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HOUSING ELEMENT AND FAIR SHARE PLAN: FOR HIGHLANDS PLAN CONFORMANCE MODULE 3

TOWNSHIP OF ROCKAWAY MORRIS COUNTY, NEW JERSEY

PREPARED FOR:

TOWNSHIP OF ROCKAWAY PLANNING BOARD
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The original document was appropriately signed and sealed on May 21, 2010 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners.

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TABLE OF CONTENTS

Introduction	1
Section I: Housing Element	4
Section II: Fair Share Obligation	17
Section III: Fair Share Plan	25
Section IV: Highlands Consistency Reviews	36
Appendices	47

LIST OF TABLES

: 1: Dwelling Units (1990 to 2008)	7
: 2: Housing Units by Tenure and Occupancy Status (2000 and 2008)	7
: 3: Units in Structure (2000 and 2008)	8
: 4: Number of Bedrooms in Housing Units (2000 and 2008)	8
: 5: Year Structure Built	8
: 6: Occupants Per Room (2000 and 2008)	9
: 7: Equipment and Plumbing Facilities (2000 and 2008)	9
: 8: Gross Rent of Renter-Occupied Housing Units (2000 and 2008)	10
: 9: Value of Owner-Occupied Housing Units (2000 and 2008)	10
: 10: Population Growth (1920 to 2008)	11
: 11: Age Characteristics (2000 and 2008)	12
: 12: Average Household Size (1970 to 2008)	12
: 13: Household Income (1999 and 2008)	13
: 14: Employment Status, Population 16 and Over (2000 and 2008)	13
: 15: Employed Residents Age 16 and Over, By Occupation (2000 and 2008)	14
: 16: Employed Residents Age 16 and Over, By Industry (2000 and 2008)	14
: 17: Approved Residential Development Applications Without COs	15
: 18: Approved Non-Residential Development Applications Without COs	16
: 19: Prior Round Plan Components and Status	19
: 20: Actual Growth in Residential Development, 2004-2008	20
: 21: Highlands Municipal Build-Out Results, Projected Residential Development	20
: 22: Total Residential Growth, 2004-2018	21
: 23: Net Residential Growth After Exclusions	22
: 24: Actual Growth in Non-Residential Development, 2004-2008	23
: 25: Highlands Municipal Build-Out Results, Projected Non-Residential Development	23
: 26: Total Non-Residential Growth, 2004-2018	24
: 27: Total Growth Share Obligation	24
: 28: Total Fair Share Obligation	24
: 29A: Alternative A – Prior Round Cycle, With 1,050 Unit Pondview Estates	27
: 29B: Alternative A – Growth Share Cycle, With 1,050 Unit Pondview Estates	28
: 30A: Alternative B – Prior Round Cycle, With 500 Unit Pondview Estates	28
: 30B: Alternative B – Growth Share Cycle, With 500 Unit Pondview Estates	29

APPENDICES

A - 1: Township Resolutions for Highlands Plan Conformance

A - 2: Maps

- a. **Wastewater and Potable Water Service Areas**
- b. **Environmental Constraints**
- c. **Aerial of Sites I**
- d. **Aerial of Sites II**
- e. **Aerial of Sites III**
- f. **Aerial of Sites IV**

A - 3: Correspondence with Highlands Council Staff re: Approved Developments

A - 4: Workbook D: Alternative A – With 1,050 Unit Pondview Estates

A - 5: Workbook D: Alternative B – With 500 Unit Pondview Estates

A - 6: Draft Development Fee Ordinance

A - 7: Draft Resolution Requesting COAH Review and Approval of Development Fee Ordinance

A - 8: Draft Spending Plan

A - 9: Draft Resolution Requesting COAH Review and Approval of Spending Plan

A - 10: Draft Affordable Housing Ordinance

A - 11: Draft Resolution of Intent to Bond in Event of a Funding Shortfall

INTRODUCTION

In 1975 the New Jersey Supreme Court decided in So. Burlington Cty. NAACP v. Township of Mount Laurel (Mount Laurel I) that every developing municipality in New Jersey had an affirmative obligation to provide for its fair share of affordable housing. In a subsequent decision in 1983 (Mount Laurel II), the Court acknowledged that the vast majority of municipalities in the State had ignored their constitutional obligation, and called for the State legislature to enact legislation that would save municipalities from the burden of having the courts determine their affordable housing needs. The result was the establishment of the New Jersey Council on Affordable Housing (COAH), the State agency responsible for overseeing the manner in which the State's municipalities address their low and moderate income housing needs.

Rockaway Township has prepared a number of Housing Elements and Fair Share Plans over the years to address its affordable housing need. The initial effort was the result of a 1985 Court settlement in connection with the Morris County Fair Housing litigation against Rockaway and 26 other municipalities. At that time, Rockaway agreed to adopt a plan to accommodate more than 1,130 lower income units. Subsequent to the court settlement, the State legislature created the Council on Affordable Housing. The Township subsequently adopted a new Housing Plan in 1995, and amendments to that plan in 2001 and 2005.

COAH has prepared a number of estimates of housing-need over the years. For Rockaway, these have included the following:

1. COAH had initially adopted a "fair share" methodology to determine the State's low and moderate income housing needs in 1986. They subsequently adopted, in 1994, combined first and second round housing-need numbers. For Rockaway Township they called for the Township to provide a total of 412 affordable housing units, inclusive of a new construction obligation of 370 units and a rehabilitation obligation of 42 units. This was to cover the years 1987 thru 1999.
2. In December 2004, COAH adopted new substantive (N.J.A.C. 5:94) and procedural (N.J.A.C. 5:95) rules for the period beginning December 20, 2004. At the same time, COAH re-adjusted all municipal first and second round housing-need new construction numbers and rehabilitation numbers. Rockaway's previously published 370 unit new-construction obligation was reduced to 245 units, and the Township's rehabilitation component was reduced to six units. As noted above, these housing-need numbers are substantially below that which the Court had imposed through Mt. Laurel litigation that was settled in 1985.
3. As a result of an Appellate Division ruling, new substantive and procedural rules were adopted on June 2, 2008 (now NJAC 5:97 and NJAC 5:96, respectively). Additionally, the Legislature adopted A-500 which affected COAH's regulations. The new third round rules implemented a new "growth share" approach to affordable housing and thus represent a significant departure from the Council's first and second round rules in that the new rules link the production of affordable housing with actual development and projected growth within the community. There are three components to the third round methodology. They include: 1) the rehabilitation share; 2) any remaining prior round obligation for the period 1987-1999; and 3) the growth share. Growth share is generated by projections of residential and non-residential growth for the period covering January 1, 2004 to December 31, 2018. The new substantive rules state that for every four market-

rate residential units projected to be constructed, the municipality shall be obligated to provide one unit that is affordable to households of low or moderate income. In addition, each municipality is obligated to provide one affordable unit for every 16 newly created jobs.

The Appellate Division ruling also re-adjusted the Township's first and second round housing-need numbers back to pre-2004 levels. That is, COAH's re-adjusted 'new construction' obligation for Rockaway went back to 370 units and the 'rehabilitation' share was set at 42 units. These numbers, combined with COAH's June 2008 estimated growth share component for the Township of 531 units, indicates that Rockaway has a 943 unit total third round affordable housing obligation. (For the third round COAH estimates that by 2018 the Township will have an additional 1,621 dwellings, which translates to 324 units of affordable housing, and 3,315 additional jobs, which translates to an additional 207 units of affordable housing.)

There are a number of other aspects to the Township's affordable housing saga that merit attention. These include the following:

1. At the same time all of the above was occurring, and subsequent to the Appellate Division ruling, the Highlands Council on July 17, 2008 adopted the Highlands Regional Master Plan (RMP). The RMP provides the basis to determine the capacity of the Highlands Region to accommodate appropriate economic growth while ensuring the sustainability of the resources in the Region. Because Rockaway Township is located entirely within the Highlands Region, it participated in the 2009 Plan Conformance Grant Program intended to assist municipalities in bringing their planning programs into conformance with the RMP. As a result of this process, the Township elected to petition the Highlands Council for RMP Plan Conformance on December 8, 2009 for both the Preservation Area and Planning Area portions of the community (see the appendix of this document for the Township Council's resolutions). This enables the Township to rely upon the results of the Highlands Municipal Build-Out Report to determine Rockaway's growth share housing need, which they projected to be 147 affordable housing units. This becomes the new growth share number for Rockaway Township.
2. As a backdrop to all of the above, there is on-going affordable housing litigation that has resulted in three developers seeking to have their sites designated for inclusionary development. Since August of 2009, the Township has been meeting with Superior Court Judge Eugene Serpentelli to develop a compliance plan for Rockaway.
3. Finally, two other complicating factors affecting affordable housing regards pending challenges to the revised COAH regulations which were adopted as a result of a 2007 Appellate Division decision, and the Governor's Executive Order # 12, which established a Task Force to assess COAH's rules and regulations, the Fair Housing Act, and related legislation (it also suspended actions by COAH for a period of ninety days, but this has been stayed by the Appellate Division).

The information contained within the body of this document represents the most up-to-date information regarding Rockaway's progress towards completion of a compliance plan.

This document is organized into four sections.

1. The first part, the Housing Element contains background data on the Township's housing characteristics and population as required by COAH. It also includes a discussion of the relationship of the Highlands Element to the RMP as required by the Highlands Council.
2. The second section calculates the Township's fair share affordable housing obligation, pursuant to procedures identified in COAH's third round rules and the Highlands Council's instructions.
3. The third section contains the Township's draft Fair Share Plan for meeting its affordable housing obligation. This is preliminary and subject to review and approval of the Township.
4. The final section reviews the Highlands Consistency Review Reports for each plan component identified in the Fair Share Plan, in order to determine their consistency with the RMP.

SECTION I: HOUSING ELEMENT

A. COMMUNITY OVERVIEW

Rockaway Township is located in northwest Morris County. It adjoins nine municipalities including West Milford to the north, Kinnelon to the northeast, Boonton, Denville and Rockaway Borough to the east, Randolph, Dover and Wharton to the south and Jefferson to the west.

Regional access to Rockaway is provided by a number of county and state roadways. Routes 15 and 80 provide access to the area's regional highway network. Green Pond Road, Mount Hope Road and Mount Pleasant Road are major arterial roadways providing access through the municipality.

Comprising 29,405 acres, the Township is the largest in Morris County. It is located entirely within the Highlands Region, with 61 percent of its land area located in the Highlands Preservation Area and 39 percent of its land area located in the Highlands Planning Area.

The Township is primarily a suburban residential community, with substantial areas devoted to permanent open space (nearly 20 percent of the Township) and federal government use (Picatinny Arsenal, comprising another 20 percent of the community's land area). There are four concentrated areas of residential development, three of which are older lake communities. The fourth area is in the southernmost side of the Township near Dover, where older detached dwellings occupy small lots. Additionally, scattered residential development can be found in the more rural portions of the Township.

Rockaway also contains an active business community. The regional Rockaway Townsquare Mall and surrounding offices at Route 80 and Mount Hope Road, light industrial and warehouse uses along Green Pond Road, and retail uses along Route 46 represent the principal areas of non-residential use in the Township.

A number of maps of the Township, depicting environmental data and the distribution of environmental constraints, and a delineation of the boundaries of the Highlands Preservation and Planning Areas within the community, are provided in the appendix to this document.

B. RELATIONSHIP TO REGIONAL MASTER PLAN (RMP)

The overriding policy of the Housing Element is to ensure provision of a variety of housing opportunities sufficient to address the needs of the community and the region, including the need for affordable housing, while at the same time respecting the density limits of the Highlands Element Land Use Plan, the resource constraints applicable to the Highlands Area, and the numerous other policies, goals and objectives set forth by the Township Master Plan.

In furtherance of Township efforts to ensure sound planning, this Plan incorporates the following goals and objectives with respect to future housing in the Highlands Area:

1. To the extent feasible, the zone plan will guide anticipated new residential development into compact, center-based projects incorporating a mix of housing types.

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

C. INVENTORY OF MUNICIPAL HOUSING STOCK

This section of the Housing Element provides an inventory of the Township's housing stock, as required by the Municipal Land Use Law. The inventory details housing characteristics such as age, condition, purchase/rental value, and occupancy. It also details the number of affordable units available to low- and moderate-income households and the number of substandard housing units capable of being rehabilitated.

1. Number of Dwelling Units. As shown in the table below, the Township’s housing stock grew by nearly 14 percent between 1990 and 2000, from 7,477 units to 8,506 units. However, the rate of growth has decreased slightly in subsequent years. Estimates for 2008 suggest that Rockaway’s housing stock has grown by 9.8 percent since 2000.

**Table 1: Dwelling Units (1990 to 2008)
Rockaway Township, New Jersey**

Year	Total Dwelling Units	Numerical Change	Percentage Change
1990	7,477	--	--
2000	8,506	1,029	13.8
2008*	9,339	833	9.8

Sources: U.S. Census – 1990 & 2000, American Community Survey 3-Year Estimates.

The following table provides additional detail regarding the tenure and occupancy of the Township’s housing stock. As shown below, 83 percent of the Township’s housing stock was estimated to be owner-occupied in 2008, up just slightly from 80.5 percent in 2000. The number of vacant units has decreased since 2000, from 398 units (4.7 percent of all units) in 2000 to 378 units (4.0 percent of all units) in 2008.

**Table 2: Housing Units by Tenure and Occupancy Status (2000 and 2008)
Rockaway Township, New Jersey**

Category	2000		2008	
	No. Units	Percent	No. Units	Percent
Owner-Occupied Units	6,849	80.5	7,738	82.9
Renter-Occupied Units	1,259	14.8	1,223	13.1
Vacant Units	398	4.7	378	4.0
Total Units	8,506	100.0	9,339	100.0

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

2. Housing Characteristics. The following tables provide additional information on the characteristics of the Township’s housing stock, including data on the number of units in the structure and the number of bedrooms. As shown below, the housing stock is predominantly characterized by single-family detached units, which represented 75 percent of all dwelling units in 2008. It is also important to note that structures with 20 or more units jumped significantly between 2000 and 2008, from approximately 3 percent of all units to 10 percent of all units, respectively.

Table 3: Units in Structure (2000 and 2008)
Rockaway Township, New Jersey

Units in Structure	2000		2008	
	Number	Percent	Number	Percent
One Unit Detached	6,835	80.4	7,024	75.2
One Unit Attached	503	5.9	736	7.9
2 Units	113	1.3	175	1.9
3 to 4 Units	302	3.6	107	1.1
5 to 9 Units	215	2.5	169	1.8
10 to 19 Units	212	2.5	144	1.5
20 or More Units	241	2.8	925	9.9
Mobile Home	85	1.0	59	0.6
Total	8,506	100.0	9,339	100.0

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

Table 4: Number of Bedrooms in Housing Units (2000 and 2008)
Rockaway Township, New Jersey

Number of Bedrooms	2000		2008	
	Number	Percent	Number	Percent
Zero	26	0.3	228	2.4
One	716	8.4	830	8.9
Two	1,434	16.9	1,657	17.7
Three	3,494	41.1	3,465	37.1
Four	2,442	28.7	2,753	29.5
Five or More	394	4.6	406	4.3
Total	8,506	100.0	9,339	100.0

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

3. Housing Age. The following table details the age of the Township’s housing stock. As shown, the approximately half of the Township’s housing units were constructed between 1950 and 1979. Nearly 13 percent of Rockaway’s housing stock was built in 2000 or later.

Table 5: Year Structure Built
Rockaway Township, New Jersey

Year Units Built	Number of Units	Percent
2005 or later	289	3.1
2000 to 2004	888	9.5
1990 to 1999	1,720	18.4
1980 to 1989	539	5.8
1970 to 1979	945	10.1
1960 to 1969	1,781	19.1
1950 to 1959	1,730	18.5
1940 to 1949	790	8.5
1939 or earlier	657	7.0
Total	9,339	100.0

Source: American Community Survey 3-Year Estimates.

4. Housing Conditions. An inventory of the Township’s housing conditions is presented in the following tables. The first table identifies the extent of overcrowding in the Township, defined as housing units with more than one occupant per room. The data indicates that the number of occupied housing units considered overcrowded has increased slightly since 2000, from 1.3 percent of all occupied units in 2000 to 1.7 percent of all occupied units in 2008.

Table 6: Occupants Per Room (2000 and 2008)
Rockaway Township, New Jersey

Occupants Per Room	2000		2008	
	Number	Percent	Number	Percent
1.00 or less	8,006	98.7	8,815	98.4
1.01 to 1.50	79	1.0	51	0.6
1.51 or more	23	0.3	95	1.1
Total	8,108	100.0	8,961	100.0

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

The table below presents other key characteristics of housing conditions, including the presence of complete plumbing and kitchen facilities and the type of heating equipment used. As shown, the percentage of units lacking complete kitchen and plumbing facilities increased between 2000 and 2008. Units lacking complete kitchen facilities increased from 0.3 to 0.7 percent of all units, whereas units lacking complete plumbing facilities increased from 0.5 to 1.4 percent of all units. Units lacking standard heating facilities held steady at 0.6 percent of all units.

Table 7: Equipment and Plumbing Facilities (2000 and 2008)
Rockaway Township, New Jersey

Facilities	2000		2008	
	Number	Percent	Number	Percent
<u>Kitchen:</u>				
With Complete Facilities	8,482	99.7	8,900	99.3
Lacking Complete Facilities	24	0.3	61	0.7
<u>Plumbing:</u>				
With Complete Facilities	8,464	99.5	8,834	98.6
Lacking Complete Facilities	42	0.5	127	1.4
<u>Heating Equipment:</u>				
Standard Heating Facilities	8,059	99.4	8,909	99.4
Other Means, No Fuel Used	49	0.6	52	0.6

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

5. Purchase and Rental Values. As shown in the following table, nearly half (44 percent) of Rockaway’s rental housing stock had monthly rents of \$1,000 or more in 2000. The Township’s median monthly rent of \$948 was approximately 7 percent higher than the median monthly rent of Morris County as a whole, which was \$883. The Township’s average median monthly rent between in 2008 was \$1,359, representing a 43 percent increase over the Township’s median monthly rent in 2000.

**Table 8: Gross Rent of Renter-Occupied Housing Units (2000)
Rockaway Township, New Jersey**

Rent	2000	
	Number	Percent
Less than \$200	20	1.6
\$200 to \$299	20	1.6
\$300 to \$499	49	4.0
\$500 to \$749	106	8.6
\$750 to \$999	495	40.2
\$1,000 to \$1,499	320	26.0
\$1,500 or More	113	9.2
No Cash Rent	108	8.8
Total	1,231	100.0
Median Gross Rent	\$948	
Morris County Median Gross Rent	\$883	

Source: U.S. Census – 2000

Table 9 below shows that whereas 14 percent of Rockaway’s owner-occupied units had a value of \$300,000 or more in 2000, over 84 percent of Rockaway’s owner-occupied units had a value of \$300,000 or more in 2008. The Township’s median value was approximately 20 percent lower than the County’s median value in 2000 and, on average, approximately 18 percent lower than the County in 2008.

**Table 9: Value of Owner-Occupied Housing Units (2000 and 2008)
Rockaway Township, New Jersey**

Value Range	2000		2008	
	Number	Percent	Number	Percent
Less than \$50,000	0	0.0	19	0.2
\$50,000 to \$99,999	132	2.1	98	1.3
\$100,000 to \$149,999	658	10.2	28	0.4
\$150,000 to \$199,999	2,186	34.0	108	1.4
\$200,000 to \$299,999	2,541	39.5	956	12.4
\$300,000 to \$499,999	686	10.7	4,391	56.7
\$500,000 to \$999,999	219	3.4	1,925	24.9
\$1,000,000 or More	7	0.1	213	2.8
Total	6,429	100.0	7,738	100.0
Median Value	\$206,200		\$402,600	
Morris County Median Value	\$257,400		\$490,400	

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

6. Number of Units Affordable to Low- and Moderate-Income Households. Based on the most current COAH regional income limits, the median household income for a three-person household in COAH Region 2, Rockaway’s housing region comprised of Essex, Morris, Union and Warren Counties, is \$78,763. A three-person moderate-income household, established at no more than 80 percent of the median income, would have an income not exceeding \$63,010.

An affordable sales price for a three person moderate-income household earning 80 percent of the

median income is estimated at approximately \$150,000. This estimate is based on the UHAC affordability controls outlined in N.J.A.C. 5:80-26.3. On average, 2 percent of the Township’s housing units were valued at less than \$150,000 between 2006 and 2008, according to the Census data.

For renter-occupied housing, an affordable monthly rent for a three-person household is estimated at approximately \$1,200. According to 2000 U.S. Census data, more than half (56 percent) of the Township’s rental units had a gross rent less than \$1,000.

7. Substandard Housing Capable of Being Rehabilitated. COAH provides the number of units in a community that are in need of rehabilitation and are not likely to experience “spontaneous rehabilitation.” Rockaway’s rehabilitation share is 42 units. This item is further explained in the Fair Share Obligation section of this document.

D. POPULATION ANALYSIS

The MLUL requires that a Housing Element provide data on the municipality’s population, including population size, age and income characteristics.

1. Population Size. As seen in the table below, the Township’s population has grown most decades between 1920 and 2000. The greatest growth took place between 1940 and 1970. In the 1950s, the Township’s population more than doubled, growing by 134 percent. The following decade added over 8,500 residents to the population. The 2008 population estimate of 22,252 people, provided by the American Community Survey, represents the Township’s highest population figure on records and a 9 percent increase over the 2000 Census figure.

**Table 10: Population Growth (1920 to 2008)
Rockaway Township, New Jersey**

Year	Population	Population Change	Percent Change
1920	3,100	---	---
1930	3,178	+78	+2.5
1940	2,423	-755	-23.8
1950	4,418	+1,995	+82.3
1960	10,356	+5,938	+134.4
1970	18,955	+8,599	+83.0
1980	19,850	+895	+4.7
1990	19,572	-278	-1.4
2000	22,930	+3,358	+17.2
2008	25,070	+2,140	+9.3

Source: 2006 Rockaway Township Reexamination Report; American Community Survey 3-Year Estimates.

2. Age Characteristics. The Township’s age characteristics are outlined in the table below. As shown, the largest increase in the population between 2000 and 2008 was in the 55 and over age cohort, which grew by 58.5 percent. The largest decrease in population between 2000 and 2008 was found in the population aged 25 to 44, which experienced a 15.3 percent loss. Overall,

Rockaway’s median age increased slightly between 2000 and 2008, from 37 to 40.8.

**Table 11: Age Characteristics (2000 and 2008)
Rockaway Township, New Jersey**

Age	2000		2008	
	Number	Percent	Number	Percent
Under 5 years	1,771	7.7	1,410	5.6
5 to 19 years	4,833	21.1	5,182	20.6
20 to 24 years	868	3.8	1,302	5.2
25 to 34 years	3,088	13.5	2,148	8.6
35 to 44 years	4,450	19.4	4,233	16.9
45 to 54 years	3,606	15.7	3,957	15.8
55 to 64 years	2,152	9.4	3,509	14.0
65 to 84 years	2,000	8.7	3,051	12.2
85 years and over	162	0.7	278	1.1
Total	22,930	100.0	25,070	100.0
Median Age	37.0		40.8	

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

3. Average Household Size. The average household size for the Township has declined steadily every decade since 1970. The average household size in 2008 was the lowest on record at 2.80 people per household.

**Table 12: Average Household Size (1970 to 2008)
Rockaway Township, New Jersey**

Year	Total Population	Number of Households	Average Household Size
1970	18,955	5,841	3.68
1980	19,850	6,794	3.17
1990	19,572	7,477	2.83
2000	22,930	8,108	2.82
2008	25,070	8,961	2.80

Source: U.S. Census; 2006 Rockaway Township Reexamination Report; American Community Survey 3-Year Estimates.

4. Household Income. Detailed household income figures are shown in the table below. As shown, approximately one-third of the Township’s households had an income of \$100,000 or more in 1999. In contrast, nearly half of Rockaway’s households had an income of \$100,000 or more in 2008. The Township’s median household income in 2008 was just slightly less than the median household income of Morris County as a whole.

Table 13: Household Income (1999 and 2008)
Rockaway Township, New Jersey

Income Category	1999		2008	
	Number	Percent	Number	Percent
Less than \$10,000	179	2.2	114	1.3
\$10,000 to \$14,999	175	2.2	162	1.8
\$15,000 to \$24,999	363	4.5	349	3.9
\$25,000 to \$34,999	418	5.2	357	4.0
\$35,000 to \$49,999	828	10.2	866	9.7
\$50,000 to \$74,999	1,712	21.1	1,428	15.9
\$75,000 to \$99,999	1,519	18.7	1,393	15.5
\$100,000 to \$149,999	1,807	22.3	2,390	26.7
\$150,000 to \$199,999	581	7.2	1,021	11.4
\$200,000 or more	525	6.5	881	9.8
Total	8,107	100.0	8,961	100.0
Median Household Income	\$80,939		\$96,326	
Morris County Median	\$77,340		\$97,565	

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

E. EMPLOYMENT ANALYSIS

The MLUL requires that the Housing Element include data on employment levels in the community. The following tables present information on the Township’s employment characteristics.

1. Employment Status. Table 14 provides information on the employment status of Township residents age 16 and over. As shown, the most significant change between 2000 and 2008 was the percentage of Rockaway’s population in the labor force. Whereas 74 percent of the Township’s population 16 and over was in the labor force in 2000, only 67.7 percent of the population 16 and over was in the labor force in 2008, on average. It is also important to note that the unemployment rate for Rockaway’s civilian labor force held relatively steady between 2000 and 2008, at 3.3 percent and 3.4 percent, respectively. This is lower than Morris County’s 2008 unemployment rate of 3.9 percent.

Table 14: Employment Status, Population 16 and Over (2000 and 2008)
Rockaway Township, New Jersey

Employment Status	2000		2008	
	Number	Percent	Number	Percent
In labor force	12,804	74.0	13,526	67.7
Civilian labor force	12,706	73.4	13,482	67.5
Employed	12,287	71.0	13,020	65.2
Unemployed	419	2.4	462	2.3
% of civilian labor force	--	3.3	--	3.4
Armed Forces	98	0.6	44	0.2
Not in labor force	4,503	26.0	6,456	32.3
Total Population 16 and Over	17,307	100.0	19,982	100.0

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

2. Employment Characteristics of Employed Residents. The following two tables detail information on the employment characteristics of employed Rockaway residents. Table 15 details occupation characteristics, while Table 16 details industry characteristics.

**Table 15: Employed Residents Age 16 and Over, By Occupation (2000 and 2008)
Rockaway Township, New Jersey**

Occupation	2000		2008	
	Number	Percent	Number	Percent
Management, Professional and related occupations	5,842	47.5	6,254	48.0
Service Occupation	1,209	9.8	1,183	9.1
Sales and Office Occupations	3,469	28.2	3,888	29.9
Farming, fishing and forestry occupations	0	0.0	0	0.0
Construction, extraction and maintenance	763	6.2	965	7.4
Production, transportation and material moving occupations	1,004	8.2	730	5.6
Total	12,287	100.0	13,020	100

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

**Table 16: Employed Residents Age 16 and Over, By Industry (2000 and 2008)
Rockaway Township, New Jersey**

Industry	2000		2008	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing, hunting and mining	9	0.1	22	0.2
Construction	657	5.3	1,036	8.0
Manufacturing	1,876	15.3	1,507	11.6
Wholesale trade	650	5.3	523	4.0
Retail trade	1,290	10.5	1,702	13.1
Transportation and warehousing, and utilities	549	4.5	681	5.2
Information	673	5.5	309	2.4
Finance, insurance, real estate and rental and leasing	1,200	9.8	1,330	10.2
Professional, scientific, management, administrative and waste management services	1,712	13.9	2,132	16.4
Educational, health and social services	2,183	17.8	2,369	18.2
Arts, entertainment, recreation, accommodation and food services	583	4.7	695	5.3
Other services	417	3.4	298	2.3
Public administration	488	4	416	3.2
Total	12,287	100.0	13,020	100.0

Source: U.S. Census – 2000, American Community Survey 3-Year Estimates.

F. HOUSING AND EMPLOYMENT PROJECTIONS

The Fair Share Obligation section of this document will include detailed housing and projections pursuant to COAH and the Highlands Council’s rules for establishing the “growth share” component of the fair share obligation. This section will also identify historical and projected growth trends.

In addition, developments that have received municipal approvals but have not yet received certificates of occupancy (COs) are presented in the tables below. As shown, the Township has approved the construction of 1,439 dwelling units (including 104 affordable units) and 243,244 square feet of non-residential development. This information is presented herein, and not in the Fair Share Obligation section of this document, because the Highlands Council’s rules for establishing the growth share obligation do not require that such approved developments be taken into account. Instead, COs for approved developments will get tracked in the years following substantive certification of the Township’s Housing Element and Fair Share Plan; only if such growth exceeds the housing and employment projections set forth in the Fair Share Obligation section of this document will the Township be required to amend its Fair Share Plan. (See Correspondence with Highlands Council Staff re: Approved Developments in the appendix of this document.)

**Table 17: Approved Residential Development Applications without COs
Rockaway Township, New Jersey**

Approved Projects	Total Units
Pondview Estates B 11501 L 41,45-47	1,050*
Zator B 1117 L 1	1
Farley B 30310 L 13	1
Shaneco B 20901 L 45	1
Green Pond Mews B 40801 L 83	11
Pathan B 21301 L 201	1
Johanson Holding B 30901 L 25	14
Smith B 10301 L 22, 23	2
Stratton Woods B 10802 L 33, 34	9
Lato B 10708 L 19	1
Quintanilla/Altman B 40501 L 16	1
Goulart B 40501 L 2	1
Will B 40801 L 102	1
Lavrushin B 20801 L 64	1
Ron Salny & Co. B 21902 L 72.02	1
First Real Estate (Hekemian) B 10801 L 35.01, 35.02	2
Skyview B 10802 L 36.05,36.07- 36.09, 36.1	4
Nester B 21101 L 27.02	1
Fox Ridge B 11301 L 29	231
Lebencare B 11301 L 10	84
Splitrock Properties B 30701 L 62	1
Power B 20801 L 72	1
31 Green Pond Assoc. (Sanders Rd) B 22102 L 6, 7	10*
Mine Hill Properties B 11408 L 2, B 11409 L 2	9*
Total Units	1,439

* Inclusionary developments with proposed affordable units (see Fair Share Plan).

**Table 18: Approved Non-Residential Development Applications without COs
Rockaway Township, New Jersey**

Approved Projects	Total Sq. Ft.
Morton's - A2	9,578
Highlands at Morris - B & M	95,000
Homewood Suites - R1	56,000
Fairfield Inn - R1	55,384
Howmet - B	12,432
Kruppa/Dunkin' Donuts - M	14,850
Total Sq. Ft.	243,244

SECTION II: FAIR SHARE OBLIGATION

A. INTRODUCTION

The methodology for determining the Township's third-round affordable housing obligation changed significantly from the prior round regulations. Under COAH's third-round rules, a municipality's third-round affordable housing obligation is a function of three components:

- Rehabilitation Share
- Remaining Prior Round Obligation
- Growth Share

The growth share component represents the most significant change from the prior round, as it requires that each municipality determine its own affordable housing obligation based on the amount of residential and non-residential growth anticipated over the third-round period from 2004 to 2018. Each of the three components is combined to determine the municipality's total affordable housing obligation. More detail on each component is provided below.

1. Rehabilitation Share. The rehabilitation share component of the affordable housing obligation is based on the municipality's existing housing deficiencies and includes existing housing units as of April 1, 2000 that are both deficient and occupied by households of low or moderate income. A municipality's Total Rehabilitation Share is equal to the sum of its overcrowded and dilapidated units, multiplied by its regional Low-/Moderate-Income Deterioration Share, minus its Rehabilitation Share Credit. The rehabilitation share essentially replaces what was known as indigenous need in the previous rounds. As detailed herein, COAH has assigned a new rehabilitation share of 42 units to Rockaway.
2. Remaining Prior Round Obligation. The Prior Round Obligation is the total Fair Share Obligation for the period 1987 to 1999. As noted in Appendix C, COAH is adopting municipalities' unadjusted 1987 to 1999 obligations, first published in 1993. Accordingly, Rockaway's Prior Round Obligation is 370 units.

To determine the remaining Prior Round Obligation, a municipality imposes any adjustments approved for its second round plan and subtracts affordable housing units already built or transferred as part of a certified plan (or judgment of repose).

3. Growth Share. The growth share portion of a municipality's fair share obligation is based on the projected residential and employment growth in the municipality over the period between 2004 and 2018. Growth share is defined as:

“The affordable housing obligation generated in each municipality by both residential and non-residential development from 2004 through 2018 and represented by a ratio of one affordable housing unit among five housing units constructed plus one affordable housing unit for every 16 newly created jobs as measured by new or expanded non-residential construction within the municipality.”

That is, each individual municipality's actual growth between 2004 and 2018 generates an affordable housing obligation. For residential development, one unit of affordable housing

obligation is generated for every four market rate residential units constructed in the municipality. For non-residential development, one unit of affordable housing obligation is generated for each 16 jobs created in the community. Job creation estimates are based on the amount of new non-residential square footage developed within the community.

The following section contains the information and resultant determination of the growth share assessment.

B. CALCULATION OF AFFORDABLE HOUSING OBLIGATION

The calculation of the Township’s affordable housing obligation is detailed below.

1. Rehabilitation Share. According to Appendix B of COAH’s third round substantive rules, the Township has a rehabilitation share of 42 units.
2. Remaining Prior Round Obligation. Appendix C indicates a prior round new construction obligation of 370 units for the Township.

The Township’s certified prior round plan addressed its 370 unit new construction obligation through a combination of credits, inclusionary development, and regional contribution agreements. The prior round plan components are presented in the table below.

**Table 19: Prior Round Plan Components and Status
Rockaway Township, New Jersey**

Plan Component	# Affordable Units	Status
New Construction Credits	123	Completed
Green Pond Village	40	
Mt Pleasant Ave. Senior Citizen Housing Group Homes	75	
Block 10402 Lot 49	4 beds	
Block 11205 Lot 6-9	4 beds	
Inclusionary Development	192	Final Site Plan Approval 7/00 Construction pending State approval for water services.
Highlands at Morris/Pondview Estates	100 units 92 rental bonus	
Regional Contribution Agreement	55	Completed w/ East Orange
Total	370	

As shown above, the Township has 192 units of remaining prior round obligation that has not been constructed.

3. Growth Share. The growth share component of the Township’s affordable housing obligation is calculated based on the projected amount of residential and non-residential growth anticipated between 2004 and 2018. Under the third round regulations, this projected growth is provided by COAH under NJAC 5:97 Appendix F. However, municipalities within the Highlands Region that are conforming to the Highlands Regional Master Plan (RMP) for both the Preservation and

Planning Areas are subject to adjusted growth projections. These RMP Adjusted Growth Projections are based on an analysis of actual growth from 2004 to 2008 and the results of the Highlands Municipal Build-Out Report, as outlined below and as presented in Workbook D in the appendix of this document.

Once the analysis is complete, this growth is translated into an affordable housing obligation, based on a standard of one affordable unit among five units that are projected and one affordable unit for every 16 jobs that are projected to be created.

a. RMP Adjusted Projections of Residential Growth.

- i. Actual Residential Growth. First, actual residential growth in the municipality is presented for the period between January 1, 2004 and December 31, 2008. This growth is evidenced solely by certificates of occupancy (COs). For purposes of calculating residential growth, demolitions cannot be factored into the projection. As shown, actual growth between 2004 and 2008 in Rockaway Township totaled 269 units.

**Table 20: Actual Growth in Residential Development
Analysis of Certificates of Occupancy, 2004-2008
Rockaway Township, New Jersey**

	2004	2005	2006	2007	2008	Total
COs Issued	37	35	124	24	49	269

Source: NJ DCA, The NJ Construction Reporter: <http://www.state.nj.us/dca/codes/cr/conrep.shtml>

- ii. Projected Residential Growth. In this step, residential growth between 2009 and 2018 is projected based on the results of the Highlands Municipal Build-Out Report for Rockaway Township. This report, released by the Highlands Council in July 2009, provides estimates of the capacity for growth in the entire municipality based on potential developable lands and existing municipal conditions, including water availability, septic system yield, and water and sewer utility capacity.

The following table presents the results of the Highlands Municipal Build-Out Report for Rockaway Township. As shown, the Highlands Council projects that Rockaway’s potential for new residential development is 96 units.

**Table 21: Highlands Municipal Build-Out Results
Projected Residential Development
Rockaway Township, New Jersey**

	Preservation Area	Planning Area	Totals
Residential Units – Sewered	0	41	41
Septic System Yield	0	55	55
Total Residential Units	0	96	96

Source: Rockaway Township Municipal Build-Out Report, July 2009

- iii. Total Residential Growth. Actual residential growth between 2004 and 2008 is then added back to the projected residential growth based on the results of the Highlands Municipal Build-Out Report. As shown in the table below, this results in a total residential growth for the 2004-2018 period of 365 units.

**Table 22: Total Residential Growth, 2004-2018
Rockaway Township, New Jersey**

2004-2008 Actual Growth	+	Projected Growth Per Highlands Build-Out	=	Total Residential Growth
269		96		365

The Highlands Council permits municipalities using the RMP Adjusted Growth Projections to apply exclusions permitted by COAH under NJAC 5:97-2.4(a)1. Specifically, the rules allow municipalities to subtract from their household projection any affordable units that received credit in a certified prior round plan (or judgment of repose) which have been or are projected to be constructed in 2004 or after. In addition, if the affordable units being excluded are part of an inclusionary development, municipalities may subtract market rate units in that development at a rate of 5.67 times the number of affordable units.

Rockaway Township has one development, Pondview Estates, which qualifies for exclusions per NJAC 5:97-2.4(a)1. This inclusionary development was included in the Township's prior round plan and received final site plan approval in 2000. It was approved for a total of 1,050 units, including 100 units that would be deed restricted as rental units for low- and moderate-income households. This development is pending approval from the State for water services.

As discussed in more detail in the Fair Share Plan section of this document, the Township is contemplating two alternative approaches to addressing its fair share obligation. The first approach assumes that the entirety of the 1,050 unit Pondview Estates project would continue to address the remaining prior round obligation. The second approach also assumes that Pondview Estates would continue to be a part of the Township's approach to dealing with the remaining prior round obligation, but would develop with 500 units, including 100 affordable rental units.

As such, there are two possible exclusions that could be claimed for Pondview Estates, depending on the approach that the Township ultimately chooses to address its fair share obligation. These two scenarios are shown in the table below and presented in two different versions of Workbook D, located in the appendix of this document. As shown, the exclusions in both scenarios exceed the total residential growth of 365 units.

**Table 23: Net Residential Growth After Exclusions
Rockaway Township, New Jersey**

Alternative Scenarios	Market Units	Affordable Units	Market Units Excluded	Total Exclusions	Net Residential Growth (Residential Growth Minus Exclusions)
Pondview Estates – 1,050 Units	950	100	567	667	365 - 667 = -302
Pondview Estates – 500 Units	400	100	400	500	365 - 500 = -135

- iv. Determining the Residential Growth Share Obligation. After subtracting any exclusions permitted above, the municipality shall have an obligation of one affordable housing unit among five residential units projected to be constructed. For the purpose of calculating the projected growth share obligation, the municipality shall divide the resulting total units by five. The projected residential growth share obligation shall not go below zero.

Applying the standard of one affordable housing unit among five residential units created to the Net Residential Growth results in a negative number for both alternative scenarios. Therefore, the residential growth share obligation is zero.

b. RMP Adjusted Projections of Non-Residential Growth.

- i. Actual Non-Residential Growth. The following table presents actual non-residential growth in the municipality for the period between January 1, 2004 and December 31, 2008. Non-residential growth is indicated by certificates of occupancy and demolition permits issued. The table presents this information based on the total square footage by type of non-residential development (i.e. office, retail, etc.), which is then translated into employment growth, based on the multipliers provided in Appendix D of COAH’s substantive rules. As shown, actual growth between 2004 and 2008 in Rockaway Township totaled 1,671 jobs.

**Table 24: Actual Growth in Non-Residential Development
Analysis of Certificates of Occupancy and Demolition Permits, 2004-2008
Rockaway Township, New Jersey**

	2004		2005		2006		2007		2008		Total Jobs
	SF	Jobs	SF	Jobs	SF	Jobs	SF	Jobs	SF	Jobs	
Certificates of Occupancy											
Office	4,989	14.0	896	2.5	8,596	24.1	46,114	129.1	640	1.8	171.5
Retail	145,499	247.3	357,552	607.8	79,667	135.4	0	0	0	0	990.5
A2 Assembly	0	0	8,113	26.0	78,911	252.5	0	0	0	0	278.5
A3 Assembly	7,500	12.0	0	0	0	0	5,700	9.1	0	0	21.1
A4 Assembly	1,425	4.8	0	0	0	0	0	0	0	0	4.8
Hotel/Motel	2,000	3.4	0	0	0	0	0	0	0	0	3.4
Industrial	0	0	0	0	3,705	4.4	0	0	0	0	4.4
Institutional	0	0	54,550	141.8	0	0	0	0	11,373	29.6	171.4
Storage	0	0	0	0	0	0	0	0	25,542	25.5	25.5
Subtotal Jobs	281.5		778.1		416.4		138.2		56.9		1,671
Demolition Permits											
<i>No Data Available</i>											
Total Jobs	281.5		778.1		416.4		138.2		56.9		1,671

Source: NJ DCA, The NJ Construction Reporter: <http://www.state.nj.us/dca/codes/cr/conrep.shtml>.

- ii. Projected Non-Residential Growth. In this step, non-residential growth between 2009 and 2018 is projected based on the results of the Highlands Municipal Build-Out Report for Rockaway Township. As already noted, this report provides estimates of the capacity for growth in the entire municipality based on potential developable lands and existing municipal conditions, including water availability, septic system yield, and water and sewer utility capacity.

The following table presents the results of the Highlands Municipal Build-Out Report for Rockaway Township. As shown, the Highlands Council projects that Rockaway's potential for new non-residential development is 675 jobs.

**Table 25: Highlands Municipal Build-Out Results
Projected Non-Residential Development
Rockaway Township, New Jersey**

	Preservation Area	Planning Area	Totals
Non-Residential Jobs – Sewered	0	675	675

Source: Rockaway Township Municipal Build-Out Report, July 2009

- iii. Total Non-Residential Growth. Actual non-residential growth between 2004 and 2008 is

then added back to the projected non-residential growth based on the results of the Highlands Municipal Build-Out Report. As shown in the table below, this results in a total non-residential growth for the 2004-2018 period of 2,346 jobs.

**Table 26: Total Non-Residential Growth, 2004-2018
Rockaway Township, New Jersey**

2004-2008 Actual Growth	+	Projected Growth Per Highlands Build-Out	=	Total Non- Residential Growth
1,671		675		2,346

- iv. Determining the Non-Residential Growth Share Obligation. After calculating the total non-residential growth above, the municipality shall have an obligation of one affordable housing unit for every 16 jobs projected. For the purpose of calculating the growth share obligation, the municipality shall divide the resulting total jobs by 16. The projected non-residential growth share obligation shall not go below zero.

Applying the standard of one affordable housing unit for every 16 jobs created to the total non-residential growth of 2,346 jobs results in a non-residential growth share obligation of 147 affordable housing units.

- c. Total Growth Share Obligation: Residential and Non-Residential. The complete growth share obligation, consisting of the residential growth share and non-residential growth share, is shown in the table below. As indicated, Rockaway has a total growth share obligation of 147 units.

**Table 27: Total Growth Share Obligation
Rockaway Township, New Jersey**

	Total
Residential Growth Share	0
Non-Residential Growth Share	147
Total Growth Share Obligation	147

4. Total Fair Share Obligation. As indicated previously, the total fair share obligation is the sum of the rehabilitation share, remaining prior round obligation, and the growth share. As shown below, Rockaway has a total fair share obligation of 381 units.

**Table 28: Total Fair Share Obligation
Rockaway Township, New Jersey**

Component	Obligation
Rehabilitation Share	42
Remaining Prior Round Obligation	192
Growth Share	147
Total Fair Share Obligation	381

SECTION III: FAIR SHARE PLAN

A. PLAN SUMMARY

This section of the plan details the projects, mechanisms and funding sources which will be used to meet the Township's affordable housing obligation. It is broken down into three subsections: (1) rehabilitation share, (2) remaining prior round obligation and (3) growth share obligation.

1. Rehabilitation Share. COAH has assigned the Township a rehabilitation share of 42 units. The Township's proposal for addressing its rehabilitation obligation is set forth later in this section.
2. Remaining Prior Round Obligation. As detailed in the previous section of this plan, the Township has 192 units of remaining prior round obligation that must be addressed. The certified prior round plan addressed these units through the Pondview Estates inclusionary development, however construction is pending the State's approval of water services. As previously noted, the Township is contemplating a reduced number of units for Pondview Estates and a corresponding reconfiguration of the prior round plan components. This is detailed below.
3. Growth Share Obligation. As detailed in the previous section of this plan, Rockaway's growth share obligation is 147 units. The rules governing the growth share obligation relate to Rockaway as follows:
 - a. Rental Component. COAH regulations stipulate in NJAC 5:97-3.10(b)3 that at least 25 percent of a municipality's growth share obligation must be addressed with rental housing. Therefore, the Township is obligated to provide 37 affordable rental units. Per NJAC 5:97-3.4(b), a minimum of 50 percent of these affordable rental units (equal to 19) shall be family housing.
 - b. Age Restricted Units. COAH regulations stipulate in NJAC 5:97-3.10(c)2 that up to 25 percent of a municipality's growth share obligation may be addressed with age-restricted housing. Therefore, the Township may provide up to 37 age-restricted units.
 - c. Bonus Caps. COAH regulations stipulate in NJAC 5:97-3.20(b) that the total number of bonuses for the growth share obligation granted in a fair share plan shall not exceed 25 percent of the projected growth share obligation. Therefore, the Township may be granted up to 37 bonus credits. It is noted that, per NJAC 5:97-3.6(a), a municipality may only receive rental bonus credits for units in excess of its growth share rental obligation.

B. PLAN COMPONENTS

1. Rehabilitation Program. The Township's rehabilitation share is 42 units. Municipalities are required to set aside sufficient funds to address half of their rehabilitation obligation at the time of certification of their plan. A minimum of \$10,000 per unit is required. In Rockaway's case, this means that \$210,000 must be set aside for this purpose. The Township may utilize its development fee monies that have been collected (there is approximately \$2 million currently in the account) for this purpose. [Note: the Township was in litigation over COAH's efforts to take this money from the Township due to the municipality's affordable housing litigation. The Township Attorney has advised that the trial court has determined that the Township can retain all development fees collected prior to November 7, 2007 which amounts to approximately \$1,913,413.78. In addition,

the court ruled that the Township can continue to collect development fees prospectively].

2. Remaining Prior Round and Growth Share Obligation Plan Components. The Township has a 192 unit remaining prior round obligation and a 147 unit growth share obligation. Two alternative approaches to addressing this obligation are presented below: This is being presented this way at this time because the timing of the preparation of these alternatives did not enable discussion with the Township Council, where one of the two options, or another option, may be selected. It is anticipated that the Township Council will consider these various alternatives and select one or a variation of one to achieve the satisfaction of their obligation.

The first approach assumes that the entirety of the 1,050 unit Pondview Estates project would continue to be a part of the Township’s approach to dealing with the community’s affordable housing obligation. The following two tables represent this Alternative A. The first table (29A) identifies the manner in which the 370 unit prior round obligation is addressed. The second table (29B) summarizes the manner in which the 147 unit growth share obligation is addressed.

**Table 29A: Alternative A – Prior Round Cycle
With 1,050 Unit Pondview Estates
Rockaway Township, New Jersey**

Plan Component	Total # Units	# Affordable Units	Status
New Construction Credits		123	Completed
Green Pond Village	---	40	
Mt Pleasant Ave. Senior Citizen Housing	---	75	
Group Homes		8	
Block 10402 Lot 49	4 beds		
Block 11205 Lot 6-9	4 beds		
Inclusionary Development		192	Final Site Plan Approval 7/00 Construction pending State approval for water services.
Highlands at Morris/Pondview Estates	1,050	100 units 92 rental bonus	
Regional Contribution Agreement	55	55	Completed w/ East Orange
Total Affordable Housing Credits	-----	370	

**Table 29B: Alternative A – Growth Share Cycle
With 1,050 Unit Pondview Estates
Rockaway Township, New Jersey**

Plan Component	Total # Units	# Affordable Units
Commons Way Lot 3.06 (8 du/ac w/20% setaside)	204	46 41 (rentals) 5 (rental bonus)
Commons Way 3.07 (8 du/ac w/20% setaside)	158	64 32 (rentals) 32 (rental bonus)
Villages at Rockaway (20% setaside)	188	38
Sanders Road	10	2 (rentals)
Mine Hill Properties	9	2
Group Home: Allegro: 10 Anderson Ave.	4 beds	4
Housing Partnership: Rockaway Township	2	2
Habitat for Humanity	2	2
Total Affordable Housing Credits		160 (need 147)

The second, alternative approach assumes that Pondview Estates would develop with 500 dwelling units and within that context would continue to be a part of the Township’s approach to dealing with the community’s affordable housing obligation. The following two tables (30A and 3B) represent this Alternative B. The first table (30A) identifies the manner in which the 370 unit prior round obligation is addressed. The second table (30B) summarizes the manner in which the 147 unit growth share obligation is addressed.

**Table 30A: Alternative B – Prior Round Cycle
With 500 Unit Pondview Estates
Rockaway Township, New Jersey**

Plan Component	Total # Units	# Affordable Units	Status
New Construction Credits Green Pond Village Mt Pleasant Ave. Senior Citizen Housing Group Homes Block 11205 Lot 6-9 (4 beds)		120 40 75 4 x 1.25 credits = 5	Completed
Inclusionary Development Highlands at Morris/Pondview Estates (20% setaside)	500	100 100 units	Final Site Plan approval for 1,050 du 7/00. Construction pending State approval for water services.
Villages at Rockaway (20% setaside)	250	100 50 rentals 50 rental bonuses	
Regional Contribution Agreement		55	Completed with East Orange
Total Affordable Housing Credits		375 (need 370)	

**Table 30B: Alternative B – Growth Share Cycle
With 500 Unit Pondview Estates
Rockaway Township, New Jersey**

Plan Component	Total # Units	# Affordable Units
Commons Way Lot 3.06 (9 du/Ac. 20% setaside)	230	83 46 rentals 37 rental bonuses
Commons Way 3.07 (9 du/Ac. 20% setaside)	177	36 36 rentals
Sanders Road	10	2
Mine Hill Properties	9	2
Route 46/Highnads Ave (20% setaside)	56	11
Group Homes: Block 10402 Lot 49 Allegro: 10 Anderson Ave.	4 beds 4 beds	10 8 x 1.25 credits/bed = 10 credits
Housing Partnership Rockaway Rd	2 du	2
Habitat for Humanity	2 du	2
Total Affordable Housing Credits		148 (147 needed)

Each of these plan components is addressed below:

a. Inclusionary Developments.

- i. Commons Way 3.06. This site is located at the west end of Commons Way, a long cul-de-sac street extending off of Green Pond Road. It is identified as Block 22401 Lot 3.06, according to municipal tax records. The site occupies an area of 25.5 acres and is irregular in shape. Its dimensions include a large rectangular developable area, and a long and narrow appendage extending southward from the principal portion of the site. The dimensions include over 350 feet of frontage on Commons Way and a depth of over 600 feet.

The site is partially located within both Planning Area 1 (Metropolitan) and Planning Area 5 (Environmentally Sensitive). Approximately 10.3 acres are designated PA1, and approximately 15.2 acres are designated PA5. As shown on the accompanying Environmental Constraints map at the end of this document, there are no environmentally sensitive features on the property. The site is within the Township’s wastewater and potable water service areas.

The accompanying map entitled ‘Aerial of Sites I’ shows the property and its surrounding development pattern. The site is located in an area containing a variety of uses, including office/warehousing development to the east and north, and detached single family residential development to the immediate west. The aerial photograph depicts this established land use arrangement, and highlights the fact that the site represents a transitional property separating distinctly different land patterns.

This property was recently proposed to be rezoned to permit age-restricted inclusionary residential development on the site at a density of 8 units per acre and a minimum 13.6 percent set-aside for affordable housing. However, the Plan now calls for either of the following two alternatives for this site, depending upon which one the Township selects:

- 1) In Alternative A, this site is recommended for a maximum density of 8 units per acre with a 20 percent affordable housing set-aside. This would yield a total of 204 units on-site, including 163 market rate units and 41 affordable rental units. As detailed in the table above, this site would also yield rental bonus credits.
 - 2) In Alternative B, this site would be allowed to be developed at 9 units per acre with a 20 percent setaside for affordable housing, yielding a total of 230 units consisting of 184 market rate units and 46 affordable rental units. As detailed in the table above, this site would also yield rental bonus credits.
- ii. Commons Way 3.07. This site is also located at the end of Commons Way and is identified as Block 22401 Lot 3.07, according to municipal tax records. It is owned by the same entity that owns Lot 3.06 referenced above. The site occupies an area of 19.7 acres. Its dimensions include approximately 600 feet of frontage on Commons Way and a depth of over 700 feet.

The site is entirely located within Planning Area 5 (Environmentally Sensitive). As shown on the accompanying Environmental Constraints map, some wetlands are present on the property, although not of sufficient area to preclude the site's development. The site is within the Township's wastewater and potable water service areas.

The site is also depicted on the accompanying map entitled 'Aerial of Sites I'. The site's relationship to abutting Lot 3.06, the surrounding development pattern and the transitional nature of Lot 3.06 which also characterizes Lot 3.07, indicates the propriety of this site for this use.

Although this site is presently zoned for Planned Economic Development, which permits office development and manufacturing/warehousing uses, we recommend that this site be rezoned to permit inclusionary residential development. While the developer of the property has proposed a 248-unit rental development with four levels over parking, our Plan calls for either of the following two alternatives for this site, depending upon which one the Township selects:

- 1) In Alternative A, this site is recommended for a maximum density of 8 units per acre with a 20 percent affordable housing set-aside. This would yield a total of 158 units on-site, including 126 market rate units and 32 affordable rental units. As detailed in the table above, this site would also yield rental bonus credits.
- 2) In Alternative B, this site would be allowed to be developed at 9 units per acre with a 20 percent setaside for affordable housing, yielding a total of 177 units consisting of 141 market rate units and 36 affordable rental units.

- iii. The Villages. Like the Commons Way sites referenced above, this site is located in the southeast portion of the Township, on the west side of Green Pond Road approximately 200 feet north of Sanders Road. The site occupies 51.3 acres and has an irregular, somewhat flag-shaped configuration. Its dimensions include approximately 55 feet of frontage on Green Pond Road, with a narrow ‘stem’ which extends approximately 300 feet into the main portion of the lot, which has a depth of greater than 1,000 feet.

The site is located within Planning Area 2 (Suburban) and is served with both water and sewer utilities. As shown on the accompanying Environmental Constraints map, the property contains a number of environmental constraints, including steep slopes, wetlands, as well as a Category One (C1) stream and its associated buffer area. However, as depicted on a site design prepared by the developer, the site still has a significant development potential.

The accompanying map entitled ‘Aerial of Sites I’ shows that the site is surrounded by a variety of uses, including commercial and industrial development to the north and east, detached single family residential development to the immediate west, and multi-family residential development to the immediate south. Because the site contains a number of environmental constraints along its frontage, it is more oriented to neighboring residential properties to the rear of the site than Green Pond Road’s commercial corridor.

The site has received approvals for a 188-unit age restricted residential development, including 38 affordable dwelling units. However, the developer had recently proposed that the property be rezoned to accommodate 206 units of non-age restricted inclusionary rental housing. If a 20 percent set-aside were imposed, this would yield 164 market rate units and 42 affordable units. In addition, the development could receive 42 rental bonus credits. Therefore, a total of 84 credits from this site would be applied toward the growth share obligation.

More recently, on October 21, 2009 Villages at Rockaway Associates, LP filed an application with the Rockaway Township zoning board of adjustment seeking conversion of its age restricted approval to a development without age controls, pursuant to the recently approved Act adopted by the State Legislature. This plan filed by the applicant calls for 188 dwelling units inclusive of 38 affordable housing units.

The draft Housing Plan recommends the following for this site:

- 1) In Alternative A, this site is recommended to be developed at the same intensity of use as contemplated in the Village at Rockaway’s recent zoning board submittal. The Plan calls for the site to contain 188 dwelling units, including 150 market rate units and 38 affordable units. As detailed in the tables above, in Alternative A this site is used to meet the Township’s growth share obligation.
- 3) In Alternative B, this site is assigned to assist the Township in meeting a portion of its prior round cycle obligation. The Plan calls for this site to be developed with

250 dwellings with a 20 percent setaside for affordable housing, yielding a total of 200 market rate units and 50 affordable rental units. As detailed in the table above, this site would also yield rental bonus credits.

- iv. Sanders Road. This site is located on the southwest corner of Green Pond Road and Sanders Road. It is identified as Block 22102 Lots 6 and 7, according to municipal tax records. The site is 1.75 acres, with approximately 468 feet of frontage on Green Pond Road and 146 feet of frontage on Sanders Road. A single family dwelling is currently located in the northerly portion of the property. The Zoning Board of Adjustment recently approved this property for a 10 unit rental development, including 2 affordable rental units. These units would satisfy a 2 unit portion of the 28 unit minimum rental requirement for the period 2013-2018.

The 'Aerial of Sites I' and the 'Environmental Constraints' maps illustrate the surrounding development pattern and the site's environmentally sensitive features, respectively. As shown, the site contains a number of environmental constraints, including floodplain, wetlands, as well as a Category One (C1) stream and associated buffer area. The site is located entirely within Planning Area 1 (Metropolitan) and is served with both water and sewer utilities

- v. Mine Hill Properties. This site is located in the southwest portion of the Township along Richard Mine Road. It is identified as Block 11408 Lot 2 and Block 11409 Lot 2, according to municipal tax records. The site is 22.3 acres, with approximately 940 feet of frontage on Richard Mine Road and approximately 1,200 feet of depth. The property is currently vacant, however the Township recently approved this property for a 9 unit development, including 2 affordable units.

The site is entirely located within Planning Area 2 (Suburban). As shown on the accompanying Environmental Constraints map, wetlands are present on a portion of the property. The site is within the Township's wastewater and potable water service areas.

The accompanying map entitled 'Aerial of Sites II' depicts the property and its surrounding development pattern. As shown, the site is adjacent to detached single family residential development to the immediate east, Mount Hope parkland/open space to the north and west, and vacant municipally-owned land to the south.

- vi. Route 46 and Highland Ave. This 3.75 acre tract is located at the northeast corner of Route 46 and Highland Avenue. It consists of four tax lots identified as Block 10303 Lots 14 through 17. Most of the site is occupied by paving for an auto sales establishment. Lot 14 is developed with a small retail building.

The site is entirely located within Planning Area I (Metropolitan). It is free of environmental constraints and is served by both water and sewer utilities. The accompanying map entitled 'Aerial of Sites III' depicts the property and its surrounding development pattern. As shown, the site is adjacent to a 110 unit multi-family residential development to the immediate north.

The plan proposes that this site be designated as an inclusionary site at a density of 15 units per acre with a 20 percent set-aside for affordable units in Alternative B (Table 30B), thus enabling the site to be developed with 56 units including 11 affordable housing units. The Township Administrator has spoken with the property owner's attorney, who indicated the property owner supports this designation of his site.

- b. Habitat for Humanity Project. The Township of Rockaway owns an undeveloped property in the municipality that is proposed for purchase by Habitat for Humanity. Habitat for Humanity will build dwelling units on the site for low- and moderate-income households. A presentation was made to the Township Council by Habitat for Humanity on July 7, 2009 regarding this development.

The property that will be built by Habitat for Humanity is a one-half acre property located at 101-107 Valley View Drive (Block 21102 Lots 43-46). The proposed Habitat for Humanity development for this site will be a two-family dwelling unit.

The site is entirely located within Planning Area I (Metropolitan). It is free of environmental constraints and is within the Township's wastewater and potable water service areas. The accompanying map entitled 'Aerial of Sites IV' depicts the property and its surrounding development pattern. As shown, the site is surrounded by detached residential development and is immediately north of the Commons Way sites discussed above.

In sum, the proposed Habitat for Humanity projects in Rockaway will contribute 2 units of credit toward the Township's growth share obligation.

- c. Group Home and Two-Family Housing Partnership Building. Pursuant to N.J.A.C. 5:97-6.10, the Township may address its affordable housing obligation through supportive and special needs housing, including residential health care facilities as regulated by the New Jersey Department of Health and Senior Services or DCA, group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services, permanent supportive housing, and supportive shared living housing. The unit of credit for group homes, residential health care facilities, and shared living housing is the bedroom.

The Township of Rockaway has one existing group home that is eligible for COAH credits. In addition, this plan calls for a duplex with two affordable housing units. These developments are as follows:

- i. Allegro Group Home: This home is located at 10 Anderson Avenue (Block 21005 Lot 2) and contains 4 bedrooms. It serves people with autism/PDD (Pervasive Developmental Disabilities) and is licensed through the New Jersey Department of Human Services, Division of Developmental Disabilities. The site and its surroundings are depicted on the accompanying map entitled 'Aerial of Sites IV'

- ii. Housing Partnership Home: There is currently a proposal to locate a new affordable duplex building on Rockaway Road (Block 10101 Lot 24). This facility is proposed to contain 2 units. The site is located entirely within Planning Area 1 (Metropolitan). It is free of environmental constraints and is within the Township's wastewater and potable water service areas. The site and its surroundings are depicted on the accompanying map entitled 'Aerial of Sites III'
- d. Development Fees. The Township had adopted a development fee ordinance, as provided by COAH's rules at NJAC 5:97-8.3, permitting the Township to impose such fees on new development. The funds generated by the collection of development fees will be applied directly toward implementation of the Township's Fair Share Plan.

Pursuant to the current Development Fee Ordinance, the Township has and continues to collect residential development fees of 1.0 percent of the equalized assessed value of residential development within all residential zoning districts. In accordance with N.J.A.C. 5:97-8.3(c), the Township will seek authorization from the Court to increase the percentage so that the Township may collect a residential development fee of 1.5 percent of the equalized assessed value of residential development within all residential zoning districts. In addition, non-residential development fees of 2.5 percent of the equalized assessed value will be collected on non-residential development within all non-residential zoning districts pursuant to the Statewide Non-Residential Development Fee Act, L.2008 c.46, subject to the suspension and refund provisions of L.2009 c.90.

The following developers are exempt from paying development fees:

- Developers of low and moderate income units, or those who have made a payment in lieu of constructing affordable units;
 - Developers of any not-for-profit uses; federal, state and municipal government uses; churches and other places of worship; and public schools;
 - Developers who expand, enlarge, or improve existing single family or two family residences, unless the expansion, enlargement, or improvement leads to the creation of additional dwelling units(s).
3. Additional Alternatives. If it is found that any of the plan components referenced above cannot be developed, or cannot be developed to the full extent that is referenced above due to Highlands RMP restrictions, the Township will consider employing all or a portion of the following mechanisms:
 - a. Bodner Park Inclusionary Development. This site is located on the south side of Richard Mine Road at its intersection with Mount Hope Road. It is identified as Block 11301 Lot 29, according to municipal tax records. The site is 61.54 acres, with approximately 1,700 feet of frontage on Richard Mine and Mount Hope Roads. The Township previously approved this property for a 336 age-restricted development and a portion of the development has already been constructed as such. However, the developer now seeks to convert a portion of its age restricted development to one without age controls.

- b. Regional Affordable Housing Development Planning Program (RAHDPP). The Township will consider participation in the Highlands Council’s Regional Affordable Housing Development Planning Program (RAHDPP) as a sending municipality. The RAHDPP allows conforming Highlands municipalities (sending municipalities) to transfer up to 50 percent of their affordable housing obligations to other municipalities within the Highlands Region (receiving municipalities). The minimum transfer cost per unit would be dependent upon the housing region to which the unit is being transferred: for units transferred to Region 1, the minimum cost per unit is \$80,000, and for units transferred to Regions 2 or 3, the minimum cost per unit is \$67,000. The Township has notified the Council of its potential interest as a sending municipality under the RAHDPP guidelines.

- c. Accessory Apartment Program. The Township will consider implementing an accessory apartment program which permits accessory apartments in all or select zoning districts, provided the units are affordable to low- and moderate-income households. The Township would be eligible for credit for up to ten (10) affordable accessory apartments.

C. CONCLUSION

The Township has 192 remaining prior round obligation and a 147 unit growth share obligation. Tables 29A & B and 30A & B provide a summary of how this obligation will be met. As shown, the obligation will be met via a combination of inclusionary developments, group home credits, Habitat for Humanity projects, and rental bonus credits. The two alternative approaches presented herein will be considered by the Township Council and one, or a variation of one, will be selected to achieve the satisfaction of their obligation.

SECTION IV: HIGHLANDS CONSISTENCY REVIEWS

A. INTRODUCTION

The Highlands Council requires that any development project proposed for affordable housing be reviewed to ensure that the proposal is consistent with the Highlands Regional Master Plan (RMP). To assist municipalities in reviewing any proposed sites relative to RMP consistency, the Highlands Council has created a Highlands Consistency Review web tool, from which a Highlands Consistency Review Report can be created for each proposed affordable housing site.

The Highlands Consistency Review Report evaluates the consistency of the proposed affordable housing site with the Highlands RMP requirements for preservation of a number of natural resources. Such resources include forests, open waters and riparian areas, steep slopes, critical habitat areas, carbonate rock areas, and prime ground water recharge areas. The Highlands Consistency Review Report also evaluates each site's consistency with the RMP's provisions related to water supply, utility capacity, septic system yield, wastewater utility capacity, and water availability.

In accordance with the above requirements, we have prepared Highlands Consistency Review Reports for each of the plan components identified in the previous section of this letter. Detailed below for each site is a synopsis of the Highlands Consistency Review Report and an analysis of its viability for affordable housing. Copies of the full reports are included in the appendix of this document.

It is important to note that the analysis presented below reflects the knowledge, interpretations and conclusions of Burgis Associates, Inc. and is therefore a preliminary assessment. Each site identified for affordable housing will also need to be reviewed by the Highlands Council, which will make the ultimate determination of consistency with the RMP.

B. SITE CONSISTENCY REVIEWS

1. Remaining Prior Round Obligation.

a. Inclusionary Developments.

- i. Pondview Estates. As detailed in the previous section of this report, this site is included in both the Township's first and second round Housing Element and Fair Share Plans to provide for low- and moderate-income units. It received final major subdivision approval and site plan approval on July 17, 2000 for the construction of 1,050 multi-family units. Of these units, 100 were required to be affordable rental units, which would yield 92 rental bonus credits. This scenario is what is contemplated in Alternative A. In contrast, Alternative B proposes 500 total units on the site, including 100 affordable rental units.

Because the site has already received development approval for the proposed inclusionary development, it is exempt from the requirements of the Highlands RMP.

2. Growth Share Obligation.

a. Inclusionary Developments.

i. Commons Way 3.06. A review of this site's consistency with the Highlands RMP reveals the following:

- 1) *Land Use Capability Zone*: The site is located in the Planning Area and is partially designated as both Existing Community Zone (ECZ) and Existing Community Zone – Environmentally Constrained subzone. The ECZ is where the Highlands encourages future growth, if compatible with the protection and character of Highlands resources. This ECZ designation follows the already disturbed portion of the site, which is where new development is proposed. Lands in the Existing Community Zone – Environmentally Constrained subzone are not appropriate for significant development, and are best served by land preservation and protection. This designation is primarily concentrated in the southern appendage to the main developable area, where development is not contemplated.
- 2) *Forest Resource Area*: Portions of the site are forested areas within the Highlands Forest Resource Area. The locations of these areas correspond with the location of the Existing Community Zone – Environmentally Constrained subzone designation. The Highlands RMP prohibits new or expanded utilities into forested areas in the Forest Resource Area. It is not anticipated that the proposed development would extend into such portions of the site because the site was already cleared for development.
- 3) *Highlands Open Waters*: A Highlands Open Waters buffer is located in the northeastern portion of the site, overlapping with the ECZ designation. The Highlands RMP prohibits disturbance to Highlands Open Waters buffers in the ECZ except in previously disturbed areas. Because this portion of the site is already disturbed, development is permitted.
- 4) *Riparian Area*: High Integrity Riparian Areas are located in the northwestern portion of the site, corresponding with the location of the Existing Community Zone – Environmentally Constrained subzone designation. The Highlands RMP requires that disturbance of existing natural vegetation or increases in impervious area within High Integrity Riparian Areas in the ECZ be limited to the minimum alteration feasible. It is not anticipated that the proposed development would extend into such portions of the site.
- 5) *Steep Slopes*: Moderately constrained slopes are located on the southern appendage of the site, in the Existing Community Zone – Environmentally Constrained subzone. The Highlands RMP prohibits land disturbance within severely and moderately constrained slope areas. It is not anticipated that the proposed development would extend into such portions of the site.
- 6) *Critical Wildlife Habitat*: Critical wildlife habitat is located in areas on the site consistent with forested areas. The Highlands RMP prohibits the direct impact of new human development or expansion or increased intensity of existing development within critical habitat. As noted above regarding forested areas, it is

not anticipated that the proposed development would extend into such portions of the site.

- 7) *Prime Ground Water Recharge Areas:* Prime ground water recharge areas are located in the southern portion of the site, within the areas designated Existing Community Zone – Environmentally Constrained subzone. The Highlands RMP prohibits development within prime ground water recharge areas unless necessary to avoid critical habitat, Highlands Open Waters buffers, and moderately and severely constrained slopes. It is not anticipated that the proposed development would extend into such portions of the site.
- 8) *Water Availability:* Although the majority of the area proposed for development is in a subwatershed with positive Net Water Availability, a portion of the previously disturbed area is in a subwatershed deemed a Current Deficit Area. The Highlands RMP establishes highest priority for use of Net Water Availability or Conditional Water Availability within the ECZ to a variety of uses, one of which is affordable housing projects with a minimum 10 percent setback.
- 9) *Water & Sewer Utilities:* Although in the water and sewer service area, the site is undeveloped and therefore not currently served by utilities. The Highlands RMP prohibits new or expanded utilities in the Existing Community Zone – Environmentally Constrained subzone. It is not anticipated that the proposed development would extend into such portions of the site. In the ECZ, affordable housing projects with a minimum 10 percent setback shall have the higher priority for allocation of excess or additional water and sewer capacity than other developments.

In sum, the Highlands Consistency Review Report reveals that the site can be developed for affordable housing consistent with the provisions of the Highlands RMP.

- ii. Commons Way 3.07. A review of this site’s consistency with the Highlands RMP reveals the following:

- 1) *Land Use Capability Zone:* The site is located in the Planning Area and is partially designated for multiple Land Use Capability Zones. The rear portion of the site is designated as Protection Zone, which is where development activities will be extremely limited by the RMP. The majority of the front portion of the site is designated as Existing Community Zone (ECZ), which is where future growth is encouraged if compatible with Highlands resource requirements. A portion of this area is also located in the Existing Community Zone – Environmentally Constrained subzone, which is not appropriate for significant development. The areas designated as ECZ and Existing Community Zone – Environmentally Constrained subzone have already been cleared for development.
- 2) *Forest Resource Area:* The entire rear portion of the site is forested area within the Highlands Forest Resource Area. The locations of these areas correspond with the

location of the Protection Zone designation. The Highlands RMP prohibits new or expanded utilities into forested areas in the Forest Resource Area. A proposed development on this site could likely be located outside of this area

- 3) *Highlands Open Waters:* A Highlands Open Waters buffer covers the entirety of the site. The Highlands RMP prohibits disturbance to Highlands Open Waters buffers in the Protection Zone and ECZ except in previously disturbed areas. Because the front portion of the site in the ECZ and Existing Community Zone – Environmentally Constrained subzone is already disturbed, development is permitted in this area.
- 4) *Riparian Area:* High Integrity Riparian Areas are located in the rear portion of the site, corresponding with the locations of the Protection Zone and Existing Community Zone – Environmentally Constrained subzone designations, as well as a small portion of the ECZ. The Highlands RMP prohibits modifications to High Integrity Riparian Areas in the Protection Zone. However, a proposed development on this site could likely be located outside of this area. In the ECZ and Existing Community Zone – Environmentally Constrained subzone, the RMP requires that disturbance of existing natural vegetation or increases in impervious area within High Integrity Riparian Areas be limited to the minimum alteration feasible.
- 5) *Steep Slopes:* Severely and moderately constrained slopes are located in the rear portion of the site, within the area designated as Protection Zone. The Highlands RMP prohibits land disturbance within severely and moderately constrained slope areas. A proposed development on this site could likely be located outside of this area.
- 6) *Critical Wildlife Habitat:* Critical wildlife habitat is located in areas on the site consistent with forested areas. The Highlands RMP prohibits the direct impact of new human development or expansion or increased intensity of existing development within critical habitat. As noted above regarding forested areas, a proposed development on this site could likely be located outside of this area.
- 7) *Water Availability:* The entirety of the site is located in a subwatershed with positive Net Water Availability. The Highlands RMP establishes highest priority for use of Net Water Availability or Conditional Water Availability within the Protection Zone and ECZ to a variety of uses, one of which is affordable housing projects with a minimum 10 percent setback.
- 8) *Water & Sewer Utilities:* Although in the water and sewer service area, the site is undeveloped and therefore not currently served by utilities. The Highlands RMP prohibits new or expanded utilities in the Protection Zone and Existing Community Zone – Environmentally Constrained subzone. In the ECZ, affordable housing projects with a minimum 10 percent setback shall have the higher priority for allocation of excess or additional water and sewer capacity than other developments.

In sum, the Highlands Consistency Review Report reveals that the site can be developed for affordable housing consistent with the provisions of the Highlands RMP.

- iii. The Villages. As detailed in the previous section of this letter, this site has received approvals for a 188-unit age restricted residential development, including 38 affordable dwelling units. The developer is now seeking conversion of its age restricted approval to a development without age controls, while keeping the same unit count and affordable housing setaside. This is the scenario contemplated in Alternative A. In contrast, Alternative B recommends that this site be assigned to assist the Township in meeting a portion of its prior round cycle obligation. The Plan calls for this site to be developed with 250 dwellings with a 20 percent setaside for affordable housing, yielding a total of 200 market rate units and 50 affordable rental units. This site would also yield rental bonus credits.

Because the site has already received development approval for the inclusionary development proposed in Alternative A, it is exempt from the requirements of the Highlands RMP. However, because amended site plan approval would be required under Alternative B, a review of the site's consistency with the Highlands RMP is set forth below:

- 1) *Land Use Capability Zone*: The site is located in the Planning Area and is designated as multiple Land Use Capability Zones. Whereas the majority of the site is designated as Existing Community Zone – Environmentally Constrained subzone, which the Highlands RMP considers inappropriate for significant development, a large area in the rear portion of the site is designated as Existing Community Zone (ECZ), which is where the Highlands encourages future growth, if compatible with the protection and character of Highlands resources. The portion of the site designated as ECZ is already disturbed, as is a smaller area towards the front of the site in the Existing Community Zone – Environmentally Constrained subzone.
- 2) *Forest Resource Area*: A portion of the site, along the rear lot line, is forested area within the Highlands Forest Resource Area. The Highlands RMP prohibits new or expanded utilities into forested areas in the Forest Resource Area. It is not anticipated that the proposed development would extend into such portions of the site.
- 3) *Highlands Open Waters*: A Highlands Open Waters buffer is located in the majority of the site. The Highlands RMP prohibits disturbance to Highlands Open Waters buffers in the ECZ and Existing Community Zone – Environmentally Constrained subzone except in previously disturbed areas. As noted above, portions of the site are already disturbed and therefore could accommodate the proposed development.
- 4) *Riparian Area*: High Integrity Riparian Areas are located in the front portion and

southwestern corner of the site. The Highlands RMP requires that disturbance of existing natural vegetation or increases in impervious area within High Integrity Riparian Areas be limited to the minimum alteration feasible, and the implementation of Low Impact Development Best Management Practices for any development proposed within a riparian area. Because a portion of the riparian area has already been cleared for development and approved for a clubhouse, pool and associated parking, this component of the plan could still be built and would not have to change with any additional unit counts.

- 5) *Steep Slopes*: Steep slope protection areas are located in the rear portion of the site, with potential or limited constrained slopes in the ECZ and severely and moderately constrained slopes in the Existing Community Zone – Environmentally Constrained subzone. The Highlands RMP prohibits land disturbance within severely and moderately constrained slope areas. It is not anticipated that the proposed development would extend into such portions of the site. Additionally, the RMP requires the use of Low Impact Best Development Practices for any land disturbance or human development within constrained or limited constrained slopes. Any development proposed in these portions of the site would have to incorporate these techniques.
- 6) *Critical Wildlife Habitat*: Critical wildlife habitat is located in areas on the site consistent with forested areas. The Highlands RMP prohibits the direct impact of new human development or expansion or increased intensity of existing development within critical habitat. It is not anticipated that the proposed development would extend into such portions of the site.
- 7) *Prime Ground Water Recharge Areas*: Prime ground water recharge areas are located in the rear portion of the site, within the forested areas in the Forest Resource Area. The Highlands RMP prohibits development within prime ground water recharge areas unless necessary to avoid critical habitat, Highlands Open Waters buffers, and moderately and severely constrained slopes. It is not anticipated that the proposed development would extend into such portions of the site.
- 8) *Wellhead Protection Areas (WHPA)*: The entire site is located in a WHPA, including a Tier-1 WHPA in the southeastern corner of the site, a Tier-2 WHPA in the rest of the site's southern half, and a Tier-3 WHPA in the site's northern half. The Highlands RMP prohibits land uses that have a potential to result in the discharge of pathogens (in a Tier-1 WHPA) and persistent organic or toxic chemical sources (in a Tier-2 WHPA), and requires that such land uses in a Tier-3 WHPA shall incorporate ongoing management of toxic chemical sources and prohibits unregulated discharges. The proposed project will not create such negative impacts and is therefore consistent with this requirement. The project will be required to implement Low Impact Best Development Practices throughout the site to protect the quality of ground water.

- 9) *Water Availability:* The entirety of the site is in a subwatershed deemed a Current Deficit Area. The Highlands RMP establishes highest priority for use of Net Water Availability or Conditional Water Availability within the ECZ to a variety of uses, one of which is affordable housing projects with a minimum 10 percent setaside.
- 10) *Water & Sewer Utilities:* Although in the water and sewer service area, the site is undeveloped and therefore not currently served by utilities per Highlands regulations. In the ECZ, affordable housing projects with a minimum 10 percent setaside shall have the higher priority for allocation of excess or additional water and sewer capacity than other developments. In the Existing Community Zone – Environmentally Constrained subzone, the Highlands RMP prohibits new or expanded utilities. However, because a portion of this subzone has already been cleared for development and approved for a clubhouse, pool and associated parking, this component of the plan could still be built and would not have to change with any additional unit counts.

In sum, the Highlands Consistency Review Report reveals that if the developer were to require amended site plan approval for an affordable housing project, the site can be developed consistent with the provisions of the Highlands RMP.

- iv. Sanders Road. As detailed in the previous section of this letter, the Zoning Board of Adjustment has recently approved this property for a 10 unit rental development, including 2 affordable rental units.

Because the site has already received development approval for the proposed inclusionary development, it is exempt from the requirements of the Highlands RMP.

- v. Mine Hill Properties. As detailed in the previous section of this letter, the Township recently approved this property for a 9 unit development, including 2 affordable units.

Because the site has already received development approval for the proposed inclusionary development, it is exempt from the requirements of the Highlands RMP.

- vi. Route 46 and Highland Ave. A review of this site’s consistency with the Highlands RMP reveals the following:

- 1) *Land Use Capability Zone:* The site is located in the Planning Area and is solely designated as Existing Community Zone (ECZ). The ECZ is where the Highlands encourages future growth, if compatible with the protection and character of Highlands resources.
- 2) *Steep Slopes:* Potential or limited constrained slopes are located on the western end of the site, on Lot 14. The Highlands RMP requires the use of Low Impact Best Development Practices for any land disturbance or human development within areas which are Constrained or Limited Constrained Slopes. Development in this portion of the site would have to incorporate these techniques.

- 3) *Wellhead Protection Areas (WHPA)*: The majority of the site is located in a Tier-3 WHPA, whereas the westernmost portion is located in a Tier-2 WHPA. The Highlands RMP prohibits land uses that have a potential to result in the discharge of persistent organic or toxic chemical sources in a Tier-2 WHPA, and requires that such land uses in a Tier-3 WHPA shall incorporate ongoing management of toxic chemical sources and prohibits unregulated discharges. Because the proposed inclusionary development would be replacing an auto dealer, the potential for groundwater contamination on site will be lessened. Therefore, the proposed project is consistent with these requirements. The project will be required to implement Low Impact Best Development Practices throughout the site to protect the quality of ground water.
- 4) *Water Availability*: The entirety of the site is in a subwatershed deemed a Current Deficit Area. The Highlands RMP establishes highest priority for use of Net Water Availability or Conditional Water Availability within the ECZ to a variety of uses, one of which is affordable housing projects with a minimum 10 percent setback.
- 5) *Water & Sewer Utilities*: The site is already served with water and sewer utilities.

In sum, the Highlands Consistency Review Report reveals that the site can be developed for affordable housing consistent with the provisions of the Highlands RMP.

b. Habitat for Humanity Project.

- i. 101-107 Valley View Dr. A review of this site's consistency with the Highlands RMP reveals the following:
 - 1) *Land Use Capability Zone*: The site is located in the Planning Area and is designated as multiple Land Use Capability Zones. Whereas the majority of the site is designated Protection Zone, which is where development activities will be extremely limited by the RMP, the front portions of Lots 45 and 46 are designated Existing Community Zone (ECZ), which is where the Highlands encourages future growth, if compatible with the protection and character of Highlands resources.
 - 2) *Forest Resource Area*: The majority of the site contains forested areas within the Highlands Forest Resource Area. The location of these areas corresponds with the location of the Protection Zone designation. The Highlands RMP limits human development of forests to low impact residential development in the Protection Zone in the Planning Area. Also, the RMP prohibits new or expanded utilities into forested areas in the Forest Resource Area. As discussed below, Lots 45 and 46 are already served by utilities and therefore the proposed project could be sited on the forested portions of these lots so long as it utilized Low Impact Development Best Management Practices.
 - 3) *Highlands Open Waters*: A Highlands Open Waters buffer is located in the front

portion of Lots 45 and 46, overlapping with the ECZ designation. The Highlands RMP prohibits disturbance to Highlands Open Waters buffers in the ECZ except in previously disturbed areas or if a waiver is issued by the Highlands Council per Policy 7G2. This policy permits issuance of a waiver from the requirements of the RMP (i) if necessary to protect the public health and safety, (ii) for redevelopment in certain previously developed areas, or (iii) in order to avoid the taking of property without just compensation. It appears a waiver could be justified based on this criteria.

- 4) *Riparian Area:* High Integrity Riparian Areas are located in the rear portion of the site, along the rear lot line. The Highlands RMP prohibits modifications to riparian areas in the Protection Zone except where a waiver is approved by the NJDEP or by the Highlands Council per Policy 7G2. It is not anticipated that the proposed development would extend into such portions of the site.
- 5) *Steep Slopes:* Potential or limited constrained slopes are located along the front portions of Lots 45 and 46, consistent with the ECZ designation. Steep slope protection areas are also located throughout the site. The Highlands RMP requires the use of Low Impact Best Development Practices for any land disturbance or human development within steep slope areas, including Constrained or Limited Constrained Slopes. Therefore, any development proposed in these portions of the site would have to incorporate these techniques.
- 6) *Critical Wildlife Habitat:* Critical wildlife habitat is located in areas on the site consistent with forested areas. The Highlands RMP prohibits the direct impact of new human development or expansion or increased intensity of existing development within critical habitat except as permitted through a waiver under Policy 7G2. Thus, it appears that a waiver would be required to develop in this portion of the site.
- 7) *Water Availability:* The entirety of the site is located in a subwatershed with positive Net Water Availability. The Highlands RMP establishes highest priority for use of Net Water Availability or Conditional Water Availability within the ECZ to a variety of uses, one of which is affordable housing projects with a minimum 10 percent setback.
- 8) *Water & Sewer Utilities:* Lots 45 and 46 are already served by water and sewer utilities, however Lots 43 and 44 are not. The Highlands RMP prohibits new or expanded utilities in the Protection Zone, unless the Highlands Council issues a waiver under Policy 7G2 and the project maximizes the protection of sensitive environmental resources.

c. Group Home and Two-Family Housing Partnership Building.

- i. Allegro Group Home: As detailed in the previous section of this letter, this group home is already in operation. Therefore, it is exempt from the requirements of the Highlands RMP.

ii. Housing Partnership Home: A review of this site's consistency with the Highlands RMP reveals the following:

- 1) *Land Use Capability Zone*: The site is located in the Planning Area and is solely designated as Existing Community Zone (ECZ). The ECZ is where the Highlands encourages future growth, if compatible with the protection and character of Highlands resources.
- 2) *Forests*: The entire site contains forested areas *outside* of the Highlands Forest Resource Area. The Highlands RMP limits the clearing of trees in conjunction with human development to circumstances where the clearing will not diminish the integrity of forest resources and requires use of Low Impact Development Best Management Practices where disturbance of forest resources is proposed. The proposed project would be required to incorporate such techniques and minimize disturbance of the site's forested areas to the maximum extent practicable.
- 3) *Prime Ground Water Recharge Areas*: The entire site is located in a prime ground water recharge area. The Highlands RMP prohibits development within prime ground water recharge areas unless necessary to avoid critical habitat, Highlands Open Waters buffers, and moderately and severely constrained slopes. This particular site does not contain critical habitat, Highlands Open Waters buffers, and steep slopes.
- 4) *Wellhead Protection Areas (WHPA)*: The entire site is located in a Tier-3 WHPA. The Highlands RMP requires that land uses that have a potential to result in the discharge of persistent organic or toxic chemical sources in a Tier-3 WHPA shall incorporate ongoing management of toxic chemical sources and prohibits unregulated discharges. The proposed residential project will not create such negative impacts and is therefore consistent with this requirement. The project will be required to implement Low Impact Best Development Practices throughout the site to protect the quality of ground water.
- 5) *Water Availability*: The entirety of the site is located in a subwatershed with positive Net Water Availability. The Highlands RMP establishes highest priority for use of Net Water Availability or Conditional Water Availability within the Protection Zone and ECZ to a variety of uses, one of which is affordable housing projects with a minimum 10 percent setback.
- 6) *Water & Sewer Utilities*: The site is already served with water and sewer utilities.

In sum, the Highlands Consistency Review Report reveals that the site can be developed for affordable housing consistent with the provisions of the Highlands RMP.

APPENDICES

A - 1: Township Resolutions for Highlands Plan Conformance

A - 2: Maps

- a. Wastewater and Potable Water Service Areas**
- b. Environmental Constraints**
- c. Aerial of Sites I**
- d. Aerial of Sites II**
- e. Aerial of Sites III**
- f. Aerial of Sites IV**

A - 3: Correspondence with Highlands Council Staff re: Approved Developments

A - 4: Workbook D: Alternative A – With 1,050 Unit Pondview Estates

A - 5: Workbook D: Alternative B – With 500 Unit Pondview Estates

A - 6: Draft Development Fee Ordinance

A - 7: Draft Resolution Requesting COAH Review and Approval of Development Fee Ordinance

A - 8: Draft Spending Plan

A - 9: Draft Resolution Requesting COAH Review and Approval of Spending Plan

A - 10: Draft Affordable Housing Ordinance

A - 11: Draft Resolution of Intent to Bond in Event of a Funding Shortfall