjoys a presumption of validity against any lawsuits challenging it.

#### COAH'S FIRST AND SECOND ROUND METHODOLOGY

The FHA empowered COAH to create criteria and guidelines for municipalities to determine and address their respective fair share numbers. In response, COAH established a formula for determining municipal affordable housing obligations for the six-year period between 1987 and 1993 (*N.J.A.C.* 5:92-1 et seq.), which became known as the "first round." That formula was superseded by the 1994 COAH regulations (*N.J.A.C.* 5:93-1.1 et seq.) which recalculated a portion of the 1987-1993 affordable housing obligation for each municipality and computed the additional municipal affordable housing need from 1993 to 1999; this 12 year cumulative period from 1987 through 1999 is known as the "second round."

#### **COAH'S THIRD ROUND METHODOLOGY**

On December 20, 2004, COAH's first version of the third round rules became effective. At that time the third round was defined as the time period from 1999 to 2014 condensed into an affordable housing delivery period from January 1, 2004 through January 1, 2014. The third round rules marked a significant departure from the methodology utilized in COAH's two prior rounds. Previously, COAH assigned an affordable housing obligation as an absolute number to each municipality. These third round rules implemented a "growth share" approach that linked the production of affordable housing with future residential and non-residential development within a municipality. Each municipality was required to project the amount of residential and nonresidential growth that would occur during the period 2004 through 2014. Then municipalities were required to provide one affordable unit for every 8 market rate housing units developed and one affordable unit for every 25 jobs created (expressed as non-residential building square footage).

However, in a unanimous decision in January 2007, the New Jersey Appellate Court invalidated key aspects of COAH's third round rules. The Court ordered COAH to propose and adopt amendments to its rules to address the deficiencies identified by the Court. COAH's revised rules, effective on June 2, 2008 as well as a further rule revision, adopted September 22, 2008 and effective on October 20, 2008, provide residential development and job projections for the third round (which was expanded to encompass the years 2004 through 2018). Additionally, COAH revised its ratios to require one

affordable housing unit for every four market rate housing units developed and one affordable housing unit for every 16 jobs created, still expressed as non-residential building square footage. As discussed below, municipalities within the Highlands that are conforming with the Highlands RMP are required to use the aforementioned affordable housing ratios; however, they may elect to utilize either COAH's household and employment projections or the projections based on the Highlands RMP build-out under Module 2.

Municipalities must set forth in the Housing Element and Fair Share Plan how they intend to accommodate the projected affordable housing obligation. However, COAH's substantive rules also require that a municipality provide a realistic opportunity for affordable housing in proportion to its actual growth during the third round as expressed in permanent certificates of occupancy issued for residential and nonresidential development.

#### **HIGHLANDS REGIONAL MASTER PLAN**

In 2008, the Town began the process of preparing a revised third round housing element and fair share plan to address COAH's revised third round rules at N.J.A.C. 5:96 et seq. and 5:97 et seq., which became effective on June 2, 2008. During the same time period, the Town reviewed the Highlands RMP and initiated conversations regarding participation in the Highlands RMP conformance process.

On September 5, 2008, Governor Corzine issued Executive Order #114 to coordinate actions between COAH and the Highlands Council. The Executive Order directed the Highlands Council to work with COAH and the Department of Environmental Protection ("DEP") to establish a framework for municipalities in the Highlands to provide for a realistic opportunity for affordable housing while also conforming to the Highlands RMP.

In response to the Executive Order, in October, 2008, COAH and the Highlands Council entered into a Memorandum of Understanding (MOU) that outlined the structure of the relationship between COAH and the Highlands Council. Among other items, the MOU provided for joint determinations of the suitability of affordable housing sites. Additionally, the MOU identified a process for developing revised growth projections for Highlands municipalities that are consistent with the RMP. Under the MOU, the projections created under this process would serve as the basis for allocating third round growth share obligations to municipalities in the Highlands.

Pursuant to the MOU, COAH granted waivers from the December 31, 2008 petition submission deadline established in its rules at N.J.A.C. 5:96-16.2(a) for Highlands municipalities that submitted: 1) a Notice of Intent in accordance with the Highlands Council's Plan Conformance Guidelines; and 2) submitted an adopted resolution notifying COAH of its intent to petition COAH no later than December 8, 2009. COAH also imposed a scarce resource order for all municipalities in the Highlands that are under COAH jurisdiction in order to preserve scarce land, water, and sewer capacity for the production of affordable housing. The Town accepted the December 8, 2009 extension.

On August 12, 2009, COAH again extended the deadline for municipalities in the Highlands Region to petition for substantive certification from December 8, 2009 to June 8, 2010. COAH also adopted *Guidance for Municipalities that Conform to the Highlands Regional Master Plan*, and granted a waiver from COAH's regulations that outlined how a municipality may calculate its projected growth share obligation. Instead, COAH permitted a municipality to base its third round growth share obligation on projections completed under the Highlands Module 2 build-out analysis. On August 20, 2009, the Highlands Council issued additional instructions on completing a housing element and fair share plan.

#### RECENT EFFORTS AT AFFORDABLE HOUSING REFORM

On July 17, 2008 Governor Corzine signed P.L.2008, c.46 (also known as the "Roberts Bill" after NJ Assembly Speaker Joseph Roberts), which amended the Fair Housing Act in a number of ways. Key provisions of the bill included the following:

- Established a statewide 2.5% nonresidential development fee instead of a nonresidential growth share delivery for affordable housing;
- Eliminated regional contribution agreements; and
- Requirement for 13% of affordable housing units and 13% of all units funded by the Balanced Housing Program and the Statewide Affordable Housing Trust Fund to be restricted to very low income households (30% or less of median income).

COAH has not yet promulgated rules to effectuate the "Roberts Bill". COAH's 2008 revised third round rules were again challenged and the Appellate Division heard oral arguments in late 2009. A decision is expected in the spring of 2010. In addition, on July 27, 2009, Governor Corzine signed P.L. 2009, c. 90 "NJ Economic Stimulus Act of

2009", which instituted a moratorium on the collection of non-residential affordable housing development fees.

On February 9, 2010, new Governor Chris Christie signed Executive Order No. 12. This Order established a five-member Housing Opportunity Task Force which was charged with reviewing the effectiveness of the Fair Housing Act, COAH and COAH's regulatory structure in meeting the constitutional obligations under the *Mount Laurel* doctrine. The Executive Order also ordered COAH to refrain from continuing to process applications for substantive certification or from otherwise implementing the third round rules during the Housing Opportunity Task Force's 90-day review period. On February 19, 2010, the Appellate Division issued a stay on the portion of the Executive Order that prevented COAH from processing applications and implementing its third round rules. On March 20, 2010, Governor Christie issued Executive Order No. 20, which rescinded Executive Order No. 12.

The Governor's Executive Order No. 20 coincided with the release of the report prepared by the Housing Opportunity Task Force on March 20, 2010. In the report, the Task Force recommended that the Governor revisit COAH's original growth share methodology, reinstate the use of regional contribution agreements and eliminate prior round obligations. To date, the Christie Administration has not advanced the recommendations outlined in the Task Force's report.

In addition to affordable housing reform activities in the Executive branch, the legislature has introduced a number of pieces of legislation aimed at reforming affordable housing in New Jersey. The most notable is Senate Bill No. 1, known as "S-1", which would abolish COAH and completely restructure the State's affordable housing operation. Despite all of this uncertainty about the future of COAH, the Town must proceed with its compliance with the current COAH regulations, which require the Town to petition for third round substantive certification by June 8, 2010 in order to remain under COAH's jurisdiction and therefore be protected from builder's remedy lawsuits.

A municipality's third round fair share plan must address (I) its rehabilitation share, (2) the prior round obligation and (3) the COAH-projected third round growth share obligation or the Highlands projections based on actual growth through 2008 and the RMP build-out for Module 2. The rehabilitation share is the estimated number of existing substandard housing units in a municipality that are occupied by low or moderate income households, as determined by COAH (Appendix B. to *N.J.A.C.* 5:97). The prior round obligation is a municipality's adjusted second round new construction

component brought forward to the third round (Appendix C. to *N.J.A.C.* 5:97). Third round housing plans must document how existing or proposed affordable housing units satisfy this prior round obligation.

As stated above, the third round obligation is based on growth projections for the period of 2004 through 2018. Municipalities within the Highlands that are conforming with the RMP are required to use the aforementioned affordable housing ratios. Clinton Town has elected to utilize the Highlands Council's household and employment projections. A more detailed explanation of how the third round growth share obligation is established is described later in the plan.

#### **AFFORDABILITY REQUIREMENTS**

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent that is within the financial means of households of low or moderate income as income is measured within each housing region. The Town of Clinton is in COAH's Region 3, which includes Hunterdon, Somerset and Middlesex counties. Moderate–income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. With changes to the law in July of 2008, COAH has also created a very low-income category, which is defined as households earning 30% or less of the regional median income.

Through the Uniform Housing Affordability Controls ("UHAC") at *N.J.A.C.* 5:80-26.3(d) and (e), COAH requires that the maximum rent for a qualified unit be affordable to households that earn no more than 60% of the median income for the region. The average rent must be affordable to households earning no more than 52% of the median income. The maximum sale prices for affordable units must be affordable to households that earn no more than 70% of the median income. The average sale price must be affordable to a household that earns no more than 55% of the median income.

The regional median income is defined by COAH using the federal Department of Housing and Urban Development ("HUD") income limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH reallocates to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Tables 1 through 3 for additional information. Table 1 provides the 2009 Income Limits for Region 3, however, COAH has published figures for up to eight person households; the most common figures have been supplied here. Income limits are updated annually and are available from COAH. The sample rents *Page* 7

and sale prices in Tables 2 and 3 are gross figures and do not account for the specified utility allowance.

Table 1. 2009 Income Limits for Region 3

Household Income Levels	ı Person Household	2 Person Household	3 Person Household	4 Person household	5 Person Household
Moderate Income	\$56,056	\$64,064	\$72,072	\$80,080	\$86,486
Low Income	\$35,035	\$40,040	\$45,045	\$50,050	\$54,054
Very Low Income	\$21,021	\$24,024	\$27,027	\$30,030	\$32,432

Source: COAH 2009 Regional Income Limits

Table 2. Sample 2009 Affordable Rents for Region 3

Household Income Levels	ı Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate Income at 60%	\$1,126	\$1,351	\$1,562
Low Income at 46%	\$863	\$1,036	\$1,197
Very Low Income at 30%	\$563	\$676	\$781

Source: COAH Illustrative 2009 Low and Moderate Income Rents for New Construction and/or Reconstruction

Table 3. Sample 2009 Affordable Sale Prices for Region 3

Household Income Levels	1 Bedroom Unit	2 Bedroom	3 Bedroom Unit	
Household Income Levels	Purchase	<b>Unit Purchase</b>	Purchase	



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Moderate Income at 70%	\$118,243	\$141,892	\$163,964
Low Income at 50%	\$84,459	\$101,351	\$117,117
Very Low Income at 30%	\$50,676	\$60,811	\$70,270

Source: COAH Illustrative 2009 Low & Moderate Income Sales Prices for New Construction

#### HOUSING ELEMENT AND FAIR SHARE REQUIREMENTS

In accordance with the MLUL, found at *NJSA* 40:55D-1, et seq., a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. The housing element must contain at least the following, as per the FHA at *NJSA* 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 trends;
- 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 and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low and moderate income housing; and
- A consideration of the lands 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.

In addition, pursuant to COAH regulations (*N.J.A.C.* 5:97-2.3), the housing element and fair share plan must address the entire third round cumulative (1987-2018) affordable housing obligation consisting of the rehabilitation share, any remaining balance of the prior round obligation and the third round obligation based either on COAH's projections or the Highlands RMP Adjusted Growth Projections.

COAH's regulations require the following documentation to be submitted with the housing element and fair share plan:

- The minimum requirements of the FHA listed above (*NJSA* 52:27D-310);
- Household and employment projections created by COAH;
- Municipal rehabilitation, prior round and third round obligations;
- Descriptions of any credits intended to address any portion of the fair share obligation, including all information required by *N.J.A.C.* 5:97-4;
- Descriptions of any adjustments to any portion of the fair share obligation, including all information required by *N.J.A.C.* 5:97-5;
- Descriptions of any mechanisms intended to address the prior round obligation, the rehabilitation share and the third round obligation;
- An implementation schedule with a detailed timetable that demonstrates a "realistic opportunity" for the construction of affordable housing, as defined by N.J.A. C. 5:97-1.4.
- Draft and/or adopted ordinances necessary for the implementation of the mechanisms designed to satisfy the fair share obligation;
- A demonstration that existing zoning or planned changes in zoning provide adequate capacity to accommodate any proposed inclusionary developments, pursuant to *N.J.A.C.* 5:97-6.4;
- A demonstration of existing or planned water and sewer capacity sufficient to accommodate all proposed mechanisms;
- A spending plan, pursuant to *N./.A.C.* 5:97-8.10;
- A map of all sites designated by the municipality for the production of low and moderate income housing;
- A copy of the most recently adopted Master Plan and, where required, the immediately preceding adopted Master Plan;
- A copy of the most recently adopted zoning ordinance;
- A copy of the most up-to-date tax maps; and
- Any other information required by *N.J.A.C.* 5:97 or requested by COAH or the Superior Court.

#### TOWN OF CLINTON AFFORDABLE HOUSING HISTORY

In 1984, prior to the enactment of the Fair Housing Act, Clinton Associates sued the Town of Clinton under the Mount Laurel II decision. As part of the Court settlement, the Town of Clinton adopted a Master Plan Update in 1986, including a Housing Element, which determined both the Town's affordable housing obligation and the method by which it would be satisfied. The Town received a Judgment of Repose on February 5, 1986 which provided protection from exclusionary lawsuits for a period of six years.

Clinton's original affordable housing need was established, using the Court approved method, at 105 units, 81 of which were provided for in the original Affordable Housing Plan included in the settlement. As part of its Court certification, the Town rezoned two areas, the PRD tract and the PUD tract, which was later revised to PRD-P.

The PRD zone allowed a variety of housing types, including single family detached and multifamily units at a gross density of 7.2 units per acre on a minimum twenty-five acre tract. Known currently as Alton Place, the PRD tract received preliminary subdivision and site plan approval in May 1988 and was revised in December 1995. The site, which is built and occupied, includes 24 single family lots, 135 townhouses and 44 low and moderate apartment units, for a total unit count of 203.

The Town had started to prepare a Housing Element in accordance with Round 2 regulations, when representatives of Clinton Associates reappeared before the Planning Board requesting changes to the existing Court-approved plan, to allow them to shift the inclusionary residential development out of what had been classified as wetlands under the new State regulations to the buildable portion of the tract. After discussions, an agreement was reached and the PURD zone district regulations were amended in 1999. The new PRD-P zone district, created as part of the PURD zone district amendment, recognized the building constraints on the tract and permitted a gross density of 2.86 units per acre, not to exceed 48 units. Subsequently, Clinton Associates submitted an application for development, which was approved in 2002 and is now known as the Twin Ponds development. This development has not yet been constructed.

The remaining units were to be provided by rehabilitation, accessory apartments and a non-residential density bonus to fund a Housing Rehabilitation, Conversion and Assistance Fund. In addition, a density bonus provision was added to each of the non-residential districts, allowing a 15% increase in floor area, "in return for which the developer shall, no later than the time of issuance of a building permit, convey to the

Town an amount equal to three dollars and seventy-five cents (\$3.75) per square foot of gross floor area for all bonus construction." These funds were to be placed in a Housing Rehabilitation, Conversion and Assistance Fund, to be administered by the Housing Officer and Affordable Housing Board. Although there has been very limited non-residential development in Town, to date, two developers have taken advantage of the density bonus provision. Neither has started construction, so no funds have been collected yet. This plan and these ordinance provisions are still in effect in the Town.

In response to COAH's adoption of the third round rules, the Town adopted a third round housing element and fair share plan on June 20, 2006. The Town petitioned COAH for third round substantive certification on July 3, 2006. One objection to the Town's Plan was submitted to COAH. Neither the petition, nor the objection, was acted on by COAH.

In response to the COAH/Highland MOU, the Town submitted a resolution notifying COAH of its intent to conform to the Highlands Council's Plan Conformance Guidelines and a resolution notifying COAH of its intent to petition for substantive certification no later than December 8, 2009. On November 12, 2008, COAH granted a waiver from the December 31, 2008 deadline for petitioning COAH established in N.J.A.C. 5:96-16.2. On August 12, 2009, COAH extended the deadline for Clinton to petition for substantive certification until June 8, 2010.

#### **GOALS AND OBJECTIVES**

In furtherance of the Town's efforts to ensure sound planning, this Plan is consistent with the Highland RMP's goals and objectives pursuant to Clinton Town's Initial Assessment report, which was submitted to the Highlands Council on March 10, 2009. The Town's housing element and fair share plan is consistent with the following goals, objectives, and policies related to Housing and Community Facilities identified in the RMP:

- To establish a region-wide, comprehensive approach to addressing housing needs in the Highlands Region, serving all age groups, income levels, and mobility options
- A comprehensive housing program addressing regional housing needs within the context of preserving the character and environmental integrity of the Highlands.
- An interagency partnership with the COAH in support of the achievement of both the resource protection requirements of the RMP and the municipal constitutional obligation, in "growth areas," to provide a realistic opportunity for the construction of a fair share of affordable housing for low and moderate income households.
- Preserve and monitor existing stocks of affordable housing.
- To promote, where appropriate and permitted by the Land Use Capability Zone, center- based development approaches that address a mix of housing types, support mixed uses, and implement compact development approaches.
- To promote, where appropriate and permitted by the Land Use Capability Zone, affordable housing within new residential and mixed use development, redevelopment, or adaptive reuse projects.
- To encourage the targeting of new housing to areas with compatible existing densities and within walking distance of schools, employment, transit, and community facilities and services.
- To locate and maintain community facilities and services that support compact development patterns, shared services, and provide a high level of service.
- To require that conforming municipalities identify existing and planned community facilities and encourage shared service opportunities as part of the local Community Facility Plan element.
- To require that conforming municipalities implement both the resource protection requirements of the RMP along with the New Jersey Supreme Court's doctrine, in its Mount Laurel decisions, that every municipality in a "growth area" has a constitutional obligation to provide through its land use regulations, sound land use,



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and long range planning, a realistic opportunity for a fair share of its region's present and prospective needs for housing for low and moderate income families.

- To require that conforming municipalities update and adopt a housing element, fair share plan, and implementing ordinance(s) to reflect current conditions and resource protection requirements of the RMP.
- Conforming municipalities, through housing plans, will evaluate and provide for alternate mechanisms to address affordable housing obligations where RMP resource protection standards restrict the ability of planned but not built sites to be developed for affordable housing.

#### HOUSING STOCK, DEMOGRAPHIC & EMPLOYMENT ANALYSIS

#### HOUSING INVENTORY

Since the inventory of vacant land was done in 1986, there has been substantial residential construction. The 1990 and 2000 Census data show some of the recent changes that have occurred in the housing stock within the Town. In 1980, there were 747 dwelling units in the Town, including 484 single family and 263 multiple family units. Between 1980 and 1990, the Town added 82 units, for a total of 559 single family units, 264 multiple family units and 6 other (or unidentified) units. In 2000, there were 1,095 units, an increase of 266 units in the ten-year period. Of the total, 646 were single-family detached units and 449 were multiple family units.

#### HOUSING AGE

The percentage of occupied units is high and has steadily risen, indicating a very strong market demand for housing within the Town. At the same time, there has been a substantial rise in the percentage of owner occupied units, primarily as a result of recent construction, which has overwhelming been of for-sale units. Between 1990 and 2000, the number of rental units only increased by 14, while the number of owner occupied units increased by 263.

The recent build-out of the R-IA zones and the PRD zone has provided the Town with four new, large developments, substantially changing the character and age distribution of the housing stock. Thirty percent of the Town's housing has been constructed in the ten years between 1990 and 2000, the largest single increase in housing in the Town's history. The remaining housing stock generally dates either from the 1960's and 1970's (29.5%), when the Town saw the construction of several multi-family projects, or from before World War II (25%).

The tables below provide a statistical description of the Town's housing stock, based on the 1990 and 2000 U.S. Census data, with some comparisons to 1980 U.S. Census data. Note that the data between years is not always comparable nor are they internally consistent because of the sampling methods used for collection.

	1980 Units	Percent	1990 Units	Percent	2000 Units	Percent
Total housing units Occupied Vacant Occupied units	747 704 43 704	94.2% 5.8%	829 792 37 792	95·5% 4·5%	1,095 1,068 27 1,068	97.5% 2.5%
Owner occupied Renter occupied			534 258	67.4% 32.6%	797 272	74.6% 25.4%

Year built*	Units	Percent
April 2000-Dec. 2005**	17	1.5%
1990-March 2000	332	29.8%
1980-1989	63	5.7%
1970-1979	160	14.4%
1960-1969	163	14.7%
1940-1959	103	9.3%
1939 & earlier	274	24.6%
Total	III2	100.0%

<sup>\*2000</sup> Census, \*\*Building permits issued

#### **HOUSING CONDITION**

The housing stock in the Town is generally well kept and in good condition. Based on the Census surrogates for deteriorated or dilapidated units, the Town has improved in overall condition since the 1980 Census, when a single unit lacked complete plumbing.

- Kitchens: All units have complete kitchens.
- Plumbing facilities: All units have complete plumbing facilities.
- Services: Ninety-nine percent of the units are served by a public sewer system; 98% of the units are served by public water system or private water company.
- Crowding: Crowding has worsened since 1990, when three renter-occupied units had more than one person per room, the Census measure for crowding. In 2000, five owner-occupied and 17 renter-occupied units had more than 1.01 persons per room.

#### **OCCUPANCY CHARACTERISTICS**

The Town has a good mix of housing, reflecting the variety of residents within the community. Three-quarters of the housing units are owner occupied and one-quarter are rentals. Sixty percent of the units are single-family detached homes. About half of the multifamily units are in two to four unit buildings and the other half in buildings with five or more units. While the increase in housing units between 1980 and 1990 was primarily in single-family detached homes that are owner occupied, between 1990 and 2000 the largest increase was in single-family attached units, commonly called townhouse, constructed as part of the Alton Place inclusionary project.

Between 1980 and 1990, there was an absolute decline in the number of one and two bedroom units, indicating either additions or conversions of existing units. Between 1990 and 2000, the number of one and two bedroom units increased, substantially in the case of two-bedroom units, reflecting the affordable housing and townhouse construction, but these smaller units continue to represent a declining segment of the housing market. The biggest gain was in the three-bedroom units, with 174 new units and 40% of the total. The number of four bedroom units increased slightly (10 units) but decreased as a percent of the total units. Five bedroom units show a great fluctuation over the 20 year period, probably as a result of the survey and sampling methods used.

	1980		1990		2000	
Units in structure	Units	Percent	Units	Percent	Units	Percent
1-unit detached	484	64.8%	559	67.4%	646	59.0%
1-unit attached	26	3.5%	31	3.7%	156	14.2%
2 to 4	IIO	14.7%	122	14.7%	148	13.5%
5 or more	127	17.0%	III	13.6%	145	12.2%
Other	0	0.0%	6	0.7%	0	0.0%
Total	747	100%	829	100%	1,095	100%

	1980		1990		2000	
Bedrooms per Unit	Units	Percent	Units	Percent	Units	Percent
o-bedroom	4	0.5%	4	0.5%	13	1.2%
1-bedroom	158	21.2%	145	17.5%	156	14.2%
2-bedroom	154	20.6%	135	16.3%	205	18.7%
3-bedroom	255	34.1%	269	32.3%	443	40.5%
4-bedroom	139	18.6%	235	28.3%	245	22.4%
5 or more bedrooms	37	5.0%	4	4.9%	33	3.0%
Total	7 <del>4</del> 7	100%	829	100%	1,095	100%

#### SIZE OF HOUSEHOLD

Despite the increase in the size of housing, indicated by the number of bedrooms, the size of households (the number of persons per household) has been steadily falling. In 1980, there was an average of 2.74 persons per household. In 1990, that average had fallen to 2.59; and by 2000, it had declined to 2.46. The biggest gain has been in the one and two person households. Three person households grew slightly and then declined. Four person households have grown slightly in number but declined in percent; while larger households have declined both in number and percent.

The reduction in household size reflects several universal demographic trends. The general population is aging; and older households usually consist of one or two persons. Families are having fewer children; and more families now consist of a single parent with children. Single person households, of divorced or never married individuals, are increasing. All of these smaller households have found Clinton's varied housing stock and quality of life attractive.

Owner occupied households tend to be slightly larger than rental occupied households. For both 1990 and 2000, more than three-quarters of the rental occupied households contain one or two persons, while owner occupied households cluster around the two, three and four person household. In both cases, the largest households are declining in percentage of the total; and large owner occupied households are declining in actual number.

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#### **Clarke Caton Hintz**

Household	1980 Occupied		1990 C	Occupied	2000 (	2000 Occupied	
Size	Units	Percent	Units	Percent	Units	Percent	
1 Person	170	25.0%	199	25.1%	281	26.3%	
2 Persons	178	26.3%	239	30.1%	371	34.7%	
3 Persons	115	16.9%	135	17.1%	162	15.2%	
4 Persons	134	19.9%	145	18.3%	184	17.2%	
5 Persons	57	8.4%	56	7.1%	53	5.0%	
6+ Persons	24	3.5%	18	2.3%	17	7.0%	
Total	678	100.0%	79 <sup>2</sup>	100.0%	1,068	100.0%	

1990	Total C	ccupied	Owner Occupied		Owner Occupied Renter		Occupied
Hshld. Size	Units	Percent	Units	Percent	Units	Percent	
1 Person	199	25.1%	74	13.9%	125	48.4%	
2 Persons	239	30.2%	163	30.5%	171	29.5%	
3 Persons	135	17.0%	100	18.7%	35	13.6%	
4 Persons	145	18.3%	132	24.7%	13	5.0%	
5 Persons	56	7.1%	50	9.4%	6	2.3%	
6+ Persons	18	2.0%	15	2.8%	3	1.2%	
Total	792	100.0%	534	100.0%	258	100.0%	

2000	Total C	Occupied	Owner Occupied		Renter Occupie	
Hshld. Size	Units	Percent	Units	Percent	Units	Percent
1 Person	281	26.3%	148	18.6%	133	49.1%
2 Persons	371	34.7%	292	36.6%	79	29.2%
3 Persons	162	15.2%	132	16.6%	30	11.1%
4 Persons	184	18.2%	164	20.6%	20	7.4%
5 Persons	53	5.0%	47	5.9%	6	2.2%
6+ Persons	17	0.7%	14	1.7%	3	1.1%
Total	1,068	100.0%	797	100.0%	271	100.0%

#### HOME VALUE

The value of housing has risen significantly in the Town between 1980 and 2000, reflecting the general inflationary trend of the past two decades. Compared to Hunterdon County as a whole, the median value of owner occupied housing in the Town for 1990 was slightly less than that of the County (\$191,200 vs. \$209,900), while the contract rent was nearly the same (\$634 vs. \$630). Values for the Town grew at *Page* 20

about the same rate as those for the County between 1990 and 2000, resulting in comparable rent levels for the Town and County (\$862 vs. \$867) and continuing lower housing values (\$222,100 vs. \$245,000)

	1980	1990	2000
Owner-occupied	\$74,000	\$191,200	\$222,100
non-condo units			
Contract rent	\$308	\$634	\$862

Value of unit			Contract Rent		
Specified Owner Occ.	Units	Pct.	Specified Renter Occ.	Units	Pct.
Less than \$50,000	0	0.0%	Less than \$250	7	2.6%
\$50,000 to \$99,999	9	1.4%	\$250 to \$299	4	1.5%
\$100,000 to \$124,999	5	0.7%	\$300 to \$399	0	0.0%
\$125,000 to \$149,999	21	3.0%	\$400 to \$499	8	3.0%
\$150,000 to \$174,999	57	8.1%	\$500 to \$599	0	0.0%
\$175,000 to \$199,999	159	22.6%	\$600 to \$649	25	9.2%
\$200,000 to \$249,999	227	32.3%	\$650 to \$699	44	16.2%
\$250,000 to \$299,999	136	19.3%	\$700 to \$749	65	24.0%
\$300,000 to \$399,999	79	11.2%	\$750 to \$799	7	2.6%
\$400,000 to \$499,999	7	1.0%	\$800 to \$899	29	10.7%
\$500,000 or more	3	0.4%	\$900 to \$999	24	8.9%
Total	703	100.0%	6\$1,000 to 1,499	38	14.0%
			\$1,500 or more	8	3.0%
			Total	271	100.0%

#### **N**UMBER AND AGE OF POPULATION

Since 1980, the Town population has increased by 144 people from 1,910 in 1980 to 2,054 in 1990 and an additional 578 people in 2000 for a total of 2,632 people. The mean household size has continued to decline from 2.79 to 2.59 to 2.46 people per household in 1980, 1990 and 2000 respectively. Much of the change between 1980 and 1990 was the result of a substantial decline in the number of children between 5 and 18 and an increase in the number of young adults (18-24), as the fairly stable population aged in place. As a result of the substantial construction during the 1990's, the number of school and particularly pre-school aged children increased significantly, balanced by a decline in the number of college aged residents.

Age	1980		1990		2000		
Distribution	Persor	Persons Percent		Persons Percent		Persons Percent	
Under 5	97	5.1%	130	6.3%	200	7.6%	
5-17	465	24.3%	374	18.3%	494	18.8%	
18-64	1150	60.2%	1385	67.4%	1,690	64.7%	
65 & over	198	10.4%	165	8.0%	248	9.4%	
Total	1910	100.0%	2054	100.0%	2,632	100.0%	
Median age	32.I		34.7		36.7		

	1990		2000	
Age	Persons	Percent	Persons	Percent
0-5	130	6.3%	200	7.6%
5-17	374	18.2%	494	18.8%
18-20	82	4.0%	46	1.7%
21-24	113	5.5%	67	2.5%
25-44	728	35.5%	931	35.4%
45-54	307	14.9%	397	15.1%
55-59	77	3.8%	146	5.5%
60-64	78	3.8%	93	3.5%
65-74	87	4.2%	149	5.5%
75-84	57	2.8%	81	3.1%
85+	21	1.0%	18	0.7%
Total	2054	100.0%	2,632	100.0%

#### **І**NСОМЕ

In 1990 Clinton's median household income was \$52,851 and in 2000 it had risen to \$78,121. Although the median income for Town residents has risen significantly, it is less than the County's 2000 median income of \$79,888. In 1990 46 individuals had incomes below the poverty level, including 11 children under 18 years old and 6 adults aged 65 and over; 16 of those households below the poverty level had a female head of household. In 2000, 74 individuals fell below the poverty line, including 4 children and 4 elderly; 3 of those households were headed by females.

Income	1980	1990	2000
Less than \$10,000	76	30	13
\$10,000-19,999	192		
\$10,000-14,999		41	32
\$15,000-24,999		65	56
\$20,000-29,999	493		
\$25,00-34,999		86	113
\$30,000-39,999	495		
\$35,000-49,999		138	105
\$40,000-49,999	256		
\$50,000-74,999	22I	209	201
\$75,000+	7		
\$75,000-99,999		117	199
\$100,000-149,999		87	217
\$150,000+		19	141
Total	1,740	792	1,077
Median Income	\$22,386	\$52,851	\$78,121

#### **EMPLOYMENT CHARACTERISTICS**

In 2001 Clinton residents had a very low unemployment rate, at 1.9%. Over 75% of the labor force in 1990 and 80% in 2000 listed their occupation as falling within managerial, professional, technical, sales, or administrative support occupations. This is reflective of the type of employment opportunities offered by the development along the Interstate highway system within reasonable commuting distance of the Town and the increasing educational level in the Town. In 1990 80% of the residents over age 24 had graduated from high school and 22.5% had graduated from college; in 2000 93.5% of the residents over the age of 24 had graduated from high school and 49.1% had a college degree.

Clinton has limited employment opportunities within the Town itself. Jobs fall mainly in the sales and service category, since employment is primarily generated by the retail and service businesses that serve the Town and the northern end of Hunterdon County. There is limited additional vacant land within the Town that can provide a greater variety of employment opportunities.

Employment opportunities in the immediate area will more likely be provided in the adjacent Towns which still have relatively large undeveloped sites suitable for both small and large scale non-residential development.

Of the 2,002 persons aged 16 or over who lived in the Town in 2000, 1,526 were the labor force and 1,499 were employed. Slightly more than half of the women with children under six were working in 1990; and rose to 63% in 2000. While 85% of the women with children between the ages of 6 and 17 worked in 1990, that percentage fell to 77% in 2000.<sup>3</sup>

Of the 1,482 residents in the labor force in 2000, 267 of them worked within the Town; and an additional 366 worked elsewhere in the County. Fifty-seven worked out-of-state; and the remaining 792 worked in-state, but out-of-county. Most of the commuting labor force (80%, up from 74% in 1990) drive alone. Just under half of the residents in the labor force commute 30 minutes or less a day: 305 travel less than 15 minutes; 413 travel 15 to 30 minutes; 282 travel 30 to 45 minutes; 352 travel 45 to 90 minutes; and 32 travel more than 90 minutes to work. 4

The New Jersey Department of Labor tracks covered employment throughout the state. Covered employment data includes only those jobs for which unemployment compensation is paid. By definition it does not the self-employed, unpaid family workers, most part-time or temporary employees, and certain agricultural and in-home domestic workers. As of 2008, the covered employment in Clinton Town was 2,305 and the covered employment in the County was 42,877.

<sup>&</sup>lt;sup>3</sup> Source: Summary File 1, 2000 US Census. Summary File 1 presents counts and basic cross tabulations of information collected from all people and housing units. It includes counts for many detailed race and Hispanic or Latino categories. Various Quick Tables and Geographic Comparison Tables are derived from SF 1.

<sup>&</sup>lt;sup>4</sup> Source: Summary File 3, 2000. US Census. Summary File 3 presents in-depth population and housing data collected on a sample basis from the Census 2000 long form questionnaire, as well as the topics from the short form 100-percent data (age, race, sex, Hispanic or Latino origin, tenure [whether a housing unit is owner- or renter-occupied], and vacancy status). It includes population totals for ancestry groups. It also includes selected characteristics for a limited number of race and Hispanic or Latino categories.

**Clarke Caton Hintz** 

# **GROWTH TRENDS & PROJECTIONS**

The Town can accommodate the household and job growth projected to occur during the third round (2004 through 2018) period based on the Highlands RMP build-out analysis under Module 2.

### **RESIDENTIAL TRENDS AND PROJECTIONS**

The average number of housing units created yearly in Clinton Town between 2004 and 2009 was less than one unit. However, this average growth rate does not reflect future development opportunities. The Town anticipates that moderate amounts of infill and redevelopment will occur during the third round.

According to the projections based on the Highlands RMP build-out analysis under Module 2, Clinton Town is expected to add 22 units between 2004 and 2018 (4 units from actual growth and 18 units from projected growth). Clinton Town finds the residential projections based on the Highlands RMP build-out under Module 2 to be consistent with the Town's projections, which were based on certificates of occupancy issued, units under construction, and projects that are approved, pending or anticipated before the planning board.

## **NONRESIDENTIAL TRENDS AND PROJECTIONS**

Clinton Town has experienced modest non-residential growth in the last decade consisting of retail and office space. The Town expects moderate amounts of nonresidential development during the third round as previous approvals for office and commercial space are built out.

According to the projections based on the Highlands RMP build-out analysis under Module 2, Clinton Town is expected to add 474 jobs between 2004 and 2018 (II jobs from actual growth and 463 jobs from projected growth). Clinton Town finds the nonresidential projections based on the Highlands RMP build-out under Module 2 to be consistent with the Town's projections, which were based on certificates of occupancy issued and projects that are approved, pending or anticipated before the planning board.

### **CAPACITY FOR GROWTH**

To assess if the Town of Clinton has the capacity to meet projections of residential and non-residential growth based on the Highlands RMP build-out analysis from Module 2, the Town analyzed projected residential and non-residential growth through assessing development under construction, approved development and pending applications. The Town also looked at potential future growth based on historic trends and whether the development would be consistent with the RMP.

The analysis confirmed that the Town has the capacity to meet the Highlands RMP growth projections of 22 housing units and 474 jobs, and thus to address the Highlands RMP adjusted growth share obligation of 34 third round affordable units.

# Availability of Existing and Planned Infrastructure

Nearly all of the Town of Clinton is served by sewer and water. The Town has adequate sewer capacity to accommodate the projections and will have adequate water capacity to accommodate the projections. The Town is in the process of obtaining approval from NJDEP for an additional well.

## Anticipated Land Use Patterns

Anticipated land use patterns range from single family infill development to townhouse residential development on the Twin Ponds inclusionary site. Additionally, the Town anticipates moderate commercial growth, which is consistent with the projections. The Town's future land use patterns will be guided by the Highlands RMP and will be consistent with the projections based on the Highlands RMP build-out analysis completed for Module 2 of Highlands RMP Plan conformance.

# **Town Economic Development Policies**

The downtown and Route 31 corridor serve as the primary mechanisms for accommodating non-residential growth within the Town's boundaries. The Town anticipates that modest amounts of nonresidential infill and redevelopment will occur in the downtown. Also anticipated is the build-out of a portion of the properties along the Route 31 corridor.

#### **Clarke Caton Hintz**

## **Constraints on Development**

The Town has 15% of its land area, 141 acres, within the Highlands Preservation Area nd 85% of its land area, 781 acres, in the Planning Area. The Town's Preservation Area lands are entirely within the permanently preserved Spruce Run Reservoir Wildlife Management Area. As such, the land use policies and regulations for only a small portion of Clinton Town's land area are required to conform to the RMP. The Town has expressed its intent to conform to the Highlands RMP, which will impact the level of residential and non-residential development in the Town. Clinton Town's conformance with the RMP will not affect its ability to meet the housing and employment projections that were based on the Highlands RMP build-out analysis completed for Module 2. Moreover, Clinton Town's conformance with the RMP will not impede the Town's ability to meet its Highlands RMP adjusted growth share obligation, as the Town's affordable housing sites are either consistent with or exempt from the RMP with regard to the Highlands' site consistency standards.

There are no known federal regulations that would hinder the development projected as part of the Town's adopted third round housing element and fair share plan. However, portions of the Town are listed on both the State and National Register of Historic Places. All development that occurs within these areas will be required to conform to the State Historic Preservation Office's process and guidelines.

According to the Town's Master Plan, there do not appear to be any constraints on development related to land ownership issues, i.e., the necessity to consolidate lots, small lots sizes, or isolated lot development. Thus, existing land ownership patterns in the Town have been taken into account in the anticipated growth as detailed in the Town's plan.

A total of 22% of the land area of the Town is severely limited for development. The Existing Community sub-zone measures 62% with an additional 3% within the Environmentally Constrained sub zone. The Wildlife Management Subzone encompasses .07% of the land area. Clinton has 12% of its lands within the Lake Community Sub-zone.

According to NJ DEP data, there are 13 known contaminated sites in the Town's borders. The contaminated sites will not negatively affect the Town's ability to accommodate the projections or the proposed affordable housing sites.



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## **Clarke Caton Hintz**

The Town's Master Plan, Land Use Ordinance and existing land review procedures provide the measures to address the development constraints noted above, as set forth at N.J.A.C. 5:97-3.13(b), and others as further land use regulations evolve.

#### **Clarke Caton Hintz**

## CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

Clinton Town has limited developable land that is appropriate for affordable housing. As was noted above, the Town is home to a wealth of natural resources that require protection, including expansive wetlands, trout streams, potable water reservoirs, stream corridors, flood plains and unique natural systems and habitats. Furthermore, the Town has 15% of its land area, 141 acres, within the Highlands Preservation Area and 85 % of its land area, 781 acres, in the Planning Area. The restrictions of the Highlands RMP serve to limit the developability of land that is located outside of the Highlands existing community zone in the Planning Area.

As part of this housing element, the Town of Clinton considered land in the Highlands Planning Area that was appropriate for the construction of low and moderate income housing. The Town is able to accommodate its remaining prior round obligation and its projected third round growth share obligation on the sites identified in this plan and supplemented by accessory apartment programs.

The property owner of Block 14, Lots 32 and 33 submitted an objection to the Town's 2006 Housing Element and Fair Share Plan. However, the Town is not in a position to include the site in its Fair Share Plan at this time. In fact, as discussed in the implementation schedule, the Town is not in need of newly constructed affordable housing units until 2015.

Additional analyses will take place in the future if the need for additional affordable housing is triggered by future growth. If additional housing sites are required in the future, they will adhere to the Highlands RMP site consistency standards.



#### **Clarke Caton Hintz**

## **RELATIONSHIP TO HIGHLANDS RMP**

On December 8, 2009, Clinton Town submitted its petition for Highlands RMP Plan Conformance. They were the first town in the state to adopt a resolution for conformance. As part of its petition, the Town requested six RMP Updates. The only update impacting the Town's affordable housing sites was one which identified the Highlands Open Water Buffer as an indicator for the Environmentally Constrained Subzone. This Highlands Open Water Buffer would be located on the Twin Ponds Inclusionary site, as well as other areas throughout the Town

The Highlands Council reviewed the Town's request for an RMP Update and responded to the Town on March 12, 2010. In the March 12, 2010 correspondence, the Highlands Council found that the Town's request regarding the Highland Open Water Buffer does not qualify as an RMP Update and it should instead be addressed during the local and state approval process.

## **CLINTON TOWN'S AFFORDABLE HOUSING PLAN**

Clinton Town will satisfy the rehabilitation obligation, the prior round obligation and the third round obligation consistent with COAH's substantive rules, *N.J.A.C.* 5:97.

## **CALCULATION OF THE AFFORDABLE HOUSING OBLIGATION**

## The Rehabilitation Obligation

The rehabilitation obligation is defined as the number of deficient housing units occupied by low and moderate income households within a municipality (*N.J.A.C.* 5:97-1.4). COAH calculates this figure using indices such as overcrowding of units constructed prior to 1950, incomplete kitchen facilities, incomplete plumbing facilities and the estimated number of low and moderate income households in the municipality. COAH has calculated Clinton's rehabilitation obligation to be o units. Please see Table 4. *Calculation of the Rehabilitation Obligation*, for additional information.

Table 4. Calculation of the Rehabilitation Obligation.

Overcrowding of units constructed prior to 1950	0		
Incomplete plumbing facilities	+0		
Incomplete kitchen facilities	+0		
Low and moderate income share	*0.691		
Rehabilitation share credit	- 0		
Rehabilitation Obligation	0 units		

## The Prior Round Obligation

The prior round obligation can be defined as the cumulative 1987 through 1999 affordable housing obligation (*N.J.A.C.* 5:97-1.4). This time period corresponds to the first and second rounds of affordable housing. COAH has calculated Clinton's prior round obligation to be 51 units (Appendix C. to *N.J.A.C.* 5:97).

#### **Clarke Caton Hintz**

## The Third Round Obligation

COAH has taken a very different approach to calculating third round affordable housing obligations. The COAH third round obligation is initially based solely on COAH's household and job projections for each municipality during the third round. For every five households, or units, projected during the third round, one affordable housing unit must be provided. For every 16 jobs projected, the Town must provide one affordable housing unit. Municipalities within the Highlands that are conforming with the RMP are required to use the aforementioned affordable housing ratios; however, they may elect to utilize either COAH's household and employment projections or the projections based on the RMP build-out under Module 2. The Town of Clinton has elected to utilize the projections based on the RMP build-out under Module 2 as the basis for its affordable housing obligation.

COAH's substantive rules require that a municipality plan for the affordable housing obligation generated by the projections; however, a municipality must provide affordable housing in proportion to its actual growth (N.J.A.C. 5:97-2.2(e)). The Highlands Council has projected the creation of 22 households (4 units of actual growth and 18 units of projected growth) and 474 jobs (11 jobs of actual growth and 463 jobs of projected growth) in the Town of Clinton during the third round. Please see the *Clinton Town Municipal Build-out Report* submission to the Highlands Council for additional information.

COAH's substantive rules, N.J.A.C. 5:97-2.4, permit municipalities to exclude certain market and affordable units from the third round household projections. The Town has no eligible exclusions.

The third round obligation which the Town must satisfy in the Housing Element and Fair Share Plan is 34 affordable units. Table 5 shows what the third round obligation is composed of:

Table 5. Calculation of Highlands' Projected Third Round Obligation

Residential							
Actual Residential Growth (Units) (2004-2008)	4						
RMP Residential Build-out (Units)	18						
Permitted COAH Exclusions							
None	0						
Total	0						
Units Creating Growth Share	22						
Residential Growth Share	4.40						
Nonresidential							
Actual Non-Residential Growth (Jobs)(2004-2008)							
RMP Non-Residential Build-out (Jobs)	463						
Permitted COAH Exclusions							
None	0						
Total	0						
Jobs Creating Growth Share	474.08						
Nonresidential Growth Share	29.63						
Total Third Round Obligation	34.03						

# SATISFACTION OF THE REHABILITATION OBLIGATION

The Town does not have a rehabilitation obligation and thus will not operate a rehabilitation program.

### SATISFACTION OF THE PRIOR ROUND OBLIGATION

In addition to satisfying the total obligation of 51 units, the Town must also adhere to a minimum rental obligation and maximum number of age-restricted units.

- Minimum Rental Obligation = 12 units
  - .25 (prior round obligation prior cycle credits– impact of the 20% cap impact of the 1000 unit cap) =.25 (51-4-0-0) = 11.75, rounded up to 12
  - A rental unit available to the general public receives one rental bonus;
  - An age-restricted unit receives a .33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and
  - No rental bonus is granted in excess of the rental obligation.
- Maximum Age Restricted = 12 units
  - .25 (prior round obligation + rehabilitation share prior cycle credits rehabilitation credits impact of the 20% cap impact of the 1,000 unit cap transferred or proposed prior round RCAs) = .25 (51+0-4-0-0-9) = 11.75, rounded up to 12

The Town has several prior round mechanisms which are in place. The largest program is an inclusionary housing project known as Alton Place. Additionally, the Town has two special needs facilities and three accessory apartments. Highlands Consistency Reviews and site suitability analyses (*N.J.A.C.* 5:97-3.13) are not necessary since all of these units are previously approved.

# **Alton Place Inclusionary Development**

Alton Place is an inclusionary development located on Block 31.01 and portions of Block 31 in the Planned Residential Development (PRD) zone district. The site received approval in May 1988 but the approval was amended in December 1995. The May 1988 approval provided for 24 single family lots, plus 193 condominium apartments, including 44 low and moderate income units. The revised December 1995 approval provided for 24 single family lots, 135 townhouses and 44 low and moderate income forsale units, for a total unit count of 203. This site, in accordance with the 1995 approval, has been built and occupied with the final certificate of occupancy issued in 2000. The affordable units are administered by the Town's in-house administrative agent. There are 44 family affordable sale units, each of which will contribute one credit toward the prior round obligation.

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## **Special Needs Facilities**

The first special needs facility, Nami House, is operated by Hunterdon Alliance and licensed by the Division of Mental Health Services (DMHS). The site is located at 23 ½ West Main Street on Block 25, Lot 17 in the R-3 zone district. The facility has 4 bedrooms and has been in operation since 1995. As an affordable rental project that has had affordability controls in place for over 20 years, each bedroom is eligible for a rental bonus credit.

There was also an additional alternative living facility in the Town that was in operation from September 1980 through 2002. This facility, hereinafter referred to as Hunterdon ARC, had 4 bedrooms. While the facility is no longer in existence, it is eligible for prior cycle credit since it was in operation during the first and second rounds of affordable housing.

Accordingly, these special needs units will contribute 12 nonfamily rental credits toward the prior round obligation.

# **Accessory Apartment Program**

The Town has 3 approved accessory apartments that will contribute toward satisfaction of the prior round. Two of the accessory apartments will be located at 102 West Main Street, Block 1, Lot 33. One of these units was converted from an illegal apartment and the other was an existing apartment. The units were approved by the Town of Clinton Board of Adjustment on June 27, 2005. Additionally, one accessory apartment will be constructed on Block 11, Lots 6 & 7 at 19-21 Main Street. This unit was approved by the Town of Clinton Planning Board on April 4, 2006. Pursuant to *N.J.A.C.* 5:97-3.5(a) rental units addressing the prior round rental obligation that do not have 30 year affordability controls are not eligible for rental bonus credits. The affordable units will be administered by the Town's in-house administrative agent. Accordingly, this program will contribute three family rental credits toward the prior round obligation.

Table 6. Affordable Units Meeting the 51 Unit Prior Round Obligation

Development	Rental	Senior	Units	Bonus Credits	Total Credits
Alton Place Inclusionary Development (32 of 44)			32	0	32
Nami House	X		4	0	4
Hunterdon ARC	X		6	6	12
Accessory Apartments	X		3	0	3
Total			45	6	51

#### SATISFACTION OF THE THIRD ROUND OBLIGATION

In addition to satisfying the 34 unit third round obligation, the Town must also adhere to standards pertaining to minimum total family units, minimum rental obligation, minimum family rental units, a maximum age-restricted units, maximum bonus credits and minimum very low income units.

- Minimum Family Obligation = 17 units
   .50(third round affordable units) = .50(34) = 17
- Minimum Rental Obligation = 9 units
   .25 (third round obligation) = .25 (34) = 8.50 rounded up to 9
- Minimum Family Rental Obligation = 5 units
   .50(third round rental obligation) = .50(9) = 4.50, rounded up to 5
- <u>Maximum Age-restricted Units = 8 units</u>
   .25 (third round obligation) = .25 (34) = 8.50, rounded down to 8
- Maximum Bonus Credits = 8 credits
   .25 (third round obligation) = .25 (34) = 8.50, rounded down to 8
- Minimum Very Low Income = 2 units

0.13(Number of units created after July 17, 2008) = .13(16) = 1.95, rounded up to 3 12 units at the Twin Ponds site and 4 accessory apartments will be created after July 17, 2008

The Town will rely on three programs, the Alton Place and Twin Ponds inclusionary developments and an accessory apartment program to satisfy the 34 unit third round obligation. A Highlands Consistency Reviews and site suitability analysis (*N.J.A.C.* 5:97-3.13) is only necessary for the Twin Ponds site.

# **Alton Place Inclusionary Development**

The Town will utilize the remaining 12 family sale units at the Alton Place Inclusionary development to satisfy a portion of the third round obligation. These units will satisfy a portion of the family obligation.

# **Twin Ponds Inclusionary Development**

The Town of Clinton will address a portion of third round affordable housing obligation with the development of Country View Builder's Twin Ponds Development Project. The Twin Ponds Development site consists of two parcels (Block I, Lot 60 measuring II.9 acres and Lot 60.02 measuring 5.36 acres) located at the extreme western boundary of the Town adjacent to Union Township. The site is bounded by New Jersey State Highway Route 173 (Main Street) to the south and Rupell Road to the north. Village Road separates the two parcels. The developer intends to develop only lot 60.02 the southern and smaller lot and permanently preserve the remaining larger parcel, lot 60, to the north. The affordable units will be administered by the Town's in-house administrative agent.

The Twin Ponds site was the subject of a Mt. Laurel Builder's Remedy lawsuit in 1984. The resulting Settlement Agreement required the site be rezoned to a Planned Unit Development (PUD) zone district which provided for a variety of residential units and a moderate amount of nonresidential floor area, as well as 18 on-site affordable units. Subsequently, the site was rezoned to the PRD-P zone district, to account for the environmental constraints present on the site, and was approved for 48 multifamily market units and a payment in lieu of constructing 10 affordable units in the amount of \$200,000. Since that approval in 2002, the project's vested rights have expired. Subsequently, the Town adopted in 2007 a Reexamination Report and in 2008 a new Master Plan recommending increased density on the site to accommodate the proposed development. The Master Plan recommendations as well as all other recommended revisions to the municipal implementing ordinances were put "on hold" while the municipality was weighing the benefits of Highlands Conformance. On December 8, 2009, Clinton Town petitioned the Highlands Council for Conformance in both the

Planning Area and the Preservation Area of the municipality. As a result, the developer and the Town have been engaged in formal discussions to move the project forward. The Town views this development as a necessary and favorable means of meeting a portion of its affordable housing obligation as well as the terms of the Builder's Remedy. The Town has amended the site's zoning to accommodate the inclusionary development, including 12 affordable family rental units. However, an additional site investigation is required prior to development to determine the extent of the Highlands Open Water buffers on the site.

The site is located in the PRD-P zone district. This districted was created on December 12, 1984 via Ordinance No. 84-17. The district regulations were amended on August 24, 1999 by Ordinance 85-25 and again by in 1999 by Ordinance 99-8.

The site is consistent with the Regional Master Plan of the Highlands Council. It is currently located in the Existing Community zone of the Planning Area.

The site is available, approvable, developable and suitable. The site meets COAH's site suitability standards, pursuant to *N.J.A.C.* 5:97-3.13.

- The site has a clear title and is free of encumbrances which preclude development of affordable housing. The site has a clear title and no legal encumbrances which would preclude its development as an affordable housing project.
- The site is adjacent to compatible land uses and has access to appropriate streets. The site has road frontage along Village Road. Single family detached homes are located to the northeast, across West Main Street. A hotel is located east of the property. Adjacent to the west of the property, in Union Township, is a multi-family residential development.
- Adequate sewer and water capacity is available. The property will utilize public sewer and water.
- *The site can be developed in accordance with R.S.I.S.* Development of the site will be consistent with the Residential Site Improvement Standards, *N.J.A.C.* 5:21-1 et seq.

Development of the property is consistent with the State Development and Redevelopment Plan (hereinafter the "State Plan") and the rules and regulations of all agencies with jurisdiction over the site.

The site is consistent with the State Plan. The 2001 Adopted State Plan Map and the Draft State Plan Map designates the site as Planning Area 2, the Suburban Planning Area.

- The development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA or Meadowlands. See the Highlands Consistency Review for additional information.
- The site will comply with all applicable environmental regulations. The site plan will
  address the environmental constraints located on the property with mitigation
  techniques. See the Highlands Consistency Review for additional information.
- The site will not impact any historic or architecturally important sites and districts. There are no historic or architecturally important sites or buildings on the property or in the immediate vicinity that will be impacted by the development or will preclude development of the property.

This site will contribute 12 family rental units toward the third round. These 12 units will satisfy a portion of the family obligation and will contribute 6 units toward the rental and family rental obligation; the remaining six units will receive bonus credits. As such, this site will contribute a total of 18 credits toward the third round obligation. Additionally, this site will satisfy the two unit very low income obligation.

# **Accessory Apartment Program**

The Town is proposing a four unit accessory apartment program to satisfy a portion of the third round obligation. Clinton Town's housing stock is appropriate for an accessory apartment program due to the large size of the housing structures. Also, given the historic character of the Town and the public sewer system, the use of accessory apartments to meet the Town's fair share obligation is an appropriate approach. The affordable units will be administered by the Town's in-house administrative agent.

All accessory apartments will be created where the lots are served by public sewer systems. The Town's program will comply with all regulations in *N.J.A.C.* 5:97-6.8, including but not limited to 10 year affordability controls and subsidies in the amount of \$20,000 for a moderate income unit and \$25,000 for a low income unit. The program will be administered by the Town's Administrative Agent.

This program will provide the Town a total of four credits toward the third round obligation and will be used to satisfy a portion the family and family rental obligation.



Amended Third Round Housing Element and Fair Share Plan Town of Clinton, Hunterdon County

May 2010

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Table 7. Affordable Units Meeting the 34 Unit Third Round Growth Share Obligation

Project	Family	Rental	Senior	Units	Bonus Credits	Total Credits
Alton Place Inclusionary Development (12 of 44)	X			12	0	12
Twin Ponds Inclusionary Development	X	X		12	6	18
Accessory Apartment Program	X	X		4	0	4
TOTAL				28	6	34

## **IMPLEMENTATION SCHEDULE**

Table 8, *Implementation Schedule*, outlines the Town's timeline for meeting its third round fair share obligation. As shown below, the Town anticipates that it will provide an adequate number of affordable units / bonus credits by 2013 (earliest initial growth share evaluation).

**Table 8. Implementation Schedule** 

Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Credits
Alton Place Inclusionary Development	12	0	0	0	0	0	0	0	0	12
Twin Ponds Inclusionary Development (inc. bonus credits)	0	0	0	18	0	0	0	0	0	18
Accessory Apartment Program	0	0	0	0	0	I	I	I	I	4
Total Credits	12	0	0	18	0	I	I	I	I	34

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## **COST GENERATION**

The Town of Clinton's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (*N.J.A.C.* 5:21-1 et seq) and the mandate of the Fair Housing Act regarding unnecessary cost generating features. The focus of such development review shall not be whether the site is appropriately zoned. The Town of Clinton shall comply with COAH's requirements for unnecessary cost generating requirements, *N.J.A.C.* 5:97-10,2, procedures for development applications containing affordable housing, *N.J.A.C.* 5:97-10.3, and requirements for special studies and escrow accounts where an application contains affordable housing, *N.J.A.C.* 5:97-10.4.

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## **MONITORING**

In accordance with *N.J.A.C.* 5:96-II, beginning two years from substantive certification, the Town of Clinton shall complete the annual monitoring reports of the Affordable Housing Trust Fund and of the affordable housing units and programs. Furthermore, the Town will assist COAH with the biennial plan evaluation, pursuant to *N.J.A.C.* 5:96-IO, where the actual growth of housing units and jobs is compared to the provision of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in a municipality and the number of units required pursuant to *N.J.A.C.* 5:97-2.4 results in a pro-rated production shortage of IO percent or greater, the Town is not adhering to its implementation schedule pursuant to *N.J.A.C.* 5:97- 3.2(a)4, or the mechanisms addressing the projected third round obligation no longer present a realistic opportunity for the creation of affordable housing, the Town may be required by COAH to amend its plan in conformance with *N.J.A.C.* 5:96-I4 to address the affordable housing obligation set forth in *N.J.A.C.* 5:97-2.5.

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### FAIR SHARE ORDINANCES AND AFFIRMATIVE MARKETING

The Town of Clinton has prepared an Affirmative Marketing and Fair Share Ordinance in accordance with COAH's substantive rules, *N.J.A.C.* 5:97-9, and the Uniform Housing Affordability Controls (hereinafter "UHAC") at *N.J.A.C.* 5:80-26. The Fair Share Ordinance will govern the establishment of affordable units in the Town, as well as regulating the occupancy of such units. The Town's Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

The affirmative marketing plan is 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 the affordable units located in the Town. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Town's housing region, Region 3, consisting of Hunterdon, Somerset and Middlesex counties.

The affirmative marketing plan includes regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to *N.J.A.C.* 5:80-26. All newly created affordable units will comply with the thirty-year affordability control required by UHAC, *N.J.A.C.* 5:80-26-5 and 5:80-26-11. This plan must be adhered to by all private, non-profit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit. The costs of implementing the affirmative marketing plan (i.e., the costs of advertising the affordable units, etc.) are the responsibilities of the developers of the affordable units. This requirement is included in the Town's fair share ordinances and shall be a condition of any municipal development approval.

### AFFORDABLE HOUSING TRUST FUND

The Town of Clinton first adopted a development fee ordinance in 1995; COAH approved the ordinance on November 3, 1995. The Town's current ordinance permits the Town to collect residential development fees equal to 1.0% of the equalized assessed value of new residential construction and nonresidential development fees equal to 2.0% of the equalized assessed value of new nonresidential construction, except as superseded by the "Roberts Bill", P.L. 2008 c.46. The Town proposes to amend the development fee ordinance to permit collection of residential development fees equal to 1.5% of the equalized assessed value of new residential construction and nonresidential development fees equal to 2.5% of the equalized assessed value of new nonresidential construction.

The Town's spending plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance to *N.J.A.C.* 5:97-8.10. All collected revenues will be placed in the Town's Affordable Housing Trust fund and will be dispensed for the use of affordable housing activities. The Town may use the funds in the trust fund for any of the below listed items, pursuant to *N.J.A.C.* 5:97-8.7(a):

- Rehabilitation program;
- New construction of affordable housing units and related development costs; in the case of inclusionary developments, eligible costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites; in the case of inclusionary developments, costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of existing market rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;
- Accessory apartment or market to affordable programs;
- ECHO housing and related repair or unit relocation costs;
- Green building strategies designed to be cost-saving for low- and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units;
- Maintenance and repair of affordable housing units;



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- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.
- However, the Town is required to fund the programs in the certified Housing Element and Fair Share Plan, as well as provide affordability assistance.

At least 30% of collected development fees, excluding expenditures made from the inception of the fund to June 2, 2008 on all new construction, previously funded RCAs and rehabilitation activities, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. Additionally, no more than 20% of the revenues collected from development fees each year, exclusive of the fees used to fund an RCA, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.















