

Amended Third Round Housing Element And Fair Share Plan

South Brunswick Township, Middlesex County, New Jersey

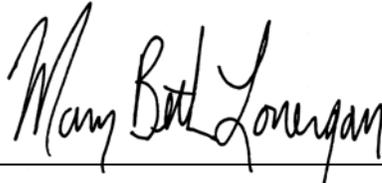
Adopted December 10, 2008

Amended Third Round Housing Element And Fair Share Plan

Township of South Brunswick, Middlesex County,
New Jersey

Adopted December 10, 2008

Prepared for the Township of South Brunswick by:



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RESOLUTION
OF THE
PLANNING BOARD
OF THE
TOWNSHIP OF SOUTH BRUNSWICK

2008 HOUSING ELEMENT AND FAIR SHARE PLAN

WHEREAS, the Planning Board of the Township of South Brunswick, Middlesex County, State of New Jersey, adopted its current Housing Element and Fair Share Plan pursuant to N.J.S.A. 40:55D-28 on November 2, 2005; and

WHEREAS, the Governing Body endorsed the Housing Element and Fair Share Plan on November 9, 2005; and

WHEREAS, the Governing Body petitioned the Council on Affordable Housing for substantive certification on December 16, 2005; and

WHEREAS, Township of South Brunswick has not yet received substantive certification from the Council on Affordable Housing for this plan; and

WHEREAS, the Planning Board has determined to amend the Housing Element and Fair Share Plan; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing(s) on the amended Housing Element and Fair Share Plan on December 10, 2008; and

WHEREAS, the Planning Board has determined that the amendment to the Housing Element and Fair Share Plan is consistent with the goals and objective of Township of South Brunswick's 2007 Master Plan Reexamination and that adoption and implementation of the amendment to the Housing Element and Fair Share Plan are in the public interest and protect public health and safety and promote the general welfare.

NOW THEREFORE BE IT RESOLVED by the Planning Board of Township of the South Brunswick, Middlesex County, State of New Jersey, that the Planning Board hereby adopts the amended Housing Element and Fair Share Plan.

I hereby certify that this is a true copy of the resolution adopting the amended Housing Element and Fair Share Plan of the Township of South Brunswick on December 10, 2008.


Betty Selingo, Planning Board Administrative Secretary



RESOLUTION 2008-470

Endorsing Amended Third Round Housing Element and Fair Share Plan

WHEREAS, the Planning Board of the Township of South Brunswick, County of Middlesex, State of New Jersey, adopted an Amended Housing Element and Fair Share Plan on December 10, 2008; and

WHEREAS, a true copy of the resolution of the Planning Board adopting the Amended Housing Element and Fair Share Plan is attached pursuant to N.J.A.C. 5:96-2.2(a)2;

NOW THEREFORE BE IT RESOLVED on this 16th day of December, 2008, that the Governing Body of the Township of South Brunswick, County of Middlesex, State of New Jersey, hereby endorses the Amended Housing Element and Fair Share Plan as adopted by the South Brunswick Planning Board; and

BE IT FURTHER RESOLVED that the Governing Body of the Township of South Brunswick pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-3.4, submits this re-petition for substantive certification of the Amended Housing Element and Fair Share Plan to the Council on Affordable Housing for review and certification; and

BE IT FURTHER RESOLVED that all objectors and owners of sites in the Housing Element and Fair Share Plan have received notice of the re-petition; and

BE IT FURTHER RESOLVED that notice of this re-petition for substantive certification shall be published in a newspaper of countywide circulation pursuant to N.J.A.C. 5:96-3.5 within seven days of issuance of the notification letter from the Executive Director of the Council on Affordable Housing indicating that the submission is complete and that a copy of this resolution, the adopted Amended Housing Element and Fair Share Plan and all supporting documentation shall be made available for public inspection at the Township of South Brunswick municipal clerk's office located at 540 Ridge Road, Monmouth Junction, NJ, during the hours of 8:30 a.m. and 4:30 p.m. on Monday through Friday for a period of 45 days following the date of publication of the legal notice pursuant to N.J.A.C. 5:96-3.5.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Carol Barrett, Deputy Mayor
SECONDER:	Chris Killmurray, Councilman
AYES:	Barrett, Camarota, Carley, Killmurray, Gambatese

This is to certify that the foregoing is a true copy of a Resolution Adopted at the South Brunswick Township Council meeting held on December 16, 2008.

Barbara Myitrai, Township Clerk



RESOLUTION 2008-477

Of Intent to Provide Funding for Shortfall in Affordable Housing

WHEREAS, South Brunswick Township, Middlesex County, has petitioned the New Jersey Council on Affordable Housing (COAH) for substantive certification of its adopted Amended Third Round Housing Element and Fair Share Plan; and

WHEREAS, COAH has determined that South Brunswick Township must allocate funds for the municipally-sponsored construction of affordable housing, a proposed rental acquisition program, a proposed REACH (purchase assistance) program, and the proposed Dungarvin alternative living arrangements; and

WHEREAS, South Brunswick Township anticipates that funding will come from the following sources to satisfy said obligation: sources including, but not limited to, the Township's affordable housing trust fund - development fees and in-lieu payments; and governmental sources such as the Federal Low Income Housing Tax Credits, New Jersey Balanced Housing funds, HUD funding, Federal Home Loan Bank Board financing, HMFA bond financing, Middlesex County Home funds, etc.; and

WHEREAS, in the event that the above funding sources prove inadequate to meet South Brunswick Township's funding obligation, South Brunswick Township shall employ alternate means to provide sufficient funding to address any shortfalls;

NOW THEREFORE BE IT RESOLVED on this 16th day of December, 2008, by the Township Council of the Township of South Brunswick, Middlesex County, State of New Jersey, that the Township does hereby agree to ensure the funding of any shortfalls in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason; and

BE IT FURTHER RESOLVED that said shortfall shall be funded by bonding or by way of alternate means of funding if there are no other resources; and

BE IT FURTHER RESOLVED that the Township of South Brunswick may repay debt through future collections of development fees, as such funds become available.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Carol Barrett, Deputy Mayor
SECONDER:	Chris Killmurray, Councilman
AYES:	Barrett, Camarota, Carley, Killmurray, Gambatese

This is to certify that the foregoing is a true copy of a Resolution Adopted at the South Brunswick Township Council meeting held on December 16, 2008.

Barbara Myitrai, Township Clerk

South Brunswick Township Council

Hon. Frank Gambatese, Mayor

Carol Barrett, Deputy Mayor

Joseph J. Camarota, Jr.

Charles Carley

Christopher J. Killmurray

Matthew U. Watkins, Township Manager

Donald J. Sears, Esq., Director of Law

Barbara Nyitrai, Township Clerk

Craig Marshall, Director of Planning and Community Development

Arlyne DeSena, Affordable Housing Officer



South Brunswick Township Planning Board

Robert Southwick, Chair

Charlotte Camarota

Charles Carley

Hon. Frank Gambatese

William Grober

Jo Hochman

Barry Nathanson

Paul Prodromo

Debbie Roedel

Mahesh (Mac) Shah, Alternate 1

Elizabeth Meyers, Alternate 2

Julie Moy, Planning Board Recording Secretary

Betty Selingo, Planning Board Administrative Secretary

Benjamin S. Bucca, Esq., Planning Board Attorney

Craig Marshall, Director of Planning and Community Development

Arlyne DeSena, Affordable Housing Officer



EXECUTIVE SUMMARY

This amended third round housing element and fair share plan has been prepared for South Brunswick Township, Middlesex County in accordance with the rules of the New Jersey Council on Affordable Housing (hereinafter “COAH”) at *NJAC 5:96 et seq.* and *NJAC 5:97 et seq.* This plan is an amendment to the prior third round plan adopted by the Planning Board and endorsed by the Township Council in November 2005. This Plan will serve as the foundation for the Township’s re-petition to COAH for substantive certification pursuant to *NJAC 5:96 et seq.* by December 31, 2008.

South Brunswick Township reserves the right and intends to challenge COAH’s methodology and resulting COAH-projected Township fair share obligation as part of pending litigation and/or potential litigation.

There are three components to a municipality’s affordable housing obligation; the rehabilitation share, the prior round obligation and the COAH-projected third round obligation.

As assigned by COAH, the Township’s affordable housing obligations are as follows:

- Rehabilitation Share: 36 units
- Prior Round Obligation: 841 units
- Third Round Obligation: 948 units

The Township will have fully satisfied the prior round obligation through prior cycle credits, family sale units at Regal Point, Monmouth Walk, Nassau Square, Summerfield, and Deans Pond Crossing, family rentals units at Southridge



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Clarke Caton Hintz

Woods and Woodhaven, special needs and supportive housing at CIL Woods, CIL Wynwood, Wheeler Road group home and Major Road group home, senior rentals at Charleston II and Oak Woods, and eligible prior round rental bonuses. Additionally, the Township has added the existing assisted living facility at Buckingham Place and proposed senior rental units on the Stover site as prior round compliance mechanisms.

The third round obligation will be satisfied by additional senior rental units on the Stover site, senior sale units at Baker – Ovarions and Matzel & Mumford – Heritage inclusionary sites, existing and proposed group homes, permanent supportive housing on the Menowitz site, a market to affordable rentals and sales program, the extension of the affordability controls of family rental units at Woodhaven Terrace (formerly Deans Apartments), two future 100% affordable family rental sites, and eligible compliance and third round rental bonuses.



AFFORDABLE HOUSING IN NEW JERSEY

Introduction to COAH

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

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

Municipalities have the option of filing their adopted and endorsed housing elements and fair share plans with COAH and petitioning for COAH’s approval, known as “substantive certification”. Municipalities that opt to participate in the COAH certification process are granted a measure of legal protection against exclusionary zoning litigation. By petitioning, COAH allows a municipality to

¹ Southern Burlington NAACP v. Township of Mt. Laurel, 67 NJ 151 (1975)

² Southern Burlington NAACP v. Township of Mt. Laurel, 92 NJ 158 (1983)

maximize control of its planning and zoning options in addressing its affordable housing obligation. Similarly, under the FHA, a municipality can apply to the Superior Court for a Final Judgment of Compliance and Repose, which is the judicial equivalent of COAH's grant of substantive certification.

Under the Municipal Land Use Law (hereinafter "MLUL"), a municipal Planning Board must adopt the housing element as part of the Master Plan. COAH's process also requires the governing body to endorse the housing element by resolution. In addition, the governing body's resolution requests that COAH review the housing element and fair share plan along with supporting documents for substantive certification action. Once the municipality's housing element and fair share plan have been granted substantive certification by COAH, the municipality's zoning ordinance enjoys a presumption of validity against any lawsuits challenging it. South Brunswick Township is currently under COAH's jurisdiction and must petition with its amended third round plan by December 31, 2008 to remain so.

First and Second Round Methodology

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

Third Round Methodology

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

However, in a unanimous decision in January 2007, the New Jersey Appellate Court invalidated key aspects of COAH's third round rules. The Court ordered COAH to propose and adopt amendments to its rules to address the deficiencies identified by the Court. COAH's revised rules, effective on June 2, 2008 as well as a further rule revision, adopted September 22, 2008 and effective on October 20, 2008, provide residential development and job projections for the third round (which was expanded to encompass the years 2004 through 2018). Additionally, COAH revised its ratios to require one affordable housing unit for every four market rate housing units developed and one affordable housing unit for every 16 jobs created, still expressed as non-residential building square footage. Municipalities must set forth in the Housing Element and Fair Share Plan how they

intend to accommodate the affordable housing obligation generated by COAH's revised third round growth projections. However, COAH's substantive rules also require that a municipality provide a realistic opportunity for affordable housing in proportion to its actual growth during the third round as expressed in final certificates of occupancy issued for residential and nonresidential development.

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

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

COAH has not yet promulgated rules to effectuate the "Roberts Bill". It is anticipated that COAH will propose revised regulations to implement P.L. 2008, c.46 in early 2009.

A municipality's third round fair share plan must address (1) its rehabilitation share, (2) the prior round obligation and (3) the COAH-projected third round obligation. The rehabilitation share is the estimated number of existing substandard housing units in a municipality that are occupied by low or moderate income households, as determined by COAH (Appendix B. to NJAC 5:97). The

prior round obligation is a municipality’s adjusted second round new construction component brought forward to the third round (Appendix C. to NJAC 5:97). Third round housing plans must document how existing or proposed affordable housing units satisfy this prior round obligation.

As stated above, the third round obligation is based on housing unit and job projections developed by COAH (Appendix F. to NJAC 5:97). To determine the third round obligation, the following ratios must be applied to the projections:

- For residential development, the affordable housing ratio is 1 affordable unit for every 4 market rate residential units. Thus COAH initially requires a municipality to divide its total housing projection by 5;
- For non-residential development, the affordable housing ratio is 1 affordable unit for every 16 new jobs created as expressed in new square footage of non-residential space for which a final certificate of occupancy is issued from January 1, 2004 through December 31, 2018. See Table 1, Non-residential Growth Share Calculation, for additional detail.

Table 1. Non-residential Growth Share Calculation

Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B	Office buildings	5,714	2.8
M	Mercantile uses	9,412	1.7
F	Factories where people make, process, or assemble products	13,333	1.2

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Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
S	Storage uses, excluding parking garages	16,000	1.0
H	High hazard manufacturing, processing, generation and storage uses	10,000	1.6
A1	Assembly uses, including concert halls and TV studios	10,000	1.6
A2	Assembly uses, including casinos, night clubs, restaurants and taverns	5,000	3.2
A3	Assembly uses, including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship	10,000	1.6
A4	Assembly uses, including arenas, skating rinks and pools	4,706	3.4
A5	Assembly uses, including bleachers, grandstands, amusement park structures and stadiums	6,154	2.6
E	Schools K – 12	Exclude	Exclude
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	6,154	2.6
R1	Hotels and motels; continuing care facilities classified as R2	9,412	1.7
U	Miscellaneous uses, including fences tanks, barns, agricultural buildings, sheds, greenhouses, etc.	Exclude	Exclude

Pursuant to *NJAC* 5:96-10, the actual growth of housing units and jobs (measured by the issuance of residential and nonresidential permanent certificates of occupancy) will be monitored every two years and will be compared to the actual provision of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in a municipality and the number of units required pursuant to *NJAC* 5:97-2.4 results in a pro-rated production shortage of 10 percent or greater, COAH may require the municipality to amend its plan to address the higher affordable housing obligation. For this reason, it is important that the Township track the growth that occurs between January 1, 2004 and December 31, 2018.

In its Comment and Response document published as part of the October 20, 2008 COAH rule adoption, COAH states that it will allow municipalities to present actual job count information for non-residential use groups if there is at least a 10% difference between actual jobs and the number of jobs determined through Appendix D of *NJAC* 5:97. COAH will be providing more guidance on this concept prior to the Township's first required plan evaluation whereby actual job growth is tallied and compared to actual affordable housing production.

Affordability Requirements

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent that is within the financial means of households of low or moderate income as income is measured within each housing region. South Brunswick Township is in COAH's Region 3, which includes Hunterdon, Somerset and Middlesex counties. Moderate-income households are those earning between 50% and 80% of the regional median income. Low-income households are those

with annual incomes that are between 30% and 50% of the regional median income. As required by the amended FHA (Roberts bill), COAH has also included a very low-income category, which is defined as households earning 30% or less of the regional median income.

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

The regional median income is defined by COAH using the federal Department of Housing and Urban Development (hereinafter “HUD”) income limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH reallocates to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Tables 2 through 4 for additional information. These figures are updated annually and are available from COAH. The sample rents and sale prices are gross figures and do not account for the specified utility allowance.

Table 2. 2008 Income Limits for Region 3

Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person household	5 Person Household
Moderate Income	\$54,152	\$61,888	\$69,624	\$77,360	\$83,549
Low Income	\$33,845	\$38,680	\$43,515	\$48,350	\$52,218
Very Low Income	\$20,307	\$23,208	\$26,109	\$29,010	\$31,331

Source: COAH 2008 Regional Income Limits

Table 3. Sample 2008 Affordable Rents for Region 3

Household Income Levels	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate Income at 60%	\$1,088	\$1,305	\$1,509
Low Income at 46%	\$834	\$1,001	\$1,157
Very Low Income at 30%	\$544	\$653	\$754

Source: COAH Illustrative 2008 Low and Moderate Income Rents for New Construction and/or Reconstruction

Table 4. Sample 2008 Affordable Sale Prices for Region 3

Household Income Levels	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate Income at 70%	\$114,227	\$137,072	\$158,395
Low Income at 40%	\$65,273	\$78,327	\$90,511
Very Low Income at 30%	\$48,954	\$58,745	\$67,833

Source: COAH Illustrative 2008 Low & Moderate Income Sales Prices for New Construction

Housing Element/Fair Share Plan Requirements

In accordance with the Municipal Land Use Law (*NJSA 40:55D-62*), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. The housing element must contain at least the following, as per the FHA at *NJSA 52:27D-310*:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends;
- An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low and moderate income housing; and

- A consideration of the lands most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

In addition, pursuant to COAH regulations (*NJAC 5:97-2.3*), the housing element and fair share plan must address the entire third round cumulative (1987-2018) affordable housing obligation consisting of the rehabilitation share, any remaining balance of the prior round obligation and the COAH-projected third round obligation. COAH's regulations require the following documentation to be submitted with the housing element and fair share plan:

- The minimum requirements of the Fair Housing Act, *NJSA 52:27D-310* (listed above);
- Household and employment projections created by COAH;
- Municipal rehabilitation, prior round and third round obligation;
- Descriptions of any credits intended to address any portion of the fair share obligation, including all information required by *NJAC 5:97-4*;
- Descriptions of any adjustments to any portion of the fair share obligation, including all information required by *NJAC 5:97-5*;
- Descriptions of any mechanisms intended to address the prior round obligation, the rehabilitation share and the third round obligation;
- An implementation schedule with a detailed timetable that demonstrates a "realistic opportunity" for the construction of affordable housing, as defined by *NJAC 5:97-1.4*.

- Draft and/or adopted ordinances necessary for the implementation of the mechanisms designed to satisfy the fair share obligation;
- A demonstration that existing zoning or planned changes in zoning provide adequate capacity to accommodate any proposed inclusionary developments, pursuant to *NJAC 5:97-6.4*;
- A demonstration of existing or planned water and sewer capacity sufficient to accommodate all proposed mechanisms;
- A spending plan, pursuant to *NJAC 5:97-8.10*;
- A map of all sites designated by the municipality for the production of low and moderate income housing;
- A copy of the most recently adopted Master Plan and, where required, the immediately preceding adopted Master Plan;
- A copy of the most recently adopted zoning ordinance;
- A copy of the most up-to-date tax maps; and
- Any other information required by *NJAC 5:97* or requested by COAH.

TOWNSHIP OF SOUTH BRUNSWICK AFFORDABLE HOUSING HISTORY

As background, South Brunswick Township prepared a first round (1987-1993) housing element and fair share plan addressing a 669-unit affordable housing obligation (603 new construction/ 66 rehabilitation) and received first round substantive certification from COAH on August 3, 1987. Subsequently, the Township prepared a second round plan to address its cumulative (1987-1999) affordable housing obligation of 937 units (842 new construction/ 95 rehabilitation) and received second round certification from COAH on February 4, 1998. As the Township's second round certification was valid for six years and COAH had yet to adopt its third round (1987-2014) regulations, the Township received an extension of its second round substantive certification on February 9, 2005 (initially approved by COAH in 2004). The Township also petitioned for third round substantive certification on December 16, 2005 under COAH's original third round rules at *NJAC 5:94 et seq.*; however, the Township's petition had not been certified by COAH prior to the issuance of the Appellate Division's January 25, 2007 decision overturning portions of COAH's methodology and regulations.

HOUSING STOCK AND DEMOGRAPHIC ANALYSIS

Housing Stock Inventory

In 2000, there were 13,862 housing units in South Brunswick Township of which 434 or 3.13% were vacant. Of the 13,428 occupied units, 76.15% were owner occupied and 23.84% were rented. Table 5, Housing Units by Occupancy Status, illustrates this occupancy status in 2000.

Table 5. Housing Units by Occupancy Status, 2000.

	Housing Units	Owner Occupied	Renter Occupied
Occupied	13,428	10,227	3,201
Vacant	434		
Total	13,862		

Source: 2000 US Census

About 52% of the total housing stock consists of single-family detached and two-family units (twins and duplexes). Single-family attached (townhouses) and units with 3 or more units make up 48.13% of the total housing stock. Housing units in buildings containing 5 or more units comprised 19.09% of all the housing units in 2000, with the majority of these units (1,186 units) in structures with ten to nineteen units. Mobile homes comprised 3.38% of the housing stock. Of the owner occupied units, 65.09% were single-family detached units and 24.82% were single-family attached units. See Table 6, Housing Units by Number of Units in Structure for a detailed explanation of the housing units in 2000.

Table 6. Housing Units by Number of Units in Structure, 2000.

Number of Units	Owner Occupied	Rental	Vacant	Total
1, Detached	6,656	230	111	6,997
1, Attached	2,538	346	197	3,081
2	48	145	0	193
3 or 4	96	340	40	476
5 to 9	272	696	24	992
10 to 19	217	927	42	1,186
20 +	64	397	8	469
Mobile Home	335	121	12	468
Other	0	0	0	0
Total	10,226	3,202	434	13,862

Source: 2000 US Census

Table 7, Housing Units by Age, illustrates the age of the Township’s housing stock. Prior to 1949, only 4.16% of the Township’s housing stock was constructed. After 1950 the Township developed rapidly with the largest building boom taking place during the 1990’s when almost 35% of the housing stock was constructed, followed closely behind by the 1980’s which produced almost 28% of the Township’s housing stock.

Table 7. Housing Units by Age, 2000.

Year Built	Total Units	Percent	Owner Occupied	Renter Occupied	Vacant
1990 - 2000	4,804	34.7%	3,401	1,098	305
1980 - 1989	3,821	27.6%	2,679	1,122	40
1970 - 1979	1,959	14.1%	1,422	463	74
1960 - 1969	1,260	9.1%	1,009	245	6
1950 - 1959	1,441	10.4%	1,281	147	13
1940-1949	144	1.0%	76	56	12
Before 1940	433	3.1%	358	71	4
Total	13,862	100.0%	10,226	3,202	434
Median Year	1984		1984	1986	

Source: 2000 US Census

Table 8, Housing Units by Number of Rooms, shows 11% have between one (1) and three (3) rooms; 43% of the housing stock has between four (4) and six (6) rooms; and 46% has seven (7) or more rooms. The data from this and other tables indicate that the housing stock in South Brunswick is, on average, moderate to large in size.

Table 8. Housing Units by Number of Rooms, 2000.

Rooms	Number of Units	Percent
1	101	0.7%
2	234	1.7%
3	1,186	8.6%
4	1,886	13.6%
5	1,876	13.5%
6	2,247	16.2%
7	2,272	16.4%
8	2,447	17.7%
9+	1,613	11.6%
Total	13,862	100.0%

Source: 2000 US Census

Tables 9 and 10, Housing Values, show that the median housing values in South Brunswick increased 10.0% between 1990 and 2000. During this time, the median value in Middlesex County decreased by 0.18%. In 1990, South Brunswick's median value of \$183,600 was 10.3% higher than Middlesex County's median value of \$164,700; and in 2000, South Brunswick's median housing value of \$202,000 was 18.6% greater than the median value of \$164,400 for Middlesex County.

Table 9. Housing Values, Owner Occupied, 1990.

Housing Value	Number	Percent
Less than \$50,000	25	0.4%
\$50,000 to \$59,999	15	0.3%
\$60,000 to \$74,999	30	0.5%
\$75,000-\$99,999	87	1.5%
\$100,000-\$124,999	314	5.4%
\$125,000-\$149,999	857	14.7%
\$150,000-\$174,999	1,222	21.0%
\$175,000-\$199,999	1,030	17.7%
\$200,000-\$249,999	1,111	19.1%
\$250,000-\$299,999	601	10.3%
\$300,000 or more	520	8.9%
Total	5,812	100.0%
1990 Median Value	\$183,600	

Source: 1990 US Census

Table 10. Housing Values, Owner Occupied, 2000.

Housing Units	Number	Percent
Less than \$50,000	50	0.6%
\$50,000-\$59,999	22	0.2%
\$60,000-\$79,999	64	0.7%
\$80,000-\$99,999	138	1.5%
\$100,000-\$124,999	520	5.8%
\$125,000-\$149,999	813	9.1%
\$150,000-\$174,999	1,505	16.8%
\$175,000-\$199,999	1,300	14.5%
\$200,000-\$249,999	1,597	17.8%
\$250,000-\$299,999	1,264	14.1%
\$300,000 or more	1,676	18.7%
Total	8,949	100.0%
2000 Median Value	\$202,000	

Source: 2000 US Census

In 2000, South Brunswick’s median gross contract rent was slightly higher than that of the County (\$864 v. \$845). See Table 11, Comparison of South Brunswick and Middlesex County, Monthly Rental Costs.

Table II. Comparison of South Brunswick and Middlesex Co., Monthly Rental Cost

Monthly Rent	Number in Township	Percent in Township	Number in Middlesex Co.	Percent in Middlesex Co.
\$0-\$99	58	0.7%	435	0.5%
\$100-\$149	20	0.7%	823	1.0%
\$150-\$199	39	0.4%	1,407	1.6%
\$200-\$249	0	0.8%	1,040	1.2%
\$250-\$299	6	0.8%	939	1.1%
\$300-\$349	16	0.5%	771	0.9%
\$350-\$399	7	0.0%	734	0.9%
\$400-\$449	38	0.7%	1,074	1.2%
\$450-\$499	44	0.2%	897	1.0%
\$500-\$549	42	0.8%	1,647	1.9%
\$550-\$599	81	1.2%	1,947	2.3%
\$600-\$649	117	2.4%	3,721	4.3%
\$650-\$699	102	2.9%	5,421	6.3%
\$700-\$749	213	4.2%	6,955	8.1%
\$750-\$799	206	5.3%	8,450	9.8%
\$800-\$899	880	12.6%	15,198	17.6%
\$900-\$999	464	22.7%	11,085	12.8%
\$1,000-\$1,249	568	29.1%	15,034	17.4%
\$1,250-\$1,499	154	9.2%	5,429	6.3%
\$1,500-\$1,999	47	4.0%	2,739	3.2%
\$2,000 +	7	0.6%	599	0.7%
Total	3,109	100.0%	86,345	100.0%
Median Rent	\$864		\$845	

Source: 2000 US Census

South Brunswick Township has 47 housing units that lack complete plumbing facilities and 397 units that are overcrowded (defined as having 1.01 or more persons per room); however, only 8 units exhibit both characteristics. See Table 12, Selected Quality Indicators.

Table 12. Selected Quality Indicators, Occupied Housing Stock, 2000.

	Overcrowded	Lacking Complete Plumbing	Combined Overcrowded and Lacking Complete Plumbing
No. Units	397	47	8

Source: 2000 US Census

General Population Characteristics

The population of South Brunswick has been increasing at a substantial rate since 1970 with the largest population increase of 50.59% between 1980 and 1990. The growth rate during the 1990's decreased a small amount to 46.30%. During this time the County increased at only 12.74% and 11.67%, respectively. (Table 13, Population Growth).

Table 13. Population Growth.

	1970	1980	Percent Change (1970-1980)	1990	Percent Change (1980-1990)	2000	Percent Change (1990-2000)
South Brunswick	14,058	17,127	21.8%	25,792	50.59%	37,734	46.30%
Middlesex County	492,474	595,893	2.1%	671,780	12.74%	750,162	11.67%

Source: 1970, 1980, 1990 and 2000 US Census

All age groups experienced significant increases in person. The fastest growing age cohorts are 5-14, 45-54, and 75 and older. Based on these shifts the Township previously saw a need for increased education facilities and sees a need for additional senior housing opportunities. See Table 14, Age Distribution, for additional detail.

Table 14. Age Distribution, 1990 – 2000.

Age Group	1990	Percent	2000	Percent	Percent Change
Under 5	2,213	8.6%	3,042	8.1%	37.5%
5-14	3,386	13.1%	6,220	16.5%	83.7%
15-24	2,946	11.4%	3635	9.6%	23.4%
25-34	5,840	22.6%	5,932	15.7%	1.6%
35-44	4,863	18.9%	7,927	21.0%	63.0%
45-54	2,899	11.2%	5,365	14.2%	85.1%
55-64	1,975	7.7%	2852	7.6%	44.4%
65-74	1,099	4.3%	1697	4.5%	54.4%
75+	571	2.2%	1064	2.8%	86.3%
Total	25,792	100.0%	37,734	100.0%	
Median Age:			35		

Source: 1990 and 2000 US Census

Household Characteristics

A household is defined by the U.S. Census Bureau as those persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. As a subset of households, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household. In 2000 there were

13,428 households in the Township, with an average of 2.80 persons per household and an average of 3.27 persons per family. Approximately 64% of the households are comprised of married couples with or without children. Almost 25% of the Township’s households are non-family households which include individuals.

Income Characteristics

Persons residing in the South Brunswick have on average higher incomes than in Middlesex County as a whole. Median income in 2000 in South Brunswick was \$78,737 for households and \$86,891 for families. Comparable figures for the County were \$61,446 for households and \$70,749 for families. Table 15, Household Income by Income Brackets, further illustrates these findings by noting the number of households in each of the income categories.

Table 15. Household Income by Income Brackets, 2000.

	Households	Percent
Less than \$10,000	363	2.70%
\$10,000-\$14,999	230	1.71%
\$15,000-\$24,999	610	4.54%
\$25,000-\$34,999	796	5.92%
\$35,000-\$49,000	1462	10.88%
\$50,000-\$74,999	2,840	21.13%
\$75,000-\$99,999	2,545	18.94%
\$100,000-\$149,999	2,998	22.31%
\$150,000-\$199,999	973	7.24%
\$200,000 +	622	4.63%
Total:	13,439	100%
Median Income:	\$78,737	

Source: 2000 US Census

Within the Township, 53.12% of all households have incomes of \$75,000 or more. Although the Census data does not provide a breakdown of household income by household size, based on COAH's Year 2000 median household income for the Hunterdon/Middlesex/Somerset County region of \$56,560 for the smallest-sized household of one person, the moderate-income threshold for this household size was \$45,248 (80% of \$56,560). In attempting to approximate the number of low and moderate income households in the Township, using the household size of one person is a conservative approach that represents just a minimum threshold. Based on the high end of moderate income in 2000, anywhere from 15% to 26% of the Township's households fell within COAH's definition of low and moderate income.³ If there was a true correlation between household size and household income figures, it appears that the percentage of low and moderate income households in the Township may be close to 26%. Keep in mind, however, that in the third round, COAH would exclude low and moderate income households that owned a primary residence with no mortgage that was valued at or above COAH's annual regional asset limit.⁴ In 2008, the regional asset limit was \$184,132 for South Brunswick's region.

The percentage of persons and households below the poverty level, as defined by the 2000 U.S. Census, equates to 3.07% of all South Brunswick Township residents and 2.12% of persons in families. This is significantly lower than the County as a whole, who had 6.59% of County residents living below the poverty level in 2000.

³ Low income is defined as households earning 50 percent or less than median income.

⁴ The exception to this exclusion is if the household's existing monthly housing costs exceed 38 percent of the household's eligible monthly income.

EMPLOYMENT CHARACTERISTICS

Table 16, Distribution of Employment by Industry, shows the distribution of employment by industry for employed South Brunswick residents. The four industries to capture the largest segments of the population were the education, health and social services industry at 20.25%; professional, scientific, management, administrative and waste management service industry at 13.79%; the manufacturing industry at 12.85%; and finance, insurance, real estate, and renting and leasing industry at 12.03%.

Table 16. Distribution of Employment by Industry, Township Residents, 2000.

Sector Jobs	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	16	0.08%
Construction	809	4.03%
Manufacturing	2,582	12.85%
Wholesale Trade	1,023	5.09%
Retail Trade	1,722	8.57%
Transportation and Warehousing, and Utilities	904	4.50%
Information	1,324	6.59%
Financing, Insurance, Real Estate, Renting, and Leasing	2,417	12.03%
Professional, Scientific, Management, Administrative, and Waste Management Services	2,771	13.79%
Educational, Health and Social Services	4,069	20.25%
Arts, Entertainment, Recreation, Accommodation and Food Services	919	4.57%
Public Administration	688	3.42%
Other	849	4.23%
Total:	20,093	100%

Source: 2000 US Census

Table 17, Employment by Occupation, identifies the occupations of employed persons. While South Brunswick Township residents work in a variety of industries, 53.9% of employed residents work in management, professional and related occupations and 26.2% are employed in sales and office occupations.

Table 17. Employment by Occupation, South Brunswick Township, 2000.

Sector Jobs	Number	Percent
Management, Professional, and Related	10,822	53.86%
Service	1,608	8.00%
Sales and Office	5,268	26.22%
Farming, Fishing, and Forestry	0	0.00%
Construction, Extraction, and Maintenance	1,090	5.42%
Production, Transportation, and Moving	1,305	6.49%
Total	20,093	100%

Source: 2000 US Census

The number of jobs in South Brunswick is relatively equal to the number of working age residents in the Township. The New Jersey Department of Labor tracks covered employment throughout the state. Covered employment data includes only those jobs for which unemployment compensation is paid. By definition it does not cover the self-employed, unpaid family workers, most part-time or temporary employees, and certain agricultural and in-home domestic workers. See Table 18, Covered Employment Estimates, for additional detail.

Table 18. Covered Employment Estimates, December 2006

Year	South Brunswick	Middlesex
2006	20,445	405,694

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, NJ Covered Employment Trends. Data is as of December 2006, which is the most current data available at the municipal level.

Manufacturing and Wholesale Trade were the largest sectors of in-town employment, with 3,284 and 2,570 jobs respectively. South Brunswick also hosts a sizable manufacturing industry. Table 19, Covered Employment by Sector, provides information additional detail.

Table 19. Covered Employment by Sector, 2003

	Employment					Wages	
	March	June	Sept.	Dec.	Average	Weekly	Annual
Private Sector Municipality Total	19,212	19,257	18,916	18,987	19,153	\$1,061	\$55,179
Agriculture, forestry, fishing and hunting							
Utilities							
Construction	590	614	626	585	604	\$1,000	\$51,989
Manufacturing	3,284	3,309	3,299	3,283	3,284	\$1,266	\$65,849
Wholesale trade	2,589	2,560	2,539	2,565	2,570	\$1,006	\$52,288
Retail trade	1,321	1,352	1,304	1,337	1,337	\$675	\$35,080
Transportation and warehousing	1,362	1,346	1,335	1,328	1,351	\$866	\$45,021
Information	2,594	2,513	2,352	2,343	2,486	\$1,501	\$78,071
Finance and insurance	722	681	683	672	690	\$1,512	\$78,613
Real estate and rental and leasing	133	135	131	132	133	\$695	\$36,140
Professional and technical services	2,237	2,193	2,216	2,163	2,211	\$1,321	\$68,703
Management of companies and enterprises
Administrative and waste services	2,273	2,276	2,257	2,314	2,269	\$913	\$47,457
Educational services	150	141	133	149	133	\$569	\$29,608
Health care and social assistance	478	512	505	532	503	\$589	\$30,634
Arts, entertainment, and recreation	116	121	137	148	129	\$245	\$12,736
Accommodation and food services	795	910	823	811	853	\$295	\$15,339
Other services, except public admin.	457	461	456	480	473	\$570	\$29,634
Unclassified entities	81	101	90	114	95	\$819	\$42,574
Government Municipality Total	2,006	2,024	1,901	2,037	1,868		
Federal Government Municipality Total	45	45	45	47	46	\$906	\$47,108
Local Government Municipality Total	1,961	1,979	1,856	1,990	1,822	\$850	\$44,189
Total Covered Employment	21,218	21,281	20,817	21,024	21,021		

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, NJ Covered Employment Trends. Data is as of 2003, which is the most current data available at the municipal level.

GROWTH TRENDS AND PROJECTIONS

The Township expects to meet COAH's projections for housing and job growth during the third round (2004 through 2018).

Residential Trends and Projections

Over the last 10 years, South Brunswick Township issued 260 new residential certificates of occupancy per year. This number is deceptively high as there was an uncharacteristic spike in residential development between 1998 and 2001. Following 2001, residential growth leveled off, averaging 110 units per year. The Township anticipates that residential growth will closely align with the post-2001 growth trend during COAH's third round, with the Township adding a few medium and large scale projects every few years.

COAH has projected (Appendix F. to NJAC 5:97) that 3,120 units will be created in the Township between 2004 and 2018. South Brunswick finds COAH's residential projections are generally consistent with the Township's projections, which were based on certificates of occupancy issued, units under construction and projects that are approved, pending or anticipated before the planning board.

Nonresidential Trends and Projections

South Brunswick Township has experienced significant nonresidential growth in the last decade, with warehousing and office dominating nonresidential construction and retail space coming in at a distant third. With the weak office and warehouse market and the slowing economy, South Brunswick expects growth to slow during COAH's third round period.

COAH has projected (Appendix F. to *NJAC 5:97*) that 5,178 jobs will be created in the Township between 2004 and 2018. South Brunswick has the capacity to meet this projection during the third round.

Capacity for Growth

To determine if South Brunswick Township has the capacity to meet or exceed COAH's residential and non-residential projections between 2004 and December 31, 2018, the Township analyzed projected residential and non-residential growth through assessing development under construction, approved development, and pending applications. The Township also looked at potential future development based on the existing capacity of the zoning, historic development trends, and whether the development would be consistent with sound planning principles.

The analysis confirmed that South Brunswick has the capacity to meet COAH's projection of 3,120 households and 5,178 jobs and thus to address COAH's total projected affordable housing obligation. The Township's zoning will support COAH's projected housing units through small infill projects, medium scale residential projects in the RR district and the R-2 district, and large scale residential projects in the AARC and PARC zone. Additionally, the Township's nonresidential districts will accommodate COAH's employment projections through office, warehouse and retail development.

Availability of Existing and Planned Infrastructure

The Township has the infrastructure capacity to meet COAH's growth projections. Customary or ordinary improvements to the existing infrastructure,

including but not limited to roads, public wastewater and public water, will be completed as necessary.

Public water is provided by the Township through existing wells. In addition, the Township purchases bulk water from the New Jersey American Water Company (which acquired the Elizabethtown Water Company) and, if needed, has the ability to acquire additional capacity to serve its projected growth.

South Brunswick Township owns and operates a sewage collection system and pumping stations. Sewage is treated by one of two wastewater treatment agencies, either the Stony Brook Regional Sewerage Authority (hereinafter “SBRSA”) or the Middlesex County Utilities Authority (hereinafter “MCUA”). It is anticipated that COAH’s project growth will be adequately served with public sewer capacity provided by both wastewater treatment agencies as well as through the existing sewer collection system.

Anticipated Demand

The Township has paid close attention to anticipated demand for permitted uses as set forth in the Township’s adopted Master Plan goals and objectives. With the slowing economy, it is anticipated that COAH’s projected growth may be absorbed by the market during the third round.

Anticipated Land Use Patterns

South Brunswick Township’s 2001 Master Plan portrays a community that has developed with a wide range of land uses, creating both residential communities as well as nearby employment centers. The Master Plan notes, “Since the Township

has undergone considerable development in the last 45 years, much of the land use plan reflects the current development pattern.” The Township has a diverse housing stock with almost half of the total housing units consisting of single-family attached or multi-family units in 2000. Anticipated land use patterns include residential uses ranging from rural residential to planned residential communities and neighborhood commercial to light industrial uses. The Township’s planned land use pattern will support COAH’s projected growth.

Township Economic Development Policies

South Brunswick has and continues to experience economic growth of major ratables throughout the municipality with concentrations along the Route 1 corridor as well as the Route 130 and Route 27 corridors. The Township has encouraged economic development policies which comport with sound planning principles by providing a number of zoning districts that permit a variety of nonresidential uses including neighborhood commercial uses, highway commercial uses, office parks and light industry. In addition, as stated in the Master Plan, “Economic development has been prioritized through the Industrial and Commerce Commission. Business retention is a vital policy and requires continued emphasis and resource.”

Constraints on Development

The Township has few constraints that will inhibit South Brunswick from meeting COAH’s projected growth. South Brunswick is not located within the jurisdiction of the Meadowlands, Highlands, Pinelands or CAFRA. There are no known federal regulations that would hinder development. There are no known land ownership patterns in the Township that would preclude development.

South Brunswick does not believe that there are any incompatible land uses that would preclude the Township from addressing COAH's projected growth. Although there are sites in need of remediation in the Township, none are expected to hinder the Township's affordable housing compliance methods.

The Township took environmental constraints into account in analyzing COAH's projected residential and non-residential growth through the third round. To ensure that development does not adversely impact environmentally sensitive features, the Township will rely on local, county and state review of applications for development. Furthermore, the Township's Master Plan, Land Use Ordinances and existing land review procedures provide the measures to address any of the development constraints noted above and as set forth at *NJAC 5:97-3.13(b)*.

CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

Consistent with smart growth planning principles, the Township has chosen to intersperse affordable housing throughout the existing residential neighborhoods in the Township and in proximity to transportation corridors and Route 130. These areas of the Township provide the greatest number of employment opportunities and services.

The Township has analyzed whether additional inclusionary zoning sites would serve the Township in the third round and has decided that such sites are not needed to satisfy the Township's obligation at this time. Additional analyses will take place in the future as affordable housing is triggered by future growth. As discussed below, the Township will consider properties in the future for 100% affordable housing development.

SOUTH BRUNSWICK'S AFFORDABLE HOUSING OBLIGATION

COAH's third round methodology includes the rehabilitation obligation, the prior round obligation and the third round obligation. The Appendices to COAH's substantive rules, *NJAC 5:97 et seq.*, provide each municipality's affordable housing obligation. South Brunswick's third round obligation can be summarized as follows:

Rehabilitation Obligation:	36 (Appendix B.)
Prior Round Obligation:	841 (Appendix C.)
Third Round Obligation:	948 (Appendix F.)

Rehabilitation Obligation

The rehabilitation obligation is defined as the number of deficient housing units occupied by low and moderate income households within a municipality (*NJAC 5:97-1.4*). COAH calculates this figure using indices such as overcrowding of units constructed prior to 1950, incomplete kitchen facilities, incomplete plumbing facilities and the estimated number of low and moderate income households in the municipality. COAH has calculated South Brunswick's rehabilitation obligation to be 36 units. Please see Table 20, Calculation of the Rehabilitation Obligation, for additional information.

Table 20. Calculation of the Rehabilitation Obligation

Overcrowding of units constructed prior to 1950	0
Incomplete plumbing facilities	+ 47
Incomplete kitchen facilities	+ 5
Low and moderate income share	*0.691
Rehabilitation share credit	- 0
<i>Rehabilitation Obligation</i>	<i>36 units</i>

Source: Appendix B to NJAC 5:97

Prior Round Obligation

The prior round obligation can be defined as the cumulative 1987 through 1999 affordable housing obligation (NJAC 5:97-1.4). This time period corresponds to the first and second rounds of affordable housing. COAH has calculated South Brunswick’s prior round obligation to be 841 units (Appendix C. to NJAC 5:97).

Third Round Obligation

COAH has taken a very different approach to calculating third round affordable housing obligations. The obligation is initially based solely on COAH’s housing and job projections for each municipality during the third round. For every five housing units, projected during the third round, one affordable housing unit must be provided. For every 16 jobs projected, the Township must provide one affordable housing unit. COAH’s substantive rules require that a municipality plan for the affordable housing obligation generated by the projections; however, a

municipality must provide affordable housing in proportion to its actual growth (*NJAC 5:97-2.2(e)*). COAH has projected the creation of 3,120 households and 5,178 jobs in South Brunswick during the third round (*NJAC 5:97 Appendix F, Allocating Growth to Municipalities*).

COAH's substantive rules at *NJAC 5:97-2.4* permit municipalities to exclude certain market and affordable units from the third round housing projections. Specifically, municipalities may exclude the following:

- Affordable units which received credit in a first or second round plan and have been or will be constructed during the third round.
- Market rate units in an inclusionary development which 1) received credit in a first or second round plan or are eligible for credit in the prior round and 2) have been or will be constructed during the third round.

The Township does not have any developments that are eligible for exclusion. As of the 2005 Plan, there were two remaining unbuilt prior round inclusionary developments in the Township. The first development, the 1,068-unit Southridge Woods rental complex, was recently completed. As discussed above, per COAH's substantive rules, *NJAC 5:97-2.4*, a proportion of market rate units from inclusionary developments included in a certified Second Round fair share plan that receive a certificate of occupancy after January 1, 2004 shall be excluded from creating a growth share obligation at a rate of four (4.0) market rate units for every one (1.0) affordable units (or for an inclusionary rental complex with a maximum prior round setaside of 15% - the proportion of market-rate units excluded would be 5.67 market-rate rental units for every one (1.0) affordable rental units.) The affordable rental component from Southridge Woods totals 124 units. Thus at an exclusion rate of 5.67, a total of 703 market-rate rental units would be permitted to

be excluded. However, a total of 826 market-rate units currently exist at the site, therefore the balance of 118 market-rate units that have been built post January 1, 2004 are not eligible to be excluded from generating a third round growth share.

The second unbuilt prior round inclusionary zoning was on the Mindel tract which was to produce a total of 130 affordable senior units. Continuing as part of this amended third round Housing Element and Fair Share Plan, the Township will eliminate the inclusionary zoning from the Mindel site, instead providing much needed senior affordable housing as part of a 100% municipally-sponsored construction complex on the Stover site to be built and administered by the South Brunswick Community Development Corporation (SBCDC). Thus, any market-rate housing that is constructed on the Mindel tract would be subject to the Township's residential development fee ordinance.

Accordingly, the Township’s 948-unit third round obligation is calculated in Table 21, Calculation of the Third Round Obligation.

Table 21. Calculation of Third Round Obligation

Residential	
Projected Units	3,120
Exclusions	
None	0
Units Creating Growth Share	3,120
<i>Residential Growth Share (÷ 5)</i>	624.0
Nonresidential	
Projected Jobs	5,178
Exclusions	
None	0
<i>Total</i>	0
Jobs Creating Growth Share	5,178
<i>Nonresidential Growth Share (÷16)</i>	323.6
Total Third Round Obligation	948

SOUTH BRUNSWICK'S AFFORDABLE HOUSING PLAN

Satisfaction of the Rehabilitation Obligation

South Brunswick will initiate a new third round rehabilitation program with assistance from Triad Associates, an experienced affordable housing rehabilitation specialist to satisfy its 36-unit rehabilitation obligation. In addition, the Township will also rely on any eligible rehabilitations performed in the Township by Middlesex County's housing rehabilitation program. The Middlesex County Department of Housing and Community Development is currently running the Housing Preservation Program, a rehabilitation program, using federal Community Development Block Grant (hereinafter "CDBG") funds. The Township will participate in this program and will utilize the County as the administrative agent of the program.

South Brunswick's rehabilitation program will adhere to the regulations in *NJAC 5:97-6.2*. Specifically, all rehabilitated units will comply with the definition of a deficient unit in *NJAC 5:97-1.4*, which states, "a housing unit with health and safety code violations that require the repair or replacement of a major system". Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by low or moderate income households and upon completion of the rehabilitation, ten year affordability controls shall be placed on the property in the form of a lien or deed restriction.

All rehabilitations shall have an average hard cost of \$10,000. While the County program will utilize CDBG funds, South Brunswick Township will provide

any funding from the affordable housing trust fund necessary to supplement the cost to satisfy the rehabilitation obligation. Furthermore, South Brunswick will see that funding for a minimum of 18 rehabilitations (at least half of the obligation) is available by 2014 - the midpoint of the compliance period.

Satisfaction of the Prior Round Obligation

South Brunswick's prior round obligation (1987-1999) is 841 units (Appendix C. to NJAC 5:97). COAH permits new construction credits and bonuses addressing a first or second round affordable housing obligation to be used to address the prior round obligation.

For the prior round, COAH requires that the Township establish the maximum number of age-restricted affordable units and the minimum number of affordable rental units using the formulas below.

- Minimum Prior Round Rental Obligation = 187 units
.25 (Prior Round Obligation – Prior Cycle Credits) = .25 (841 - 94) = 187, rounded up
 - A rental unit available to the general public receives one rental bonus;
 - An age-restricted unit receives a 0.33 rental bonus, but no more than 50 percent of the rental obligation shall receive a bonus for age-restricted units; and
 - No rental bonus is granted in excess of the prior round rental obligation

- Maximum Number of Age Restricted units = 195 units
.25 (Prior Round Obligation + Rehabilitation Share – Prior Cycle Credits – Rehabilitation Credits)
= .25 (841 + 36 – 94 – 0) = 195, rounded down

As summarized in Table 22, Existing Credits/Bonuses Addressing Prior Round Obligation, the Township has addressed its 841-unit prior round obligation with prior cycle credits, family sales, family rentals, senior rentals, group homes and previously granted prior round rental bonuses. In addition, the Township will address the prior round obligation with an existing assisted living residence built in 2002 and a proposed new senior rental site.

Table 22. Existing Credits/Bonuses Addressing Prior Round Obligation

South Brunswick's Prior Round Compliance Mechanisms	Prior Round = 841
Prior Cycle Credits	94
Family Sale	187
Family Rentals	204
Rental Bonuses (187 x 1.0 = 187)	187
Supportive and Special Needs Housing	35
Senior Rentals	103
Existing Assisted Living Residence (<i>New</i>)	23
Senior Rentals on Stover Site (<i>New</i>)	8
TOTAL	841

Prior Cycle Credits

Two 100% affordable developments were completed in the Township between April 1, 1980 and December 15, 1986. Deans Apartments (now called Woodhaven Terrace) is a 40-unit affordable family rental housing complex and Charleston Place I is a 54-unit affordable senior rental housing complex. Certificates of occupancy were previously issued for all 94 rental units.

Affordable Family Sale Units

Five inclusionary developments were completed prior to 2004. The affordable units in the developments have the appropriate affordability controls through deed restrictions, have been affirmatively marketed, and are fully occupied. Although a total of 189 affordable family sale units were completed in the second round, one unit in Nassau Square and one unit in Monmouth Walk were lost to foreclosure before the full control period elapsed. Table 23, Prior Round Affordable Family Sale Units, details the prior round inclusionary developments in South Brunswick that have been built.

Table 23. Prior Round Affordable Family Sale Units

Inclusionary Development	Affordable Units
Regal Point	5
Monmouth Walk	43
Nassau Square	49
Summerfield	70
Deans Pond Crossing	20
Total	187

Affordable Family Rentals Units and Rental Bonuses

There are 204 completed and occupied affordable family rental units in South Brunswick Township. Built in 2001, Southridge Woods is an inclusionary development that included 124 affordable family rental units. Woodhaven is a 100% affordable family rental development that consists of 80 units that were constructed in 1992 and 1993. The affordable units at Southridge Woods and Woodhaven have the appropriate affordability controls through deed restrictions, have been

affirmatively marketed and are fully occupied. Of the total 204 family rentals that were previously constructed or established, *NJAC* 5:97-3.5 permits a full 1.0 rental bonus for rentals open to households (non-age-restricted) up to the 187-unit prior round rental component. Thus, South Brunswick Township is eligible for 187 prior round rental bonuses.

Supportive and Special Needs Housing

South Brunswick is eligible to claim 35 credits for units in four supportive and special needs housing facilities that are located in the Township. All the units were previously completed and have the appropriate affordability controls through deed restrictions. Table 24, Prior Round Supportive and Special Needs Housing Units, detail the prior round group home units in South Brunswick that have been built.

Table 24. Prior Round Supportive and Special Needs Housing Units

Inclusionary Development	Affordable Units
CIL Woods	22
CIL Wynwood	7
Wheeler Road Group Home	3
Major Road Group Home	3
Total	35

Senior Affordable Rentals

South Brunswick Community Development Corporation constructed a total of 103 affordable senior rental units in the Township with 30 units in the Charleston Place II development and 73 units at the Oak Woods development. Pursuant to

NJAC 5:97-3.10(c)1, the Township’s prior round affordable senior housing that is eligible for COAH credit is capped at 195 units. When accounting for the senior units at Oak Woods and Charleston Place II, South Brunswick is within the 195-unit senior cap and may construct an additional 92 affordable senior units.

Assisted Living Facility

South Brunswick will address 23 units of its prior round obligation through affordable units at an existing assisted living facility in the Township. Buckingham Place is an existing 112-unit assisted living residence, which includes 23 affordable units, financed by the NJ Housing and Mortgage Finance Agency (HMFA). Buckingham Place is located on 7.65 acres on Raymond Road (Block 97, Lot 13.07) in the Township. A certificate of occupancy for the assisted living residence was issued on March 20, 2002 (a copy of the certificate of occupancy was previously submitted as part of the 2005 plan.) The 23 affordable assisted living units meet COAH’s regulations per *NJAC* 5:97-6.11 as follows:

- ✓ Site Control – Buckingham Place at South Brunswick, the owner and operator of Buckingham Place, has site control in accordance with *NJAC* 5:97-6.11(b)6.
- ✓ Site Suitability – The site plan received necessary planning board approvals and building permits. The facility received a certificate of occupancy on March 20, 2002. Thus, the site meets COAH’s site suitability requirements at *NJAC* 5:97-3.13 “Suitable Site”.
- ✓ Tenant Income eligibility – HMFA entered into a Financing, Deed Restriction and Regulatory Agreement (“Agreement”) with Buckingham

Place at South Brunswick, LLC, on May 9, 2002 (previously submitted as part of the 2005 plan). The Agreement ensures that residents of the 23 affordable units are income-eligible whether private-pay or the recipient of a Medicaid waiver. The Township will enter into an MOU (previously submitted as part of the 2005 plan) with HMFA if COAH determines that the Agreement between HMFA and Buckingham Place does not fulfill all of COAH's requirements under *NJAC* 5:97-9.

- ✓ Low/Moderate Split – Per the Agreement, all of the affordable units are affordable to low income tenants per HUD's area median incomes.
- ✓ Age-Restricted Cap – The 23 affordable senior units at Buckingham Place are within the prior round senior cap of 195 senior units.
- ✓ Rent/Food/Services – COAH's guidelines at *NJAC* 5:97-6.11(c)4 concerning maximum rent/food/services contracts (up to 80% of gross income) are followed in the HMFA Agreement.
- ✓ Unit of Credit – Buckingham Place provides 23 affordable units.
- ✓ Controls on Affordability – HMFA's Financing, Deed Restriction and Regulatory Agreement provides the necessary affordability controls per *NJAC* 5:97-9.
- ✓ Fees – HMFA's Funding Agreement regulates all fees charged income-eligible residents.

- ✓ Affirmative Marketing – The Township will enter into an MOU (previously submitted as part of the 2005 plan) with HMFA if COAH determines that the Agreement between HMFA and Buckingham Place does not fulfill all of COAH’s affirmative marketing requirements under *NJAC* 5:97-9.
- ✓ HMFA monitoring – The Agreement requires HMFA monitoring.

Stover Affordable Senior Rental Site

South Brunswick proposes to sponsor the construction of 184 affordable senior rental units on the Stover site, eight of which will be used to satisfy the Township’s prior round obligation. Additional information on the senior development is included in the section entitled “Third Round Growth Share Plan.”

Prior Round Rental Component

As noted above, South Brunswick Township addressed the 187-unit prior round rental component through 204 affordable family rentals, 35 supportive and special needs housing bedrooms and 103 affordable senior rentals.

Satisfaction of the Third Round Obligation

South Brunswick’s third round obligation, pursuant to COAH’s housing and job projections, is 948 units (Appendix F. to *NJAC* 5:97). In accordance with *NJAC* 5:97-2.2(e), the provision of affordable housing shall be based on the issuance of permanent certificates of occupancy for new residential units and new nonresidential building square footage.

In addition to satisfying the 948-unit third round obligation, the Township must also adhere to a minimum number of total family units, minimum rental obligation, minimum number of family rental units, maximum number of age-restricted units, maximum number of bonuses and minimum number of very low income units.

- Minimum Third Round Family Obligation = 356 units
 $.50(\text{third round obligation} - \text{proposed bonuses}) = .50(948 - 237) = 356$, must round up
- Minimum Third Round Rental Obligation = 237 units
 $.25(\text{third round obligation}) = .25(948) = 237$
- Minimum Third Round Family Rental Obligation = 119 units
 $.50(\text{third round minimum rental obligation}) = .5(237) = 119$, must round up
- Maximum Third Round Age-restricted Units = 237 units
 $.25(\text{third round obligation}) = .25(948) = 237$
- Maximum Third Round Bonuses = 237 bonuses
 $.25(\text{third round obligation}) = .25(948) = 237$
- Minimum Third Round Very Low Income Units = 93 units
 $.13(\text{third round obligation} - \text{proposed bonuses}) = .13(948 - 237) = 93$, must round up
*P.L. 2008, c.46 amended the Fair Housing Act to require 13% of all third round units to be reserved for very low income households.

As summarized in Table 25, Proposed Third Round Compliance Mechanisms, the Township proposes to address its 948-unit third round growth share obligation with units from two approved inclusionary developments, a 100% affordable senior rental development, existing and proposed group homes, a market to affordable rental and sales program, permanent supportive rental units,

extensions of controls, two new 100% affordable family rental sites, and eligible compliance and rental bonuses.

Table 25. Proposed Third Round Compliance Mechanisms

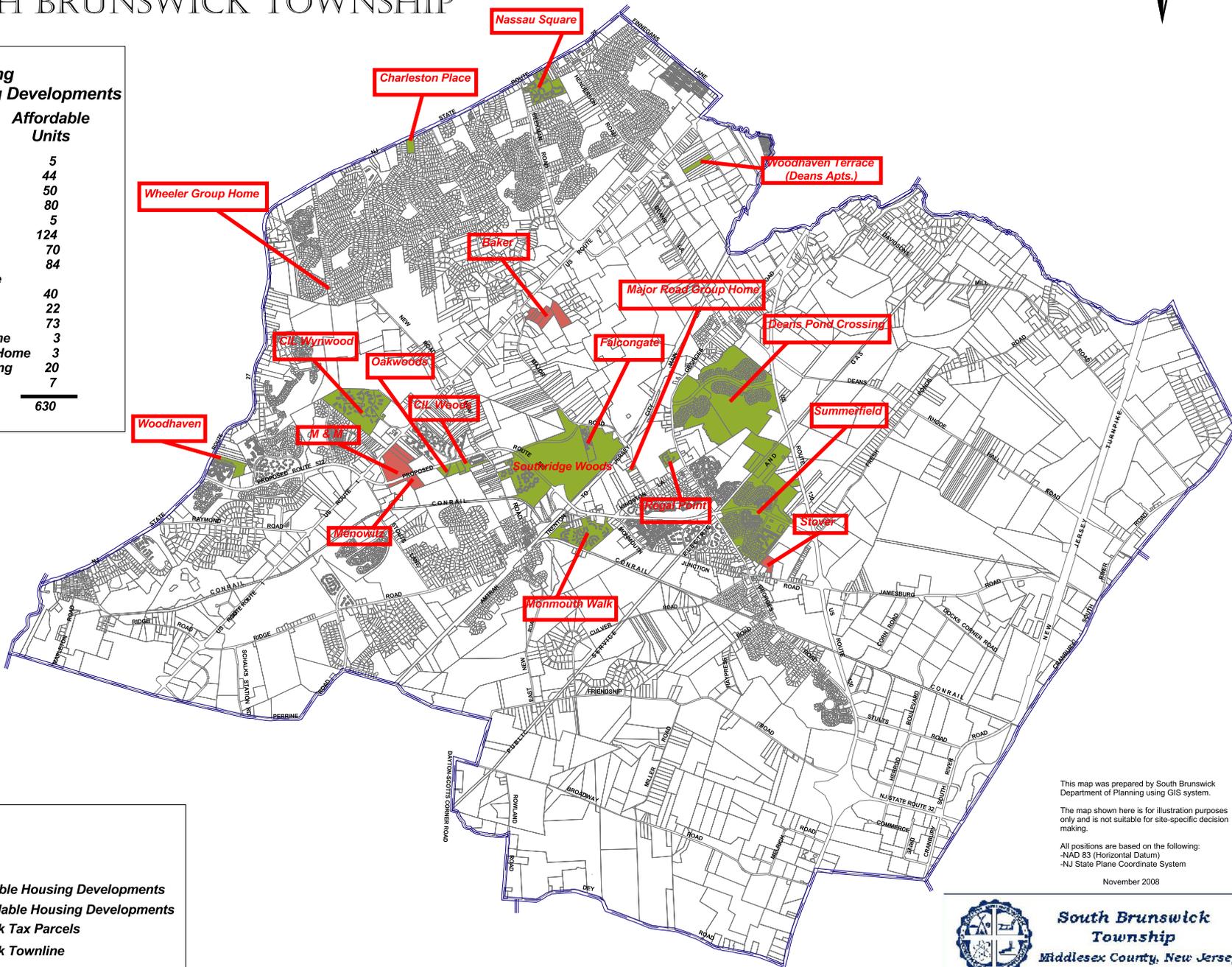
South Brunswick's Third Round Compliance Mechanisms	2008 Plan (Growth Share = 948)
<i>Age-Restricted Inclusionary Developments</i>	
Baker – Ovations senior sale units	34
Matzel & Mumford – Heritage senior sale units	27
<i>Supportive and Special Needs Housing</i>	
Menowitz Supportive Rentals	60
Dungarvin (existing)	4
Dungarvin (proposed)	18
Future group homes	30
<i>Market to Affordable</i>	
Rental Market to Affordable	80
Sale Market to Affordable	66
<i>100% Affordable Sites</i>	
Stover senior affordable rentals	176
Future 100% Affordable Family Rental Units	176
<i>Extensions of Controls</i>	
Woodhaven Terrace (Deans Apartments)	40
<i>Compliance Bonuses</i>	
Baker Compliance Bonus – (34 x 1)	34
Matzel & Mumford Compliance Bonus (27 x 1)	27
<i>Third Round Rental Bonuses</i>	
Family Rentals at Future 100% Affordable Site (176 x 1)	176
TOTAL	948

AFFORDABLE HOUSING DEVELOPMENTS OF SOUTH BRUNSWICK TOWNSHIP



Existing Affordable Housing Developments

Development Name	Affordable Units
Regal Point	5
Monmouth Walk	44
Nassau Square	50
Woodhaven	80
Falcongate	5
Soutridge Woods	124
Summerfield	70
Chaleston Place	84
Woodhaven Terrace (Deans Apts.)	40
CIL Woods	22
Oak Woods	73
Wheeler Group Home	3
Major Road Group Home	3
Deans Pond Crossing	20
CIL Wynwood	7
Total	630



Legend

- Existing Affordable Housing Developments
- Proposed Affordable Housing Developments
- South Brunswick Tax Parcels
- ▬ South Brunswick Townline

This map was prepared by South Brunswick Department of Planning using GIS system.

The map shown here is for illustration purposes only and is not suitable for site-specific decision making.

All positions are based on the following:
 -NAD 83 (Horizontal Datum)
 -NJ State Plane Coordinate System

November 2008



South Brunswick Township
Middlesex County, New Jersey

Supportive and Special Needs Housing

South Brunswick Township will address 112 units of its third round growth share obligation with the creation of supportive and special needs housing.

Dungarvin Group Homes

Dungarvin New Jersey, Inc. (“Dungarvin”) is an experienced provider of supportive and special needs housing across the state. Dungarvin currently has one existing group home in South Brunswick (receiving no prior COAH credit) and Dungarvin proposes to establish six new group homes in the Township during the third round period. The existing and proposed Dungarvin group homes address COAH’s regulations at *NJAC* 5:97-6.10.

For the existing group home at 30 Cranston Road, Dungarvin received a certificate of occupancy on March 31, 2000 (previously submitted as part of the 2005 plan). The four-bedroom group home was funded by the NJ Department of Human Services, Division of Developmental Disabilities (“DDD”), in a 20-year capital funding agreement commencing on November 9, 1999 (previously submitted as part of the 2005 plan). Pursuant to *NJAC* 5:97-6.10(d)3, COAH’s regulations honor the 20-year DDD funding agreement as addressing the appropriate affordability controls. This four-bedroom Dungarvin group home is eligible for four credits towards the Township’s third round minimum rental component. The group home is not age-restricted. Additional crediting information was previously submitted as part of the 2005 plan.

In addition, Dungarvin will enter into an agreement with the Township to establish six new group homes in South Brunswick during the third round period (see revised agreement attached). South Brunswick Township will help Dungarvin

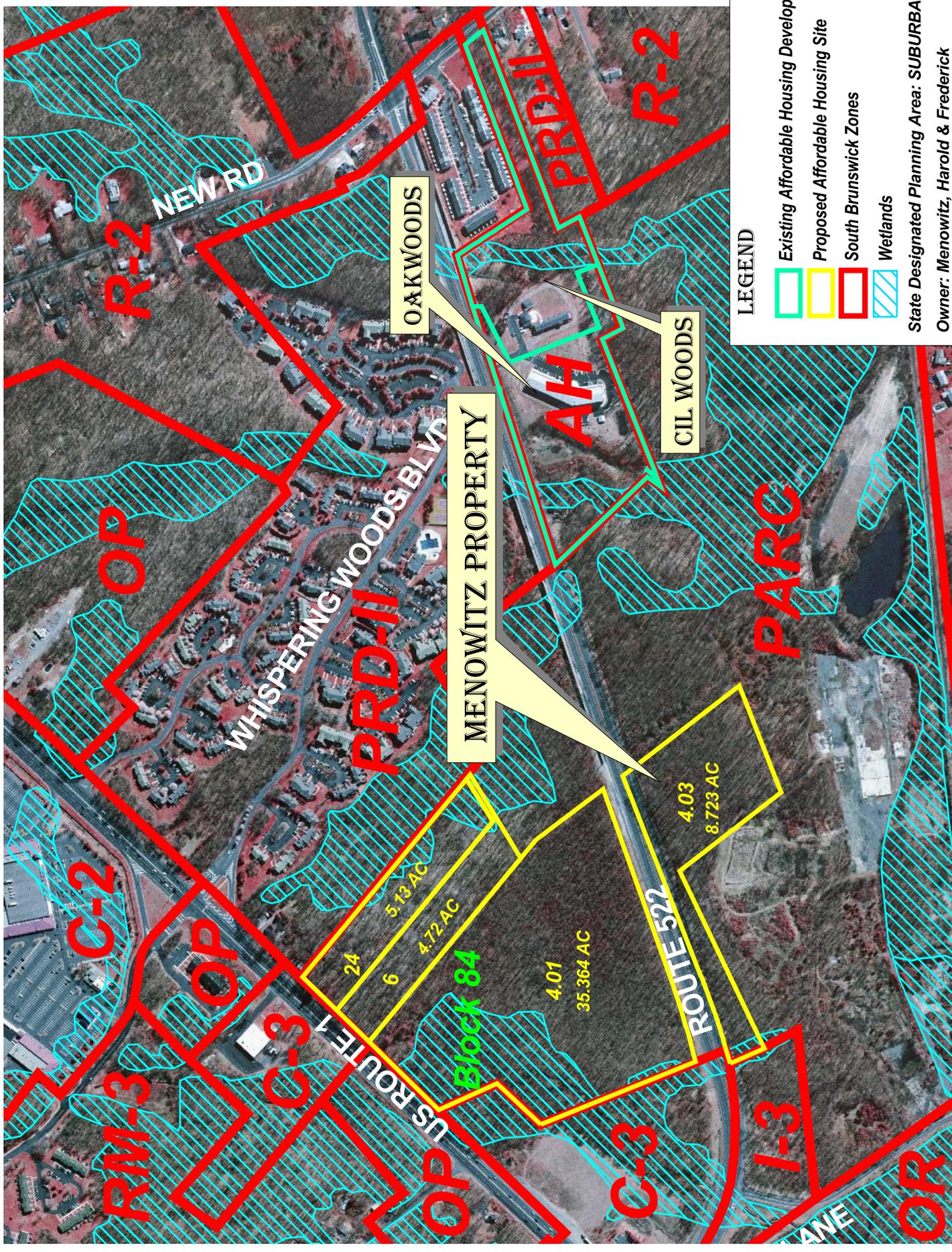
with the acquisition of a minimum of six new three-bedroom group homes through a per bedroom payment from collected affordable housing development fees. The six new group homes will have a minimum of three bedrooms each, thus, the Township will be eligible for a minimum of 18 credits towards the Township's third round minimum rental component. Dungarvin anticipates receiving operational and capital funding from DDD for each group home.

Menowitz Supportive Rentals

South Brunswick Township proposes to provide affordable permanent supportive rental housing on a site to be donated to the Township as part of an agreement with the developer of the Menowitz property. The Township will issue a Request for Proposals (RFP) for an experienced supportive housing provider to develop, own and administer the supportive permanent rental housing on the site to be donated.

The Menowitz site (Block 84, Lot 4.03) is located on County Route 522 and consists of almost nine acres. The site is vacant and is presently zoned PARC Residential. The Menowitz site is generally surrounded by undeveloped land that may develop into planned age-restricted residential communities in the future. A closed chemical plant is located to the south of the site. The owner of the chemical plant has had preliminary discussions with the Township regarding plans to develop the site (housing the closed chemical plant) as an age-restricted residential community. In addition, the Oak Woods senior affordable rental complex and the Citizens for Independent Living (CIL Woods) supportive affordable housing site presently exists to the east of the Menowitz site, also fronting Route 522 (see map of the Menowitz site).

MENOWITZ PROPERTY



LEGEND

- Existing Affordable Housing Developments
- Proposed Affordable Housing Site
- South Brunswick Zones
- Wetlands

State Designated Planning Area: SUBURBAN
 Owner: Menowitz, Harold & Frederick
 Developer: Township of South Brunswick

The Township anticipates that an experienced supportive housing developer will build and manage up to 60 affordable permanent supportive household rental units on the Menowitz site. The permanent supportive housing will be developed at a density and housing type that will be in keeping with the surrounding Oak Woods and CIL Supportive Housing.

COAH's third round rules at *NJAC 5:97-6.7* "Municipally Sponsored and 100 Percent Affordable Programs" and *NJAC 5:97-6.10* "Supportive and Special Needs Housing" are addressed as follows:

- ✓ Site Control – South Brunswick Township is in the process of acquiring the required option on the property. Once the site is donated to the Township by the Menowitz Property developer, the Township, in turn, will donate the Menowitz site to the selected affordable housing provider. South Brunswick will submit site control documentation in accordance with the Township's implementation schedule.

- ✓ Site Suitability – The site is suitable as defined in COAH's regulations at *NJAC 5:97-3.13*. There are no encumbrances which preclude the development of affordable housing on the site. The site is adjacent to residentially zoned land and residential land uses including the Oak Woods senior affordable complex and CIL Supportive Housing as noted above. The Menowitz site has access to an appropriate street – County Route 522. Water and sewer infrastructure are currently available along County Route 522. In addition, South Brunswick confirmed that there is sufficient sewer capacity in the sewer system operated by the Township and that there will be sufficient water capacity for the site before construction on the site is anticipated to begin. The site can be

developed consistent with the Residential Site Improvement Standards and all other state regulations such as those of the Department of Environmental Protection (“DEP”). From a review of DEP’s wetland mappings, there appears to be a small area of wetlands towards the very western portion of the tract, in an area that would most likely be retained as a buffer in a required building setback on the site. The chosen developer will apply for the required wetlands ‘Letter of Interpretation’ from DEP, along with all other necessary development permits. The Menowitz site is located in Planning Area 2 (“PA2”) of the State Development and Redevelopment Plan Policy Map (“State Plan”).

- ✓ Administrative Entity – The Township will enter into an agreement with the chosen supportive and special needs provider for the provider to own and operate the affordable units pursuant to COAH’s regulations. For the proposed third round affordable units, the experienced provider will affirmatively market the units, income qualify applicants, place 30-year affordability control deed restrictions on the units and provide long-term administration of the units in accordance with COAH’s rules at *NJAC* 5:97 et seq. and the Uniform Housing Affordability Controls (“UHAC”) per *NJAC* 5:80-26.

- ✓ Low/Moderate Income Split – At least half of all the affordable units developed on the Menowitz site will be affordable to low income households and an odd number of affordable units will always be split in favor of the low income unit per *NJAC* 5:97-3.3(b) and the UHAC at *NJAC* 5:80-26. Of the low income units, eight will be affordable to very low income households.

- ✓ Affirmative Marketing – The chosen developer will affirmatively market the units in accordance with COAH’s rules at *NJAC* 5:97-6.10(d)1 and the UHAC per *NJAC* 5:80-26.
- ✓ Controls on Affordability – The Township’s agreement will require minimum 30-year affordability control deed restrictions on the units in accordance with *NJAC* 5:97 et seq. and *NJAC* 5:80-26.
- ✓ Bedroom Distribution – The units will be required to be developed in accordance with the UHAC requirements regarding bedroom breakdown in accordance with *NJAC* 5:80-26.
- ✓ Funding – South Brunswick anticipates that potential funding sources include but are not limited to Federal Low-income Housing Tax Credits, HUD Section 811 funding, Balanced Housing funds, Middlesex County HOME funds, Federal Home Loan Bank funds, and HMFA bond financing. South Brunswick will submit the required pro forma and documentation of adequate and stable funding in accordance with the Township’s implementation schedule.
- ✓ Construction Schedule – South Brunswick will submit the executed developer agreement and construction schedule in accordance with the Township’s implementation schedule.

Future Group Homes

The Township will contract with an experienced group home provider to purchase ten to 15 existing dwellings to create a total of 30 bedrooms in 2- or 3-bedroom licensed group homes. South Brunswick will submit the required

documentation, including but not limited to documentation of site control, site suitability, a pro forma, documentation of funding and a construction schedule, for this site in accordance with the Township's implementation schedule.

Inclusionary Developments

South Brunswick Township will address a portion of its third round obligation with two senior inclusionary housing developments that were approved prior to June 2, 2008.

Baker - Ovarions Site

The Baker – Ovarions inclusionary housing site is a 26.55 acre property that fronts on Major Road. The site (Block 86, Lots 63, 65, 67, 68, 69, 70, 71) is expected to yield a total of 170 senior sale units, of which 34 are to be affordable. The development will consist of four buildings, a clubhouse, and a swimming pool. The 34 affordable senior sale units will be integrated within the development, and will have access to all of the community amenities available to the market rate units. Additionally, the project received final planning board approval on April 2, 2008, and as such is eligible for third round compliance bonuses in accordance with *NJAC 5:97-3.17*. (See copy of the Planning Board Resolution attached).

COAH's rules at *NJAC* 5:97-6.4 "Zoning for Inclusionary Development" are addressed as follows:

- ✓ Site Suitability – Site Suitability – The site received necessary planning board approvals on April 2, 2008. Thus, the site meets COAH's site suitability requirements at *NJAC* 5:97-3.13.
- ✓ Amenities – The affordable units at the Baker – Ovations site will have the same heating source as the market rate units and will have access to all community amenities available to the market rate units in the development.
- ✓ Administrative Entity – The developer of the Baker – Ovations site will contract with the Township's in-house affordable housing department to administer the affordable units. The affordable units will have 30-year affordability controls and will be affirmatively marketed. The Township will income qualify applicants and will provide long-term administration of the units in accordance with COAH's rules at *NJAC* 5:97 et seq. and the UHAC per *NJAC* 5:80-26.
- ✓ Low/Moderate Income Split – At least half of all the affordable units at the Baker – Ovations site will be affordable to low income households per *NJAC* 5:97-3.3 and the UHAC at *NJAC* 5:80-26. In the case of an odd number of affordable units, the split will always be in favor of the low income unit per *NJAC* 5:97-3.3 and the UHAC at *NJAC* 5:80-26.

- ✓ Affirmative Marketing – The affordable units will be affirmatively marketed in accordance with COAH rules at *NJAC* 5:97 et seq. and the UHAC per *NJAC* 5:80-26.
- ✓ Controls on Affordability – The affordable units will have 30-year affordability control deed restrictions in accordance with *NJAC* 5:97 et seq. and *NJAC* 5:80-26.
- ✓ Bedroom Distribution – The affordable units on the Baker - Ovations site will meet the bedroom distribution requirement pursuant to UHAC requirements at *NJAC* 5:80-26.
- ✓ Accessibility - First floor units at the site will comply with the Barrier Free Subcode at *NJAC* 5:23-7 pursuant to COAH regulations at *NJAC* 5:97-3.14.

Matzel & Mumford -Heritage Site

The Matzel & Mumford – Heritage inclusionary housing site is a 35.76 acre property that fronts on County Road 522. The site (Block 84, Lots 4.01, 6, 24) is expected to include a total of 133 units. The developer agreed to construct 27 affordable on-site units as reflected in a developer’s agreement with the Township (see attached). The approved site plan depicts 133 units in seven residential structures, a community building, a pool, and common facilities. The on-site affordable units will be integrated within the development, and will have access to all of the community amenities available to the market rate units.

The inclusionary development received final planning board approval on May 1, 2008, and as such is eligible for third round compliance bonuses in accordance with *NJAC 5:97-3.17*. (See copy of the Planning Board Resolution attached). COAH's rules at *NJAC 5:97-6.4* "Zoning for Inclusionary Development" are addressed as follows:

- ✓ Site Suitability – Site Suitability – The site plan received necessary planning board approvals on May 1, 2008. Thus, the site meets COAH's site suitability requirements at *NJAC 5:97-3.13*.
- ✓ Amenities – The affordable units at the Matzel & Mumford - Heritage site will have the same heating source as the market rate units and will have access to all community amenities available to the market rate units in the development.
- ✓ Administrative Entity – The developer of the site will contract with the Township's in-house affordable housing department to administer the affordable units. The affordable units will have 30-year affordability controls and will be affirmatively marketed. The Township will income qualify applicants and will provide long-term administration of the units in accordance with COAH's rules at *NJAC 5:97* et seq. and the UHAC per *NJAC 5:80-26*.
- ✓ Low/Moderate Income Split – At least half of all the affordable units at the Matzel & Mumford - Heritage site will be affordable to low income households per *NJAC 5:97-3.3* and the UHAC at *NJAC 5:80-26*. In the case of an odd number of affordable units, the split will always be in

favor of the low income unit per *NJAC* 5:97-3.3 and the UHAC at *NJAC* 5:80-26.

- ✓ Affirmative Marketing – The affordable units will be affirmatively marketed in accordance with COAH’s rules at *NJAC* 5:97 et seq. and the UHAC per *NJAC* 5:80-26.
- ✓ Controls on Affordability – The affordable units will have 30-year affordability control deed restrictions in accordance with *NJAC* 5:97 et seq. and *NJAC* 5:80-26.
- ✓ Bedroom Distribution – The affordable units on the Matzel & Mumford – Heritage site will meet the bedroom distribution requirement pursuant to UHAC requirements at *NJAC* 5:80-26.
- ✓ Accessibility - First floor units at the site will comply with the Barrier Free Subcode at *NJAC* 5:23-7 pursuant to COAH regulations at *NJAC* 5:97-3.14.

Market to Affordable Program (Rentals and Sales)

Pursuant to *NJAC* 5:97-1-4 and 6.9, COAH rules permit municipalities to meet all or a portion of their fair share obligation through a market to affordable program. The market to affordable program, which combines the Township’s former “REACH program” and “municipally sponsored rental program”, allows municipalities to purchase or subsidize existing units and sell or rent them to low and moderate income households at affordable rents or prices. COAH’s rules at *NJAC* 5:97-6.9(b)4 initially limit a municipalities’ program to an amount equal to a

10 percent of the fair share obligation, which in South Brunswick is 94 units. With the Township's vast experience in administering hundreds of affordable housing units, South Brunswick wishes to exceed this initial limit by implementing a 146-unit market to affordable sales and rental program. As discussed in detail below, the Township requests a waiver to the initial program limitation of the market to affordable program.

COAH's regulations require a municipality to provide a minimum subsidy of \$25,000 per moderately priced or rented unit and \$30,000 per low priced or rented unit in the market to affordable program (market to affordable program pro formas previously submitted as part of the 2005 plan). The program will be funded through a variety of sources including funds from the Township's affordable housing trust fund. In the event of insufficient funds, the Township will adopt a resolution of intent to bond to finance the program.

There are sufficient for-sale market-rate housing units in the South Brunswick to make the 146-unit market to affordable program viable. The Township has a significant number of existing for-sale market-rate units that have market-rate values under \$300,000. An analysis of sales of market-priced (non-restricted) units showed the following average sale price per unit type for units valued under \$300,000:

- ✓ One Bedroom units – average sales price of \$156,062
- ✓ Two Bedroom units – average sales price of \$211,724

The market to affordable program is in compliance with COAH's third round rules at *NJAC* 5:97-6.9. The information below addresses how the program meets COAH's requirements.

- ✓ Sufficient Market-Rate Units – There are sufficient for-sale market-rate condominium or townhouse units in the Township to make the 146-unit market to affordable program viable. The Township has thousands of existing for-sale market-rate condominium or townhouse units. To demonstrate the viability of the program, the Township focused on just four existing market rate developments totaling 905 for-sale condominiums. Although these four existing condominium developments will not be the only developments where the program is implemented, the resulting facts help to demonstrate that there are sufficient market-rate units within the Township. The 146 total affordable units in both programs represent approximately 16% of the total number of units in the four condominium developments, which is less than the number of affordable units in an inclusionary development with a 20% set-aside. A review of Township Tax Assessor’s sale records over the past five years as well as listings from the Multiple Listing Service showed a combined annual average of 81.2 sales per year within all four developments. The numbers of sales within all of the Township’s condominium or townhouse developments far exceed the over 80 sales a year. For both proposed programs, the Township will acquire approximately 29 units per year over a five year period beginning in 2009.

- ✓ Sound Condition – Each unit will be certified to be in sound condition by the Township’s licensed building inspector prior to occupancy as an affordable unit.

- ✓ Minimum Subsidy – The Township will provide a minimum subsidy of \$25,000 per moderately priced unit and \$30,000 for low income rental units and will supplement the subsidy with additional resources so as to ensure that the units meet the affordability standards established in the UHAC. The Township anticipates the per-unit cost of the program to be approximately \$100,000 (including per-unit funds for potential renovations) for a total program cost of \$14.6 million. South Brunswick will seek funding for the market to affordable program from sources including, but not limited to, the Middlesex County HOME program, the State’s Balanced Housing program, development fees, and payments in-lieu of construction. If there are insufficient funds for the program, the Township will adopt a resolution of intent to bond to finance the program.

- ✓ Affirmative Marketing – The marketing of the program will adhere to the Township’s affirmative marketing program, as outlined in the Township’s Fair Share Ordinance. For additional details, see attached.

- ✓ Program Administration - The market to affordable program will be administered by the Township’s in-house affordable housing department. The affordable units will have 30-year affordability controls and will be affirmatively marketed. The Township will income qualify applicants and will provide long-term administration of the units in accordance with COAH’s rules at *NJAC* 5:97 et seq. and the UHAC per *NJAC* 5:80-26. In the case of the market to affordable sale program, the Township will include the following:

- Maintain an up-to-date inventory of units that meet the requirements of a buy-down program;
- Qualify and place income eligible households in low and moderate income units upon initial occupancy;
- Place income eligible households in low and moderate income units as they become available during the minimum 30-year term of affordability controls;
- Enforce the terms of the deed restriction and mortgage lien;
- Set up a separate interest bearing escrow account for the buy-down funds from each municipality; and
- Sponsor a home ownership counseling program and post purchase session for prospective purchasers.

The Township will retain ownership of the units purchased for the market to affordable rental program.

- ✓ Low/Moderate-Income Split – The market to affordable sales program will be established for moderate income households. The market to affordable rental program will be established for low income households, with at least 10 units being affordable to very low income households.
- ✓ Affordability Average – The moderate income prices of the market to affordable sales program will be established at two different prices either 55% or 65% of median income to attract the widest applicant pool of moderate income households. The low income rents of the market to affordable rental program will be established at no more than 44% of median income for low income households per *NJAC* 5:97-6.9(c)3, with

at least 10 units being affordable to very low income households at 30% of the median income.

- ✓ Bedroom Distribution – The units will be exempt from the bedroom distribution requirements of COAH’s rules pursuant to *NJAC 5:97-6.9(c)1*.

Waiver Request - Market to Affordable Program – Exceeding Initial 94-unit Limit

As noted above, the Township requests a waiver from COAH’s initial 94-unit market to affordable program limit for a 146-unit program (although COAH has no ultimate limit on the number and specifically states that a municipality may address its entire fair share through this program) per *NJAC 5:96-15.1*. COAH’s rules state that “the Council (COAH) may grant waivers from specific provisions of its rules if the person demonstrates that the strict application of the rule would create an unnecessary financial, environmental or other hardship; or granting the waiver fosters the production of affordable housing, granting the waiver fosters the intent of, if not the letter of, the Council’s rules; and the Housing Element and Fair Share Plan provide a mix of housing options.”

Specifically, the waiver is to exceed the COAH initial programmatic limit established at *NJAC 5:97-6.9(b)4*, which initially caps the program at 10% of the Township’s fair share obligation or 94 units in the case of South Brunswick. To put it in perspective, an initial 146-unit program represents only 15% of the Township’s 948-unit third round fair share obligation, thereby meeting the intent of, if not the letter of COAH’s rule.

In September 2005, the Township presented a preliminary waiver request to COAH staff to exceed the initial program limitations. Although COAH staff was preliminarily favorable to the concept, it was understood by the parties that the Township would make a formal waiver request as part of its third round housing element and fair share plan.

South Brunswick Township has a highly respected affordable housing department – directed by Arlyne DeSena – that will administer the 146-unit market to affordable sale and rental program. South Brunswick currently administers 187 existing affordable sale units and has the staff and ability to administer an additional 66 affordable sale units. In addition, the Township aids various rental property owners in the administration of over 450 affordable rental units, thus, the Township has the capacity to administer an additional 80 affordable rental units. In the past, COAH staff has relied on South Brunswick’s Affordable Housing Department to teach and educate other affordable housing providers. Ms. DeSena is a Board member of the Affordable Housing Professionals of New Jersey (“AHPNJ”).

The Township’s proposal to create 80 new affordable household rental units and to create 66 new affordable household sale units would most assuredly foster the production of affordable housing. The Township has approximately \$10 million currently in its affordable housing trust account that will enable the immediate establishment of these affordable units.

COAH’s rules place an initial 94-unit limitation “unless the municipality has demonstrated a successful history of a market to affordable program.” COAH added the market to affordable program (initially just for sale units) in its 2004 third round regulations and the Township included such a program in its initial third round plan from November 2005. If COAH had not been forbidden to continue to

review and approve third round plans by the 2007 Appellate Division decision, then the Township would have already shown success with this program. As soon as COAH approves the program and grants substantive certification, South Brunswick Township will implement the market to affordable program thereby fostering the production of affordable housing and meeting the intent of, if not the letter of, COAH's rules.

The Township's existing affordable housing stock and proposed amended third round plan contains a mix of housing options that serve the needs of the region's low and moderate income households. When combining the prior round and amended third round plans, South Brunswick Township will have a total of 1,179 actual affordable units broken down into the following categories: 420 affordable family rental units, 147 supportive and special needs housing, 364 affordable senior rentals and 248 affordable family sale units. Almost 80% of the 1,179 affordable units are rentals, far in excess of COAH's 25% rental requirement, thus, overwhelmingly addressing an underserved housing need in the region.

For all the reasons stated above, South Brunswick Township respectfully requests that COAH grant a waiver, pursuant to *NJAC* 5:96-15.1(a), to exceed the initial 94-unit limit for the proposed Township market to affordable rental and sales program.

Extensions of Controls

Woodhaven Terrace (formerly Deans Apartments) is an existing 40-unit 100% affordable housing complex serving low income households. Woodhaven Terrace is located at 154 Black Horse Lane (Block 90, Lot 54.01). Woodhaven Terrace was initially established in 1986 through funding from the old Farmer's

Home Program, now known as the Rural Housing Development Program of the federal government (see aerial map of the existing Woodhaven Terrace.) The twenty-year restriction on the property was due to expire in 2006, wherein the owner could opt out of the federal funding and convert the units to market-rate. In addition, the existing 40-unit 100% affordable housing complex was in need of substantial renovations.

In 2005, Volunteers of America, National Services (hereinafter “VOA”) received federal Low Income Housing Tax Credits to preserve the affordable rental units at Woodhaven Terrace and to extend the controls on affordability for 30 years. In addition, the Township entered into an agreement with VOA in order to help VOA renovate the 100% low income household rental complex (previously submitted as part of the 2005 plan). As part of the Township/VOA agreement, the Township provided VOA with \$1.25 million to help with the substantial renovations required at Woodhaven Terrace, a subsidy of approximately \$31,250 per unit. These renovations included roof replacement, replacement of all HVAC units, new kitchens, bathrooms and upgrades in plumbing and electrical service. Also, the Township granted VOA a Payment In Lieu of Taxes (“PILOT”) for the Woodhaven Terrace preservation of affordable units and for the extensions of the affordability controls on the complex.

In a letter dated August 19, 2005, COAH’s Director of Planning, Keith Henderson, noted that the VOA proposal would be eligible for additional third round credits if VOA received the appropriate financing and if the controls on affordability were extended for 30 years. The Township’s agreement with VOA required the extension of controls for 30 years. Woodhaven Terrace received new tax credits and the controls on affordability have been extended as shown by the filed deed restrictions (see attached).

All 40 units will be preserved to be affordable to low income households, with 9 units affordable to very low income households. In addition, these 40 rental units will address a portion of the Township's minimum rental component.

As described above, the VOA preservation of the existing 100% affordable household rental complex and the extension of affordability controls for a new 30-year period addresses COAH's requirements under *NJAC 5:97-6.14* "Extension of Expiring Controls":

- ✓ Eligible credit – Woodhaven Terrace meet the criteria for prior cycle credits as previously certified by COAH.
- ✓ Affordability Controls – The previous twenty-year restriction on the property was due to expire in 2006 and VOA filed new 30-year affordability controls on the property.
- ✓ Building Code Standard – The Township' agreement with VOA to extend the controls on the units for 30 years was in exchange for a \$1.25 million subsidy used by VOA to bring the units up to code. The Township's licensed building inspector issued a continuing certificate of occupancy (or a certified statement stating that the units meet local building codes.)

Municipally Sponsored - 100% Affordable Housing

South Brunswick will address a portion of its third round affordable housing obligation with municipally sponsored construction of 100% affordable housing developments. The Township proposes to continue its past practices of developing

high quality affordable housing. South Brunswick Township has excelled with the planning and development of 100% affordable housing projects in the first and second rounds. South Brunswick is committed to continuing to work with experienced and capable affordable housing developers to produce the necessary 100% affordable housing that is needed in the future.

Stover Site

South Brunswick Township will address a portion of the 948-unit third round growth share obligation, as well as 8 units in the prior round through the Municipally Sponsored Construction of 184 affordable senior rental units on the Stover site in the Township. A portion of the 184 affordable senior rental units will address up to half of the Township's 237-unit minimum third round rental component per *NJAC* 5:97-3.4(b).

The senior affordable housing will be developed by the South Brunswick Community Development Corporation ("SBCDC"), a non-profit affordable housing developer, which currently owns and manages 157 senior affordable units in South Brunswick Township.⁵ The Township's and SBCDC's past success in developing senior affordable housing within the Township provide COAH with an experienced development and administrative entity.

In a letter to Arlyne DeSena, South Brunswick Township's Affordable Housing Director, from Jack Sawinski, President of Oak Woods and Chair of the SBCDC Housing Committee, Mr. Sawinski stated

⁵ The 157 total senior affordable units include the 73-unit Oak Woods and the 84-unit Charleston Place I and II. The first phase of Charleston Place (54 units) is considered prior cycle credits having been built before December 15, 1986, thus, does not count towards the Prior Round senior cap.

“The reason we are devoted to building another senior facility is because of the serious shortage of subsidized housing in our community. Presently we operate Charleston Place on Route 27 which has 84 units, but it is over 20 years old and has been filled since the day it opened. Approximately ten years ago we undertook the construction of another facility. With considerable help from you, the Township Council and the Township administration we built Oak Woods and opened it in October of 2001. Despite adding 74 units of affordable housing there was little impact on the waiting time to get into our facilities. In most cases it still takes more than four years. We have persons in our facilities who were living in cars, or in shacks, or crowded in with their children because affordable housing was not available to them. There are still hundreds of seniors in substandard situations and we are devoted to helping them improve their lives. With the success we’ve had building Oak Woods we know we can complete another project, if the Township will help us by providing the right property.”

The Township responded to SBCDC’s offer to help provide the much needed senior affordable housing by acquiring the Stover site. SBCDC will develop the 184 senior rentals in two phases on the Stover site and at densities and a housing type consistent with the surrounding multi-story, multi-family residential developments of Fresh Ponds Village and Summerfield. The Township anticipates that each phase will consist of a separate multi-story building with 92 units served by elevators. Sufficient off-street parking and outdoor walkways and sitting areas will be provided. Dense vegetation presently exists on the site and significant portions of the vegetation (including mature shade trees and evergreen vegetation) will remain within the property’s buffers adjacent to existing residential development. With the

Stover site, the senior affordable housing will be centrally located adjacent to the existing Village of Dayton within South Brunswick.

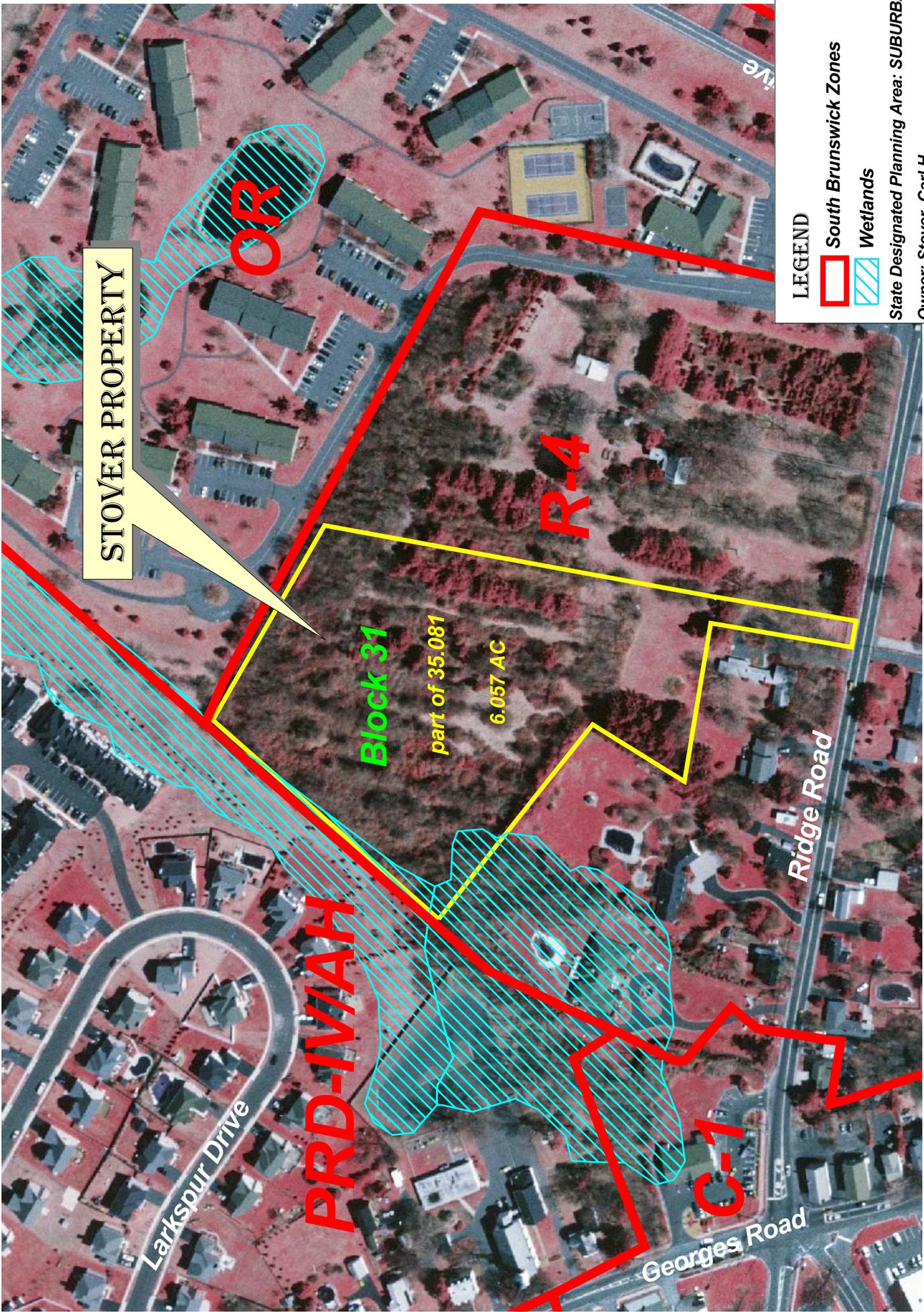
The Stover site (Block 31, Lots 35.071, 35.811) is located at 362-370 Ridge Road and consists of 6.971 acres. The site had housed a single-family residence along Ridge Road which was subdivided off from the larger tract. The site is presently zoned R-4 Residential and surrounding land uses include single-family residences to the east, south and west, as well as multi-family residential developments to the northwest and north. In addition, a Wawa convenience store is located to the west of the site, at the corner of Ridge and Georges Road. See map of the Stover Site.

COAH's Third Round rules at *NJAC 5:97-6.7* "Municipally Sponsored and 100 Percent Affordable Programs" are addressed as follows:

- ✓ Site Control – The Township owns the Stover site and will transfer title of the property to the SBCDC once funding has been received.

- ✓ Site Suitability – The site is suitable as defined in COAH's regulations at *NJAC 5:97-3.13*. There are no encumbrances which preclude the development of affordable housing on the site. The site is adjacent to residential land uses and other compatible land uses as noted above. The Stover site has access to an appropriate street – Ridge Road. Water and sewer infrastructure are currently available along Ridge Road. South Brunswick operates the water and sewer system that services the Township. The Township confirmed that there is sufficient sewer capacity and that there will be sufficient water capacity for the proposed development on the site. The site can be developed consistent with the Residential Site

STOVER PROPERTY



LEGEND
South Brunswick Zones
Wetlands

State Designated Planning Area: SUBURBAN
Owner: Stover, Carl H
Developer: Township of South Brunswick

Improvement Standards and all other state regulations such as those of the Department of Environmental Protection (“DEP”). From a review of DEP’s wetland mappings, there appears to be wetlands on a relatively small portion of the site in an area that would most likely be retained as a buffer in a required building setback on the site. The SBCDC will apply for the required wetlands ‘Letter of Interpretation’ from DEP, along with all other necessary development permits. A field investigation of the site revealed contamination from the prior farm operation that will be addressed with DEP oversight. The Stover site is located in Planning Area 2 (“PA2”) of the State Development and Redevelopment Plan Policy Map (“State Plan”).

- ✓ Accessibility – First floor units at the Stover site will comply with the Barrier Free Subcode at *NJAC* 5:23-7 pursuant to COAH regulations at *NJAC* 5:97-3.14.

- ✓ Administrative Entity – The Township will enter into an agreement with SBCDC for SBCDC to own and operate the senior affordable units pursuant to COAH’s regulations (draft agreement previously submitted as part of the 2005 plan). SBCDC is an experienced owner and manager of affordable units throughout the Township. As each development was funded through the federal HUD 202 program, SBCDC currently administers all of South Brunswick Township’s senior affordable units in accordance with HUD’s regulations. For the proposed third round affordable units, SBCDC will affirmatively market the units, income qualify applicants, place 30-year affordability control deed restrictions on the units and provide long-term administration of the units in accordance with COAH’s rules at *NJAC* 5:97 et seq. and the UHAC per *NJAC* 5:80-26.

- ✓ Low/Moderate Income Split – At least half of all the affordable units developed by SBCDC will be affordable to low income households and an odd number of affordable units will always be split in favor of the low income unit per *NJAC 5:97-3.3(a)* and the UHAC at *NJAC 5:80-26*. Of the low income units, at least 24 units will be affordable to very low income senior households.
- ✓ Affirmative Marketing - SBCDC will affirmatively market the units in accordance with COAH's rules at *NJAC 5:97 et seq.* and the UHAC per *NJAC 5:80-26*.
- ✓ Controls on Affordability – SBCDC will place minimum 30-year affordability control deed restrictions on the units in accordance with *NJAC 5:97 et seq.* and *NJAC 5:80-26*.
- ✓ Bedroom Distribution – SBCDC will follow the UHAC requirements in developing the bedroom breakdown of the affordable units in accordance with *NJAC 5:80-26*.
- ✓ Funding – A representative pro forma statement for the two phases of the 184-unit complex is attached (pro forma statement previously submitted as part of the 2005 plan). Each phase will consist of 92 units and SBCDC anticipates applying for various funding sources including but not limited to a HUD Fund Reservation, Balanced Housing funds, Middlesex County HOME funds, Federal Home Loan Bank funds, HMFA bond financing, and Federal Low-income Housing Tax Credits. The Township will adopt a resolution of intent to bond for any shortfall in funding the Municipally Sponsored Construction Program.

- ✓ Construction Schedule – SBCDC has developed a construction schedule for developing the first phase of the 184-unit senior affordable housing complex and anticipates that the first phase will begin construction in 2010 (within one year of the Township petitioning COAH.) The Project Schedule was previously submitted as part of the 2005 plan. The project schedule will be duplicated for the second phase the development process of the second phase beginning approximately two years later. The Construction Schedule notes each step in the development process including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, and beginning construction. SBCDC will be responsible for monitoring the construction and overall development activity.

Future 100% Affordable Family Rental Sites

The Township is investigating infill sites in the residential districts and sites west of Route 130 for two future sites for 100% affordable family rental developments for 176 units, at least 28 of which will be affordable to very low income households. The Township will submit the required documentation, including but not limited to documentation of site control, site suitability, a pro forma, and a construction schedule, for these sites in accordance with its implementation schedule. Once constructed, the developments will be eligible for 176 rental bonuses pursuant to *NJAC* 5:97-3.6.

Very Low Income Units

Pursuant to the recent amendments to the Fair Housing Act, P.L. 2008, c.46, municipalities must provide very low income units equal to 13% of the future

units satisfying the third round obligation. South Brunswick will satisfy its 93-unit very low income obligation (half of which must be family units) with 14 group home units, 24 units at the Stover senior rental site, 8 units of supportive housing at the Menowitz site, 9 units at Woodhaven Terrace, 10 units from the market to affordable rental program, and 28 rentals at the future family rental site.

Affordable Units Meeting the Third Round Obligation

South Brunswick has met its 948-unit third round obligation through a Township-owned 100% affordable senior rental site, group homes (52 bedrooms), permanent supportive housing units, extensions of controls, a market to affordable rental and sales program, two 100% affordable family rental sites, two approved age-restricted inclusionary developments and corresponding rental and compliance bonuses.

- The 356-unit family obligation has been satisfied with 40 units from extensions of controls at the Woodhaven Terrace, a 146-unit market to affordable program, and 176 units at the future 100% affordable family rental sites.
- The 237-unit rental obligation has been satisfied with 176 senior units at the Stover site, 52 group home bedrooms, 60 units of permanent supportive housing at the Menowitz site, 40 units at Woodhaven Terrace, the 80-unit market to affordable rental program, and 176 units at the future 100% affordable family rental sites.
- The 119-unit family rental obligation has been satisfied with 40 units at Woodhaven Terrace, the 80-unit rental market to affordable program, and 176 units at the future 100% affordable family rental sites.
- The Township's plan includes 237 affordable senior units, which do not exceed the 237-unit senior cap.

- The Township has included 237 bonuses (both compliance bonuses and rental bonuses), which do not exceed the 237-unit bonus cap.
- The Township has met the 93-unit very low income requirement with 14 group home bedrooms, 24 units at the Stover age restricted rental site, 8 units of permanent supportive housing at the Menowitz site, 9 units at Woodhaven Terrace, 10 rental units from the market to affordable program, and 28 rentals at the future family rental sites.

Table 26. Affordable Units Meeting the Third Round Growth Share Obligation

Compliance Methods	Family	Rental	Senior	Units	Bonus	Total Credits
<i>Inclusionary Developments (Approved)</i>						
Baker – Ovations			x	34	34	68
Matzel & Mumford - Heritage			x	27	27	54
<i>Extensions of Controls</i>						
Woodhaven Terrace	x	x		40	0	40
<i>Market to Affordable</i>						
Rental Market to Affordable	x	x		80	0	80
Sale Market to Affordable	x			66	0	66
<i>Supportive and Special Needs</i>						
Dungarvin Group Home (existing)		x		4	0	4
Dungarvin Group Home (proposed)		x		18	0	18
Future Group Homes (proposed)		x		30	0	30
Menowitz Permanent Supportive Housing		x		60	0	60
<i>Municipally-sponsored - 100% Affordable</i>						
Stover Senior Site		x	x	176	0	176
100% Family Affordable	x	x		176	176	352
<i>Total</i>				684	237	948

SUMMARY AND IMPLEMENTATION SCHEDULE

The rehabilitation program, to be administered by the Township with assistance from Triad Associates, will satisfy the Township's 36-unit rehabilitation obligation. The Township addressed its 841-unit prior round obligation with prior cycle credits, existing family sale and rental units, group homes, existing senior rental units, and eligible prior round rental bonuses. In addition, an existing assisted living facility established in 2002 and proposed senior rentals at the Township-owned Stover senior rental site have been added to the Township's prior round compliance efforts.

South Brunswick will meet its 948-unit third round growth share obligation with two approved age-restricted inclusionary developments, the Stover senior rental site, group homes, permanent supportive housing units, extensions of controls, a market to affordable sales and rentals program, two 100% affordable family rental sites and corresponding third round rental and compliance bonuses.

The Township will initiate its rehabilitation program beginning the year COAH grants substantive certification to the Township (at the earliest in 2009) to satisfy the 36-unit rehabilitation obligation. As discussed, and pursuant to NJAC 5:97-6.2(b)3., South Brunswick Township will provide sufficient dollars to fund no less than half (18) of the municipal rehabilitation component by the middle of the substantive certification period in 2014.

All but eight of the affordable units satisfying the prior round have been built. South Brunswick Township has also made substantial progress on meeting its third round obligation. The affordability controls on Woodhaven Terrace have been extended and the Township owns the Stover site and will work with SBCDC to start

the funding applications. The Township's in-house affordable housing department has begun the implementation process to initiate the market to affordable program. Also, South Brunswick is working with Dungarvin to identify additional sites for group homes within the Township as well as with additional group home providers. Additionally, the Township will work to identify two additional sites for the 100% affordable family rental development. The Township will implement the two future municipally sponsored construction sites and continue to negotiate with property owners to purchase options on the Menowitz site based on actual growth in the Township.

South Brunswick Township anticipates, based on actual and projected growth, that approximately 325 affordable units/bonuses will be needed at the time of the first plan evaluation, pursuant to *N/A.C.* 5:96-10.1. Table 27, Implementation Schedule, outlines the Township's timeline for meeting its third round fair share obligation. As shown on Table 27, the Township anticipates that it will provide approximately 350 affordable units/compliance bonuses by 2011 (earliest initial growth share evaluation) through the market to affordable program, extension of controls on Woodhaven Terrace, senior sale units in the approved inclusionary developments and corresponding compliance bonuses and the senior rentals at the Stover site. In addition, Table 27 shows that the Township will address a total obligation including the 8-unit balance from the prior round, the 36-unit rehabilitation share and the 948-third round growth share.

Table 27. Implementation Schedule

Program	Existing Units/ Bonuses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Units
Rehabilitation			6	6	6	6	6	6				36
Stover				92				92				184
Baker – Ovations				17	17							34
Baker – Ovations Compliance Bonuses				17	17							34
Matzel & Mumford					14	13						27
Matzel & Mumford Compliance Bonuses					14	13						27
Dungarvin (existing)	4											4
Dungarvin (proposed)		6	6	6								18
Proposed Group Home Bedrooms					6	6	6	6	6			30
Menowitz										60		60
Dean Apartments	40											40
Market to Affordable		29	29	29	29	30						146
Future 100% Family Rentals							88		88			176
Future 100% Rental Bonuses							88		88			176
Total Units/Bonuses	44	35	41	167	103	68	188	104	182	60	0	992

COST GENERATION

South Brunswick Township's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (*NJAC 5:21-1 et seq*) and the mandate of the Fair Housing Act regarding unnecessary cost generating features. South Brunswick Township shall comply with COAH's requirements for unnecessary cost generating requirements, *NJAC 5:97-10.2*, procedures for development applications containing affordable housing, *NJAC 5:97-10.3*, and requirements for special studies and escrow accounts where an application contains affordable housing, *NJAC 5:97-10.4*.

MONITORING

In accordance with *NJAC 5:96-11*, South Brunswick Township shall complete the annual monitoring reports of the Affordable Housing Trust Fund and of the affordable housing units and programs. Furthermore, the Township will assist COAH with the biennial plan evaluation, pursuant to *NJAC 5:96-10*, where the actual growth of housing units and jobs is compared to the provision of affordable housing beginning two years from substantive certification. If upon any biennial review the difference between the number of affordable units constructed or provided in the Township and the number of units required pursuant to *NJAC 5:97-2.4* results in a pro-rated production shortage of 10 percent or greater, the Township is not adhering to its implementation schedule pursuant to *NJAC 5:97-*

3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Township may be required by COAH to amend its plan in conformance with *NJAC* 5:96-14 to address the affordable housing obligation set forth in *NJAC* 5:97-2.5.

FAIR SHARE ORDINANCES AND AFFIRMATIVE MARKETING

South Brunswick Township has prepared an Affirmative Marketing and Fair Share Ordinance in accordance with COAH's substantive rules, *NJAC* 5:97-9, and the UHAC at *NJAC* 5:80-26. The Township's Fair Share Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

To conduct affirmative marketing and monitoring of affordable units, the Township has an existing in-house affordable housing department. In addition, the Township relies on experienced affordable housing providers such as the South Brunswick Community Development Corporation (SBCDC) for the administration of Township sponsored senior affordable units and such as Dungarvin for supportive and special needs housing.

The affirmative marketing plan is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township.

Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in Housing Region #3, consisting of Hunterdon, Middlesex and Somerset Counties.

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

AFFORDABLE HOUSING TRUST FUND

The Township has collected development fees since March 11, 1993 when COAH approved the Township's first development fee ordinance. The ordinance has been amended multiple times since then. Most recently, the Township revised its development fee ordinance pursuant to COAH's rules at *NJAC 5:94-6.14(c)* to increase the residential development fees equal to 1.0% of the equalized assessed value of new residential construction and nonresidential development fees equal to 2.0% of the equalized assessed value of new nonresidential construction. However, as of July 17, 2008, with the passage of amendments to the Fair Housing Act (P.L.2008, c.46), the Township is required to collect nonresidential development

fees equal to 2.5% of the equalized assessed value of new nonresidential construction and in accordance with particular conditions and exemptions of the Act. In order to comply with these amendments to the FHA, the Township will request approval of an amended development fee ordinance that will increase the nonresidential development fee to 2.5%. Additionally, the revised development fee ordinance will increase the residential development fee to 1.5% as permitted by *NJAC* 5:97-8.3.

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

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of existing market rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;
- Green building strategies designed to be cost-saving for low- and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units;

- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.
- Affordability assistance.

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

South Brunswick Township intends to spend development fee revenues pursuant to *NJAC 5:97-8.7* and in conjunction with the housing programs outlined in this document. South Brunswick Township currently has approximately \$9 million in the housing trust fund and anticipates an additional \$17 million in revenues before the expiration of substantive certification, for a total of \$26 million. The municipality will dedicate a maximum of \$26 million towards the Township's rehabilitation and affordable programs. If so required, the Township will expend funds on affordability assistance if a balance remains and the Township may also expend funds on administration. Any shortfall of funds will be offset by revenue or bonding.

APPENDICES

Dungarvin – revised agreement

AGREEMENT BETWEEN DUNGARVIN NEW JERSEY, INC. AND TOWNSHIP OF SOUTH BRUNSWICK FOR DEVELOPMENT AND ADMINISTRATION OF AFFORDABLE HOUSING GROUP HOMES

This Agreement made this ____ day of _____, 2008 between **Dungarvin New Jersey, Inc.**, 200 River Place, Suite 200, Monona, Wisconsin 53716 (hereinafter designated as the “Dungarvin”), and the **Township of South Brunswick**, a municipal corporation of the State of New Jersey, 540 Ridge Road, Monmouth Junction, New Jersey 08852 (hereinafter designated as the “Municipality”).

WITNESSETH:

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

Authority; Obligation

1. This Agreement is made pursuant to the authority contained in N.J.A.C. 5:94-4.8, et seq., (proposed N.J.A.C. 5:94-6.10, et seq.) whereby a municipality may elect to provide low-income housing for those with developmental disabilities through a municipally-sponsored group home program.
2. Dungarvin recognizes that the Municipality has an obligation to provide a minimum of three (3) three-bedroom group homes, up to a maximum of four (4) bedrooms in each group home, within South Brunswick Township and that the Municipality has chosen to satisfy that obligation, in part, by entering into the within Agreement with Dungarvin.
3. Dungarvin represents that it has the ability and the authority, and hereby agrees, to develop and administer a group home program for the developmentally disabled, as licensed and/or regulated by the New Jersey Department of Human Services, for and on behalf of the Municipality in satisfaction of a portion of the Municipality’s obligation to provide low-income housing consistent with the

terms and conditions set out in this Agreement (hereinafter designated as the “Project”).

Site Selection

4. The sites included in the Project shall be at various locations in South Brunswick Township, and shall meet at a minimum the site suitability criteria set forth in N.J.A.C. 5:93-5.3 (proposed N.J.A.C. 5:94-3.13).
5. The Municipality shall participate in the selection of sites to be included in the Project by way of review and approval of sites chosen by Dungarvin. Existing single-family homes or units within a multi-family project on any of the selected sites shall first be subject to examination and approval by the Municipality’s Engineering, Code Enforcement, Affordable Housing, Health and Fire Safety divisions to ensure that they are acceptable for use as group homes for the developmentally disabled. No such existing single-family homes or units within a multi-family project may be purchased and/or utilized by Dungarvin as a group home for the developmentally disabled pursuant to the terms of this Agreement until the Municipality approves of said site and/or home.
6. Each of the three (3) three-bedroom single-family homes or units within a multi-family project shall have up to a maximum of four (4) bedrooms each, intended to accommodate developmentally disabled persons aged 18 and over up to the maximum permitted by the State of New Jersey Council on Affordable Housing (hereinafter designated as “COAH”) in proposed N.J.A.C. 5:94-6.10(c)(3).
7. Once the Municipality has approved in writing the site location, existing single-family home and/or unit within a multi-family project, Dungarvin shall thereafter perform all reasonable, ordinary and necessary testing done in connection with the purchase of a single-family home or other such residence, including, but not

limited to, engineering home inspection, termite and pest inspection, radon test, lead paint test, well water test, asbestos or other environmental testing as necessary, etc. Dungarvin shall also perform all necessary title, survey by a licensed surveyor, tax, water and sewer and assessment searches on the property.

8. Dungarvin shall ensure that all structures on the site selected are adaptable/accessible pursuant to the provisions of N.J.S.A. 52:27D-123.15 and proposed N.J.A.C. 5:94-3.14, where applicable.
9. Dungarvin shall comply in all respects with the requirements promulgated by COAH for the development and administration of a group home program for those with developmental disabilities including, but not limited to, full compliance with N.J.A.C. 5:94-4.8, et seq., (proposed N.J.A.C. 5:94-6.10, et seq.) as well as all rules and regulations promulgated by COAH that effect the Project.

Pre-closing Review; Closing

10. Prior to closing, the results of all testing, title and inspection/investigations performed shall be forwarded to the Municipality in sufficient time for the Municipality to review and approve of the condition of the site.
11. All proposed closing documents, including, but not limited to, deed, affidavit of consideration, seller's residency certification, affidavits of title, mortgage documents and executed certification of closing agent (the latter on a form provided by the Municipality) shall be submitted to the Municipality for review and approval.
12. Dungarvin shall execute, or cause to be executed, a Second Repayment Note and Second Repayment Mortgage and a Deed Restriction (to which this Agreement shall be attached as an exhibit), acceptable to the Municipality as to form and

substance, in favor of the Municipality at the time of closing, which instruments shall be subsequently recorded pursuant to the direction of the Municipality with the other closing instruments executed at the time of closing.

13. Dungarvin shall ensure that clear title, free of all liens and encumbrances, is conveyed at the time of closing.

Financing; Restrictions

14. The Municipality shall aid Dungarvin financially in the acquisition of the sites necessary for the group homes in the amount of \$35,000 per bedroom for each site up to a maximum total of \$420,000 for three (3) four-bedroom group homes. The Municipality shall also make available to Dungarvin the Municipality's employees and full-time professional staff to assist as needed, including, but not limited to, staff in the South Brunswick Affordable Housing Authority.
15. The financial assistance provided by the Municipality herein shall only be used to assist in the acquisition of properties, and shall not be used for other related costs (such as operational expenses, etc.). Dungarvin acknowledges that it is responsible for obtaining and/or providing funds for such other costs.
16. The Deed Restriction executed at the time of closing shall impose a restriction on the use of the property to maintain it as a group home for the developmentally disabled, as licensed and/or regulated by the New Jersey Department of Human Services, for and on behalf of the Municipality in satisfaction of a portion of the Municipality's obligation to provide low-income housing for a period of forty-five (45) years from the date of closing.
17. Upon expiration of the period of restriction imposed by the Deed Restriction, including any extensions thereto, Dungarvin, or the then present owner, shall

retain all equity in the home/unit and shall have no further obligation to the Municipality.

Post-closing

18. Dungarvin shall forward, or cause to be forwarded, the original Second Repayment Note, the recorded Second Repayment Mortgage, the recorded original Deed Restriction, and copies of the recorded deed and recorded first mortgage (if any), to the Municipality promptly after closing/recording. All instruments that are to be recorded shall be recorded in the office of the Middlesex County Clerk, New Brunswick, New Jersey.
19. Dungarvin shall be responsible for all other necessary post-closing procedures and shall be responsible for payment of all costs and fees associated with closing of title.
20. Dungarvin shall be responsible for and comply with all requirements for an affirmative marketing plan as required by proposed N.J.A.C. 5:94-6.10(c)(1).
21. Any Lease or Rental Agreement shall include the following clause in a conspicuous place:

“The Owner’s right, title and interest in this property and the use, sale, resale and rental of this property are subject to the terms, conditions, restrictions, limitations and provisions as set forth in an agreement between Dungarvin New Jersey, Inc. and the Township of South Brunswick dated _____, 2008, which has been recorded as part of a Deed Restriction in the Office of the Middlesex County Clerk and which is also on file with the Township of South Brunswick.”
22. Dungarvin, its successors and assigns, shall, upon request, permit inspection of the sites, property, equipment, buildings and other facilities of the Project and also permit examination of its books, contracts, records, documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of Dungarvin, its successors or assigns. The

Municipality's right to conduct such reasonable inspections shall continue so long as the group homes covered by this Agreement remain in the Municipality's affordable housing plan.

Violation, Defaults, and Remedies

23. In the event of a threatened breach of any of the terms of this Agreement by Dungarvin, the Municipality shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance, it being recognized by both parties to this Agreement that a breach will cause irreparable harm to the Municipality, in light of the public policies set forth in the Fair Housing Act and the obligation for the provision of low income housing. Upon the occurrence of a breach of any of the terms of the Agreement by Dungarvin, the Municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, acceleration of all sums due under the Second Repayment Note and Second Repayment Mortgage, recoupment of any funds from a sale in violation of the Agreement, injunctive relief to prevent further violation of the Agreement, entry on the premises, and specific performance.

Miscellaneous

24. Notice or communication sent by either party to the other shall be by certified mail, return receipt requested, addressed as follows:

(a) When sent by Dungarvin to the Municipality, it shall be addressed to:

Township Manager
South Brunswick Township
P.O. Box 190
Municipal Building
Monmouth Junction, NJ 08852

Or such other address as the Municipality may designate in writing.

(b) When sent by the Municipality to Dungarvin, it shall be addressed to:

Dungarvin New Jersey, Inc.
200 River Place
Suite 200
Monona, WI 53716

Or such other address as Dungarvin may designate in writing.

25. Subject to the terms and provisions of this Agreement, Dungarvin agrees that it will not sell or transfer the Project to any corporation, association or entity, unless such corporation, association or entity qualifies to provide such services pursuant to law. No such transfer may be made without first obtaining the prior written consent of the Municipality. It is agreed and understood that the Municipality has no obligation to consent to such transfer unless and until all obligations to the Municipality under this Agreement are completed to the satisfaction of the Municipality, and unless and until the proposed transferee agrees to assume all of the contractual and other obligations of Dungarvin as are contained in this Agreement.
26. This Agreement, if executed by the parties prior to receipt by the Municipality of Third Round Substantive Certification from COAH, is hereby executed contingent upon receipt of said Certification.
27. It is the intention of the parties that the provisions of this Agreement are severable so that if any provisions, conditions, covenants or restrictions contained herein shall be invalid or void under any applicable federal, state or local law, the remainder shall be unaffected and remain fully enforceable. In the event that any provision, condition, covenant or restriction hereof is, at the time of execution of this Agreement, void, voidable or unenforceable as being contrary to any applicable federal, state or local law, both parties, their successors and assigns, and all persons claiming by, through or under them, covenant and agree that any future amendments or supplements to the said laws having the effect of removing

said invalidity, voidability or unenforceability, shall be deemed to apply retroactively to this Agreement, thereby operating to validate the provisions of this Agreement which otherwise might be invalid and it is covenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein described as fully as if they had been in effect at the time of the execution of this Agreement.

28. The parties agree that this Agreement shall be construed in accordance with the laws of the State of New Jersey, and that the laws of the State of New Jersey will apply to any dispute concerning it. The parties choose the Superior Court of New Jersey with venue in Middlesex County as their forum for resolving any dispute concerning this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement this ____ day of _____, 2008.

ATTEST:

TOWNSHIP OF SOUTH BRUNSWICK

By: _____

ATTEST:

DUNGARVIN NEW JERSEY, INC.

By: _____

STATE OF NEW JERSEY:
SS
COUNTY OF MIDDLESEX:

I CERTIFY that on _____ BARBARA NYITRAI personally came before me and she acknowledged under oath, to my satisfaction, that:

- (a) she is the Township Clerk of the Township of South Brunswick, the municipal corporation named in this document;
- (b) she is the attesting witness to the signing of this document by Frank Gambatese who is the Mayor of the Township of South Brunswick;
- (c) this document was signed and delivered by the Township of South Brunswick as its voluntary act duly authorized by a proper resolution of the Township Council;
- (d) she knows the proper seal of the Township of South Brunswick which was affixed to this document; and
- (e) she signed this proof to attest to the truth of these facts.

Signed and sworn to before me
On _____, _____

Donald J. Sears
An Attorney at Law
In the State of New Jersey

Barbara Nyitrai, Township Clerk

STATE OF NEW JERSEY:
SS
COUNTY OF MIDDLESEX:

I CERTIFY that on _____, _____ personally came before me and he/she acknowledged under oath, to my satisfaction, that:

(a) he/she is the _____ of Dungarvin New Jersey, Inc. the corporation named in this document;

(b) he/she is the attesting witness to the signing of this document by _____, who is the _____;

(c) this document was signed and delivered by the Corporation as its voluntary act duly authorized by a proper resolution;

(d) he/she knows the proper seal of the Corporation, which was affixed to this document; and

(e) he/she signed this proof to attest to the truth of these facts.

Signed and sworn to before me
On _____, _____

Matzel & Mumford

MEMORANDUM

TO: Professional Staff

FROM: Betty Selingo, Board Secretary

DATE: May 1, 2008

RE: Distribution of Resolution – **ADOPTED on April 30, 2008**

Attached herewith, please find a copy of the executed Resolution for the Planning Board approving the following.

**File #07-011
M & M Investments, L.P.
Block 84 Lots 4.01, 6 & 24
County Road 522**

Application for preliminary and final site plan approval with bulk variances and design waivers for construction of 133 age restricted units on a 35.76 acre tract in the ARRC zone.

c: Applicant
Owner
Attorney
Board Attorney
Assessor
Engineer
Health Dept.
Police Dept.
Public Works Director
Recreation
Sewer Supervisor
Water Supervisor
Yearly approved file
Jeanette A. Tugya, MCPB
Subject file – 2 copies

RESOLUTION

SOUTH BRUNSWICK PLANNING BOARD

WHEREAS, M & M Investments, L.P. has made application to the South Brunswick Planning Board, File No. 07-011 for preliminary and final site plan approval with bulk variances and design waivers for construction of a 133 age restricted units on a 35.76 acre tract in the ARRC zone located on property with frontage along County Road 522 and designated on the Tax Map of the Township of South Brunswick as Block 84, Lot 4.01, 6 & 24; and

WHEREAS, the applicant requests the following relief:

Variance:

Minimum distance between buildings:	Required:	2x height (50) = 100 feet
	Proposed:	59 feet-89 feet

Township Design Waivers:

- | | | |
|-----------------------------|-----------|--|
| 1. Parking Area Separation: | Required: | Parking area separated by planted islands from on-site access roadways |
| | Proposed: | Road/Driveway C has Parking along the road |
| 2. High Water Separation: | Required: | 100-feet from Proposed dwelling units |
| | Proposed: | Bldgs. 5,6,7: 55 feet
Bldg. 2: 75 feet |

- | | | | |
|----|------------------------------------|-----------|-------------|
| 3. | Detention Basin Access Road Width: | Required: | 15 feet |
| | | Proposed: | 12 feet |
| 4. | Detention Basin Embankment Slope: | Required: | 3:1 Slope |
| | | Proposed: | 2:1 Slope |
| 5. | Curb Reveal: | Required | 6" Vertical |
| | | Proposed: | 3" Slope |

RSIS Minimum Exceptions

- | | | | |
|----|----------------------|-----------|-----------------|
| 1. | Number of Sidewalks: | Required: | 2 Sides |
| | | Proposed: | 1 Side |
| 2. | Curb Radii | Required: | 25 feet |
| | | Proposed: | 15-20 feet; and |

WHEREAS, the applicant submitted the following documents in support of the application:

- 1) Preliminary and Final Site Plan revised through December 21, 2007, consisting of 40 sheets, prepared by LGA Engineering, Inc.; and
- 2) Stormwater Management Report revised through December 21, 2007; and
- 3) Operation & Maintenance Manual revised through December 18, 2007; and
- 4) Turning Analysis Plan dated October 5, 2007, consisting of 2 sheets; and
- 5) Environmental Impact Statement dated March 2007; and
- 6) Engineer Report for Water Services dated February 8, 2007; and
- 7) Sanitary Sewer Report revised November 29, 2007; and
- 8) Water Report dated November 29, 2007; and

- 9) Wetland Buffer Averaging Plan dated October 5, 2007; and
- 10) Lot Consolidation Plan dated December 19, 2007; and
- 11) Sight Distance Plan dated December 5, 2007; and
- 12) Boundary, Topographic Survey revised through February 13, 2006, prepared by Maser Consulting, P.A.; and
- 13) Traffic Impact Study dated March 8, 2007, prepared by McDonough & Rea Associates; and
- 14) Traffic Response Letter dated October 8, 2007; and
- 15) Phase I Environmental Site Assessment dated November 24, 2004, prepared by Melick Tully & Associates, P.C.; and
- 16) Preliminary Geotechnical Investigation dated November 24, 2004; and
- 17) Subsurface Investigation dated July 2006; and
- 18) Additional Subsurface Investigation dated October 8, 2007; and
- 19) Floor Plans & Elevations for Clubhouse prepared by Minno & Wasko; and
- 20) Floor Plans & Elevation of Residential Units dated March 9, 2007, prepared by the Martin Architectural Group, P.C.; and

WHEREAS, this matter was the subject of a public hearing which occurred on February 20, 2008; and

WHEREAS, the applicants presented the following witnesses in support of the application:

- 1) Eric Ballou Professional Engineer; and
- 2) David Fisher Vice-President of M & M Investments, L.P.; and
- 3) James Riviello Architect; and

- 4) John Rea Traffic Engineer; and
- 5) Paul Phillips Professional Planner; and

WHEREAS, after considering the evidence presented in support of the application, and after considering public comment, and after considering the reports and comments from the Board's professionals, the South Brunswick Planning Board made the following findings of fact:

- 1) The site is located on County Road 522 and consists of 35.76 acres.
- 2) The site is bordered on the north by U.S. Route 1, by vacant land and a residential development to the east, by County Road 522 to the south and by an office use to the west.
- 3) The applicant proposes to develop this site with clustered, age restricted community housing consisting of 133 condominium units, a community building, a pool and common facilities. The condominium units will be constructed within seven (7) separate buildings located throughout the site.
- 4) Originally, of the 133 condominium units twenty-two (22) of the units would be designated for Affordable Housing. In the course of the hearing, the applicant amended the application so that they would provide for twenty (20%) percent set aside for Affordable Housing (27 units). The applicant indicated that, at its option, it would construct either all or some of the Affordable Housing units on site, make a contribution (in lieu of providing the units on site) to the Township's Affordable Housing Fund, or construct some of the Affordable Housing units on site and make a contribution in lieu of construction for those units that are not constructed. The applicant agreed that they will enter into a general Developers

Agreement with the Township of South Brunswick to memorialize same.

- 5) The applicant proposed an internal roadway circulation that is designed in accordance with engineering design standards. There is a front portion of the development which consists of four (4) separate buildings which will contain residential units in addition to a community building and a pool. In the rear portion of the property located near Route 1, three (3) additional residential unit buildings are proposed. A roadway will connect the buildings located in the front of the property near Route 522 with the buildings to the rear of the property located near Route 1. RSIS standards require that sidewalks be constructed along both sides of a roadway within a residential development. The applicant requests that for the portion of the roadway that is not adjacent to any of the residential buildings that they only install one (1) sidewalk. The applicant's witnesses state that only one (1) sidewalk is necessary because the pedestrian traffic along that area of the roadway between the residential units will be minimal and one (1) sidewalk will be more than adequate.
- 6) The subject property contains various environmental features, including extensive wetlands and buffer requirements which limit the available developable area on the site to approximately 17.7 acres or about forty-nine (49%) percent of the total site area. These environmental constraints significantly limit the development potential of the property. The applicant states that this is the reason why certain portions of the building are located less than a distance of one hundred (100') feet between one another from front to front. The testimony provided was that most of the buildings have a separation distance between 59 and 89 feet from the front

of one building to the front of another. Furthermore, it is typically only the wing areas of each of the buildings that have a distance of 59 feet between one another, while the main portions of the buildings have a separation of 89 feet. Thus, the variance requested for separation of buildings of less than one hundred (100') feet is minor in nature.

- 7) In the course of the hearing, the applicant agreed that they will provide notice to the owners in association documents that they will not be providing sound walls along the portion of the property that fronts along Route 522.
- 8) The applicant's representative testified that the entire development will be maintained privately through the homeowner's association. In the rear portion of the property where there are three (3) proposed residential buildings, there is a water easement which is located adjacent to parking lot #7. The applicant agreed that they will provide a fence at this easement area so as to restrict pedestrians from entering the easement area.
- 9) The applicant testified that they will bolster the sound proofing of buildings 6 & 7 which are located closest to Route 1. The sound proofing provided will be subject to the construction official approval, which will be made prior to signoff of the site plan.
- 10) The applicant agreed that they will construct the project in accordance with the preliminary and final major site plan prepared by LGA Engineering, Inc. dated March 8, 2007, revised through December 21, 2007 as amended during the course of the hearing.

- 11) The applicant testified that they will comply with the Bryan Bidlack Report dated January 17, 2008 except for the comments made by the Shade Tree Commission.
- 12) The applicant stated that they will comply with the Report of CME Associates dated January 15, 2008.

WHEREAS, after making the above findings of fact, the South Brunswick Planning Board made the following conclusions:

- 1) The promotion of age restricted housing is a special reason of zoning. In addition, the development of this site with age restricted housing will benefit the health and welfare of the Township of South Brunswick. The proposed use is a permitted use and thus is in conformance with the Zone Plan and Master Plan.
- 2) A variance is requested because in certain areas of certain buildings there is a distance less than one hundred (100') feet from one another. These are predominantly the wing areas of the buildings. The relief requested is minor in nature and will have very little impact upon the privacy concerns of the residents. As a result, the detriments are minor in nature. The benefits in allowing for an age restricted development at this site, which includes affordable housing, are substantial. The benefits substantially outweigh the detriments and there are special reasons to support the requested variance relief. As a result, the relief requested should be granted.
- 3) The applicant reviewed the design waivers requested with the board as well as with the board engineer. The board engineer had no objection to the waivers requested. The board determined that the relief requested is technical in nature and based upon the testimony provided at the hearing by the applicant's engineer

as well as the board engineer it would be impracticable to have literal enforcement of the applicable ordinance provisions. As a result, the design waivers should be granted. In addition, the applicant requests relief from certain RSIS standards. Once again, literal enforcement of the applicable provisions would be impracticable. The relief requested has little or no negative effect upon the site as well as the area and as such the relief requested should be granted.

- 4) The rest of the application conforms to township ordinance, and as a result, the application should be granted.

NOW, THEREFORE, be it resolved by the South Brunswick Planning Board that the application by M & M Investments, L.P., File No. 07-011 for preliminary and final site plan approval with bulk variances and design waivers for the construction of 133 age restricted units on a 35.76 acre tract in the ARRC zone on property which fronts on County Road 522 and is designated on the Tax Map of the Township of South Brunswick as Block 84, Lots 4.10, 6 & 24 is hereby approved subject to the following conditions:

- 1) The applicant preparing and recording a Consolidation Deed in a form to be approved by the Township Attorney; and
- 2) The applicant providing for twenty (20%) percent set aside for Affordable Housing whereby the applicant, at its option, will either construct 27 Affordable Housing Units on site, provide a contribution in lieu of constructing the units on site or construct some Affordable Housing Units on site and make a contribution in lieu of construction for the units that are not constructed. The applicant will enter into a general Developer's Agreement with the Township of South

- Brunswick to memorialize the same; and
- 3) The applicant will provide notice in association documents that they will not provide sound walls along the property which fronts on Route 522; and
 - 4) The applicant will comply with the Memo of CME Associates dated January 15, 2008; and
 - 5) The applicant will comply with the Report of Township Planner Bryan Bidlack dated January 17, 2008 except that the applicant will not comply with the Shade Tree Commissions' comments regarding planting of trees along the portion of the property which fronts on Route 1.
 - 6) The applicant will provide for a fence at the end of parking lot 6 & 7 which will restrict access to the water easement area; and
 - 7) The construction of any Affordable Housing units will not alter the footprint of the building as depicted on the site plan presented at the hearing; and
 - 8) The applicant will bolster sound proofing in buildings 6 & 7 which will be subject to the construction official approval, said approval to be made prior to site plan signoff; and
 - 9) The applicant obtaining any and all government permits and approvals.

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF A RESOLUTION PASSED BY THE PLANNING BOARD FOR THE TOWNSHIP OF SOUTH BRUNSWICK AT A MEETING HELD ON THE 30th DAY OF APRIL, 2008.



NAME	YES	NO	ABSTAIN	ABSENT
Charlotte Camarota				X
Charles Carley	X			
Frank Gambatese	X			
William Grober				X
Jo Hochman	X			
Paul Prodromo	X			
Debbie Roedel	X			
Bob Southwick				X
Barry Nathanson	X			
Alt#1 Mahseh (Mac) Shah				X
Alt#2 Elizabeth A. Meyers	X			

Baker

MEMORANDUM

TO: Professional Staff

FROM: Betty Selingo, Board Secretary

DATE: April 16, 2008

RE: Distribution of Resolution – **ADOPTED on April 2, 2008**

Attached herewith, please find an *amended* copy of the executed Resolution for the Planning Board approving File # 07-013. Please replace and discard the Resolution distributed on 4/3/08 with this Resolution.

File # 07-013

Applicant: Baker Residential Limited Partnership

Block: 86 Lot: 63, 65, 67, 68, 69, 70 & 71

Major Road

Application for preliminary and final site plan approval to construct 170 residential units in 4 buildings on a 26.55 acre lot in the ARRC zone.

c: Applicant
Owner
Attorney
Board Attorney
Assessor
Engineer
Health Dept.
Police Dept.
Public Works Director
Recreation
Sewer Supervisor
Water Supervisor
Yearly approved file
Jeanette A. Tugya, MCPB
Subject file – 2 copies

FIRST AMENDED RESOLUTION

SOUTH BRUNSWICK PLANNING BOARD

WHEREAS, Baker Residential Limited Partnership has made application to the South Brunswick Planning Board, File No. 07-013 for preliminary and final site plan approval for construction of one hundred (170) seventy residential units in four (4) buildings on a 26.55 acre site in the ARRC zone located on property which has access from Major Road and is designated on the Tax Map of the Township of South Brunswick as Block 86, Lots 63, 65, 67, 68, 69, 70 & 71; and

WHEREAS, the applicant does not request any variances. The applicant requests four (4) design waivers. The design waivers are as follows:

- 1) A fifteen (15') foot wide maintenance drive with a cross slope of 2% shall be constructed at the top of the banks surrounding the basins per item D-2 of CME Review Memo; and
- 2) The edge of the design high water for detention basins shall be set back one hundred (100') feet from proposed dwelling units per item D-15 of CME Review Memo; and
- 3) Waiver as indicated in Item D-14 in CME Review Memo; and
- 4) Waiver as indicated in Item E-5 in CME Review Memo; and

WHEREAS, this matter was the subject of a public hearing which occurred on February 20, 2008; and

WHEREAS, the applicant submitted the following documents in support of the application:

- 1) Preliminary and Final Site Plan revised through December 14, 2007, consisting of

- 22 sheets, prepared by Keller & Kirkpatrick; and
- 2) Stormwater Management Report revised Dec. 2007; and
 - 3) Operation and Maintenance Manual dated Dec. 2007; and
 - 4) Sewer & Water Report dated Dec. 2007; and
 - 5) Engineer's Report & Specifications for Water Supply dated Dec. 2007; and
 - 6) Traffic Impact Study revised December 2007; and
 - 7) Recycling Plan dated February 1, 2007; and
 - 8) Engineers Report for Lift Station dated June 2007; and
 - 9) Environmental Impact Statement dated March 2007, prepared by Engineering & Environmental Services, Inc.; and
 - 10) Preliminary Soils and Foundation Investigation dated February 1, 2007, prepared by Melick-Tully and Associates, P.C.; and
 - 11) Floor Plans & Elevation revised through March 7, 2007, prepared by The Martin Architectural Group; and
 - 12) Phase I Environmental Site Assessment dated October 2003, prepared by Terra Nova Environmental Services, Inc.; and

WHEREAS, the following witnesses testified in support of the application:

- 1) George Paul James Professional Engineer and Professional Planner; and
- 2) Cheryl Allen-Munley Traffic Engineer; and
- 3) James Riviello Architect; and

WHEREAS, after considering the evidence presented in support of the application, and there being no public comment, and after considering the reports and comments from the Board's professionals, the South Brunswick Planning Board made the

following findings of fact:

- 1) The applicant reviewed the preliminary and final site plan prepared by Keller & Kirkpatrick revised through December 14, 2007. The site plan conforms to Township Ordinance requirements except for the above four (4) referenced design waivers. In addition, the applicant requests de minimis exceptions from RSIS standards for a certain portion of the main access roadway so as to only provide a sidewalk on one (1) side of the road. With the exception of these waivers, the site plan conforms to Township Ordinance.
- 2) There are presently seven (7) lots and they will be consolidated into one (1) lot. The Consolidation Deed will be prepared in a form to be approved by the Township Attorney.
- 3) The applicant proposes constructing four (4) buildings with a total of one hundred seventy (170) residential units. Twenty (20%) percent of those residential units will be Affordable Housing. Thus, thirty-four (34) units will be Affordable Housing.
- 4) This is a comprehensively planned adult community with the applicant providing for a clubhouse and swimming pool.
- 5) The applicant's traffic engineer testified that the site has safe access. In addition the internal circulation is safe and designed in accordance with accepted traffic engineering standards. The Board found that there is concern with regard to the speed limit on Major Road in this area. The applicant agreed that they will seek a reduction of the speed limit and pay for all costs for studying the same. If the speed limit is ultimately not reduced, the applicant will return to the Board to

revisit the issue of access to the site.

- 6) Originally the applicant proposed approximately sixteen (16%) percent Affordable Housing units. The applicant testified that the increased number of Affordable Housing units being provided, will not cause a change to the footprint of the buildings as depicted on the site plan. Rather, the applicant will make interior changes to the units, so as to provide for the thirty-four (34) Affordable Housing units.
- 7) The applicant testified that they will provide sidewalks along the property frontage along Major Road. There is one (1) access point to the site from Major Road. In discussion with the Board, the applicant agreed that there will be a restriction of no left turn in and no left turn out from 7:00 AM to 9:00 AM.
- 8) The applicant's engineer reviewed the design waivers and de minimis exceptions from RSIS with the Board's Engineer. The testimony established that the waivers are necessitated by the unique site characteristics including the extent of constrained lands and unusual topography. The Board's Engineer had no objection to the waivers and de minimis exceptions being granted. As a result, the Board determined that there are no negative impacts if the waivers are granted. Furthermore, it would be impracticable and result in undue hardship upon the applicant if literal enforcement of the ordinance was required. As a result, the requested waivers and de minimis exceptions should be granted.

NOW, THEREFORE, be it resolved by the South Brunswick Planning Board that the application by Baker Residential Limited Partnership, File No. 07-013 so as to construct one hundred (170) seventy age restricted units on a 26.55 acre site in the ARRC

zone on property with access from Major Road and designated on the Tax Map of the Township of South Brunswick as Block 86, Lots 63, 65, 67, 68, 69, 70 & 71 is hereby granted subject to the following conditions:

- 1) As per §62-156 (b) (8) a copy of the Public Offering Statement must be submitted, reviewed and approved by the Township Attorney with regard to the description of local conditions contained in said statement prior to final plan sign off; and
- 2) Pursuant to §62-1725 (d) the recreational facility shall be fully operational before or at the time of the eighty-sixth (86) Certificate of Occupancy for the project; and
- 3) Pursuant to §62-1725 (j) the applicant shall provide details for the Central Station Monitoring System to ensure compliance with the ordinance requirements; and
- 4) The applicant will prepare and record a Consolidation Deed in a form to be approved by the Township Attorney; and
- 5) The applicant will provide sidewalks along the property frontage along Major Road; and
- 6) The applicant will make all necessary studies to evaluate whether there should be a reduction in the permitted speed limit in the vicinity of the project along Major Road. The applicant will pay all costs incurred regarding the evaluation of the speed limit. If it is determined by the NJ DOT that the speed limit should not be reduced, then the applicant shall return to the Planning Board to revisit the issue of access to the site.
- 7) If the State (NJ DOT) authorizes a reduction of the speed limit, then an ordinance reducing the speed limit for this area shall be adopted by the South Brunswick

Township Council which adoption shall be prior to the issuance of any Certificate of Occupancy; and

- 8) There shall be no left turn into the site and no left turn out from the site Monday through Friday from 7:00 AM to 9:00 AM; and
- 9) The applicant will comply with the Report of Bryan Bidlack dated January 31, 2008 except item K; and
- 10) The applicant will comply with the Report of CME Associates dated January 31, 2008; and
- 11) The applicant will obtain any and all necessary permits and approvals; and
- 12) The applicant will provide a twenty (20%) percent COAH set aside obligation, such undertaking to be memorialized in the form of a developer's agreement, to be approved by the Township Attorney.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF A RESOLUTION PASSED BY THE PLANNING BOARD FOR THE TOWNSHIP OF SOUTH BRUNSWICK AT A MEETING HELD ON THE 2ND DAY OF APRIL, 2008.



NAME	YES	NO	ABSTAIN	ABSENT
Charlotte Camarota				X
Charles Carley				X
Frank Gambatese	X			
William Grober				X
Jo Hochman	X			
Paul Prodromo	X			
Debbie Roedel	X			
Bob Southwick				X
Barry Nathanson	X			
Alt#1 Mahseh (Mac) Shah				X
Alt#2 Elizabeth A. Meyers	X			

Spending Plan



Introduction

South Brunswick Township has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH March 11, 1993. The ordinance establishes South Brunswick Township's affordable housing trust fund for which this spending plan is prepared.

As of July 17, 2008, South Brunswick Township has collected \$12,945,882 and expended \$4,617,756 resulting in a balance of \$8,328,126. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in TD Bank and Capital One Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

South Brunswick Township first received substantive certification from COAH on August 3, 1987, petitioned COAH for second round substantive certification on March 6, 1995, and received second round certification on February 4, 1998. The Township received prior approval to maintain an affordable housing trust fund on March 11, 1993. As of December 31, 2004, the prior round balance remaining in the affordable housing trust fund was \$5,433,761. From January 1, 2005 through July 17, 2008, South Brunswick Township collected an additional \$5,278,891 in development fees, payments in lieu of construction, other funds, and/or interest. From January 1, 2005 through July 17, 2008, South Brunswick Township expended funds on the affordable housing activities detailed in section 4 of this spending plan.

Revenues for Certification Period

To calculate a projection of revenue anticipated during the period of third round substantive certification, South Brunswick Township considered the following:

- (a) Development fees:
 - 1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;



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2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows:

No payments-in-lieu have been collected or assessed.

(c) Other funding sources: \$0

South Brunswick Township is not anticipating collecting money from other funding sources at this time. Funds from other sources, include, but are not limited to the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, and proceeds from the sale of affordable units. All monies in the Affordable Housing Trust fund are anticipated to come from development fees, payments in lieu of construction and interest.

(d) Projected interest:

Based on the current average interest rate, South Brunswick Township anticipates collecting \$1,175,000 in interest through 2018.



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Source of Funds – Housing Trust Fund 2008 through 2018 (Thousands)

Source of Funds	7/18/08 through 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Development fees: Approved/Pending/ Projected Development	\$1,896	\$2,714	\$4,404	\$4,404	\$605	\$587	\$587	\$587	\$587	\$587	\$587	\$17,545
Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds (Specify source(s))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$175	\$190	\$170	\$150	\$130	\$110	\$90	\$70	\$50	\$30	\$10	\$1,175
Total	\$2,071	\$2,904	\$4,210	\$4,749	\$735	\$697	\$677	\$657	\$637	\$617	\$597	\$18,720



South Brunswick Township projects a total of \$18,720,000 in revenue to be collected between July 18, 2008 and December 31, 2018. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

Administrative Mechanism to Collect and Distribute Funds

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by South Brunswick Township:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with South Brunswick Township's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The Planning Board adopts and forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body resolution in accordance with the COAH-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

Description of Anticipated Use of Affordable Housing Funds

(a) Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)

South Brunswick Township will dedicate all of its projected (over \$27 million) and collected development fees to rehabilitation, municipally sponsored new construction, and market to affordable programs (see detailed descriptions in Fair Share Plan) as follows:

Rehabilitation program: 36 Units at \$10,000 = \$360,000



Municipally-Sponsored New construction project(s):

1. Stover (184 Units): \$4.6 million (if shortfall from full anticipated outside funding sources)
2. Menowitz (60 Units): \$1.5 million (if shortfall from full anticipated outside funding sources)
3. Future 100% Family Rentals (176 Units): \$12,320,000 (if shortfall from full anticipated outside funding sources)

Special Needs Housing:

1. Dungarvin (18 bedrooms): \$630,000
2. Proposed Future Group Homes (30 bedrooms) \$750,000

Market to Affordable Program: (146 Units) \$10,220,000 (if shortfall from full anticipated outside funding sources)

(b) Affordability Assistance (N.J.A.C. 5:97-8.8)

Per COAH's current rules, South Brunswick Township is required to spend a minimum of 30 percent of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30 percent of the regional median income). The actual affordability assistance minimums are calculated on an ongoing basis in the CTM system based on actual revenues.



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COAH projected affordability assistance requirement

Actual development fees through 7/17/2008		\$10,921,255
Actual interest earned through 7/17/2008	+	\$1,934,403
Development fees projected* 2008-2018	+	\$17,545,000
Interest projected* 2008-2018	+	\$1,175,000
Less housing activity expenditures through 6/2/2008	-	\$3,486,975
<i>Total</i>	=	\$28,088,683
30 percent requirement	x 0.30 =	\$8,426,605
Less Affordability assistance expenditures through 12/31/2004	-	\$12,223
<i>PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2005 through 12/31/2018</i>	=	\$8,414,382
<i>PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2005 through 12/31/2018</i>	÷ 3 =	\$2,804,794

* Note: The 2008 portion of this projection reflects 2008 subsequent to July 17 as the remainder of 2008 is included in the actual figure reported above.

If sufficient funds remain after funding its affordable housing compliance mechanisms, South Brunswick Township may dedicate \$8,414,382 from the affordable housing trust fund to render units more affordable, including \$2,804,794 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

- Down-payment assistance;
- Rental assistance;
- Security deposit assistance
- Low interest loans
- Assistance with homeowners association or condominium fees and special assessments; and/or
- Converting low-income units to very-low-income units, etc.



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- (c) Administrative Expenses (N.J.A.C. 5:97-8.9)
 South Brunswick Township may use affordable housing trust fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.

Projected Administrative Expenses

Actual development fees through 7/17/2008		\$10,921,255
Actual interest earned through 7/17/2008	+	\$1,934,403
Development fees projected* 2008-2018	+	\$17,545,000
Interest projected* 2008-2018	+	\$1,175,000
Less housing activity expenditures through 6/2/2008	-	\$3,486,975
Total	=	\$28,088,683
20 percent maximum permitted administrative expenses	x 0.20 =	\$5,617,737
Less administrative expenditures through 12/31/2004	-	\$826,177
Projected allowed administrative expenditures	=	\$4,791,560

* - Note: The 2008 portion of this projection reflects 2008 after July 17 as the first portion of 2008 is included in the actual figure reported above.

South Brunswick Township projects that \$4,791,560 may be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Township Attorney, Engineer, and Planner fees related to obtaining substantive certification and implementing plan;
- Rehabilitation administration fees
- Administration fees related to the Market to Affordable program
- Administration fees related to the Municipally-Sponsored New Construction Programs



Expenditure Schedule

South Brunswick Township intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.



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Past and Projected Expenditure Schedule 2005 Through 2018

Program	Number of Units Projected	Funds Expended and/or Dedicated (thousands)												
		2005 through 7/18/08	7/18/08 through 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Rehabilitation Program	36	\$0	\$0	\$0	\$60	\$60	\$60	\$60	\$60	\$60	\$0	\$0	\$0	\$360
New Construction	420	\$2,920	\$0	\$0	\$0	\$2,300	\$0	\$0	\$6,160	\$2,300	\$6,160	\$1,500	\$0	\$21,340
Market to Affordable	146	\$0	\$0	\$2,030	\$2,030	\$2,030	\$2,030	\$2,100	\$0	\$0	\$0	\$0	\$0	\$10,220
Special Needs Housing	48	\$0	\$0	\$210	\$210	\$210	\$150	\$150	\$150	\$150	\$150	\$0	\$0	\$1,380
<i>Total Programs</i>	650	\$2,920	\$0	\$2,240	\$2,300	\$4,600	\$2,240	\$2,310	\$6,370	\$2,510	\$6,310	\$1,500	\$0	\$33,300
Affordability Assistance		\$40	\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration		\$422	\$50	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$1,222
<i>Total</i>	650	\$3,382	\$55	\$2,315	\$2,375	\$4,675	\$2,315	\$2,385	\$6,445	\$2,585	\$6,385	\$1,575	\$75	\$34,567



Excess or Shortfall of Funds

Pursuant to the Housing Element and Fair Share Plan, the governing body of South Brunswick Township has adopted a resolution agreeing to fund any shortfall of funds required for implementing the rehabilitation or any of the new construction, special needs, or market to affordable programs. In the event that a shortfall of anticipated revenues occurs, South Brunswick Township will bond to satisfy the gap in funding. A copy of the adopted resolution is attached.

Barrier Free Escrow

Collection and distribution of barrier free funds shall be consistent with South Brunswick Township's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

Summary

South Brunswick Township intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated December 2008.

South Brunswick Township has a balance of \$8,328,126 as of July 17, 2008 and anticipates an additional \$18,720,000 in revenues before the expiration of substantive certification for a total of \$27,048,126. The municipality will dedicate all of its collected revenue to support affordable housing programs and will also seek outside funding sources for all of the programs. Although the Township's affordable housing plan may cost over \$31 million for rehabilitation, municipally sponsored new construction, special needs housing, and market to affordable programs, the vast majority of this cost is anticipated to come from projected development fees and outside funding sources such as the states new funding program – the New Jersey Affordable Housing Trust Fund, Low Income Housing Tax Credits, DCA Balanced Housing funds, Middlesex County HOME funds, Federal Home Loan Bank funds, etc. Funds may be dedicated to render units more affordable, and may be dedicated to administrative costs. Any shortfall of funds may be offset by bonding.



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Spending Plan Summary

Revenues	
Balance as of July 17, 2008	\$8,328,126
Projected Revenue from July 18, 2008 through 2018	
1. Development fees	+ \$17,545,000
2. Payments in lieu of construction	+ \$0
3. Other funds	+ \$0
Interest	+ \$1,175,000
<i>Total Projected Revenue</i>	= \$27,048,126
Expenditures	
Funds used for Rehabilitation	- \$360,000
Funds used for New Construction	
1. Municipally Sponsored New Construction	- \$18,420,000
2. Special Needs Group Housing	- \$1,380,000
3. Market to Affordable Program	- \$10,220,000
Affordability Assistance	- if remaining balance
Administration	- \$800,000
Excess Funds for Additional Housing Activity	= \$0
1. Rehabilitation, if applicable	- \$
<i>Total Projected Expenditures</i>	= \$31,180,000
POTENTIAL SHORTFALL	= - \$4,131,874