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M E M O R A N D U M

TO:	Highlands Council
FROM:	Benjamin L. Spinelli, Esq., Executive Director
SUBJECT:	Draft RMP Affordable Housing Amendment and Schedule
DATE:	March 28, 2024

On March 20, 2024, Governor Murphy signed P.L. 2024, c 2 (Bill A4/S50) setting forth new requirements for municipalities related to the provision of affordable housing. P.L. 2024, c 2 contains many references to the Highlands and includes various requirements for the Department of Community Affairs (DCA) and municipalities in the region. P.L. 2024, c 2 also includes aggressive time frames for these requirements.

Of note, P.L. 2024, c 2 requires that the Highlands Land Use Capability Zones be used by DCA to allocate affordable housing obligations in the Highlands. The RMP Amendment updating the Land Use Capability Zone map is anticipated to be adopted at the April 18, 2024 Highlands Council meeting, and will provide DCA with the most up-to-date Highlands information on which to base their housing calculations.

To meet the other requirements in P.L. 2024, c 2 an amendment to the RMP is proposed entitled "Highlands Affordable RMP Amendment". Much like the Highlands warehousing guidance, the intent of the amendment is to clearly and concisely summarize the applicable Goals, Policies and Objectives (GPOs) of the RMP that apply to affordable housing development for conforming municipalities in the region. The amendment will also update various existing GPOs to fit with the requirements of P.L. 2024, c 2.

The amendment will be one of three separate documents, listed below, that the Highlands Council will issue to help our constituent municipalities address affordable housing. The first document will be an RMP Amendment, while the other two parts are not required to be Amendments to the RMP as they are considered instruction and guidance documents.

- 1. **Highlands Affordable Housing (RMP Amendment).** On April 18, 2024, the Highlands Council will consider issuing the amendment for 60-day public comment and 6 public hearings, with potential adoption on July 18, 2024. A 30 business day mandatory veto period follows, leading to final effective date expected for mid-September.
- 2. **Highlands Affordable Housing Implementation Report** (not an Amendment). The Highlands Council plans to issue this report in September 2024, concurrent with the effective date of the RMP Amendment. Effectively a "how-to" handbook for municipalities,

this report will contain guidance and recommendations including but not limited to:

- a. A model ordinance to implement the 20% reservation requirement from the Fair Housing Act.
- b. Locational factors to use for affordable housing including access to transportation, infrastructure and community facilities.
- c. Redevelopment and other development opportunities to be considered, including:
 - i. Highlands Act Exemption #4, which allows redevelopment in the Preservation Area.
 - ii. Highlands Redevelopment Areas in both the Planning and Preservation Area.
 - iii. Highlands Centers in the Planning Area.
 - iv. Highlands Act Exemptions to allow the development of group homes in the Preservation Area.
 - v. Methods to identify redevelopment opportunities and underutilized sites.

3. Highlands Affordable Housing Grant Program and Build Out Instructions (not an Amendment). The Highlands Council plans to issue this report in September 2024, concurrent with the effective date of the RMP Amendment. This would contain specific instructions for municipalities including (for conforming municipalities):

- a. Development of a Highlands Municipal Build Out Report that will identify:
 - i. Available vacant land;
 - ii. Available water and wastewater capacities;
 - iii. Available redevelopment opportunities and underutilized sites.
- b. Grant Program for development of Highlands Municipal Build Out Report and Housing Element/Fair Share Plan.

Proposed Schedule and Steps for Amendment of the RMP

In September of 2018, the Highlands Council adopted the Regional Master Plan Addendum 2018-1 outlining the procedures for Amending the Regional Master Plan (RMP). The following schedule outlines the requirements of the Amendment Procedures.

4/15/2024	Proposed Amendments presented to RMP Amendment Committee in public session, recommendation to release for public comment
4/18/2024	Highlands Council resolution to release document for public comment
4/22/2024	Begin 60-day public comment period
May-June 2024	Six Public Hearings. 4 in Highlands Region, 1 in Trenton, 1 Virtual
6/23/2024	End of Public Comment Period
Early July 2024	Review comments and present changes to RMP Amendment Committee
July 2024	Open public RMP Amendment Committee meeting
7/18/2024	Highlands Council meeting to adopt proposed RMP Amendment.
August - September 2024	Governor's Review Period (30 business days)
September 2024	Send adopted amendment to Governor, legislature, governing body of municipalities and counties, and State Planning Commission.
Mid September 2024	RMP Amendment Process completed